



Transit & Intercity Rail Capital Program

GENERAL FUND AUGMENTATION

Cycle 6 (FY 2022-23) Grant Application



Metro

Item #49

Full Board Meeting

December 2, 2022

Item #49: TIRCP Cycle 6 Recommendation

Receive and File report on Metro's Transit & Intercity Rail Capital Program (TIRCP) Cycle 6 prioritized Program of Projects for California State Transportation Agency (CalSTA) consideration.

Metro's programmatic application seeking a total of \$1,898 M will rank its included projects as follows:

1. **East San Fernando Valley (ESFV) Light Rail Transit (LRT): IOS**
2. **Metro L (Gold) Line Foothill Extension LRT: Pomona to Montclair**
3. **West Santa Ana Branch (WSAB) Transit Corridor: LPA**

Approve the CEO sending a letter of support for the prioritized projects signed by all Board members.

AB 180/SB 198: An Unprecedented TIRCP Funding Opportunity

Combined, **AB 180** (\$1.83 B) and **SB 198** (\$1.0 B) provide up to **\$2.83 B** in funding programs available for Metro to pursue for our priority projects.

AB 180 provides **\$1.83 B** for Southern California for three programs:

- Existing TIRCP Projects
- New TIRCP Projects
- Major Projects – Project Development Reserve (SoCal awards)

AB 180 provides a **minimum of \$900 M** from the \$1.83 B identified for Southern California to fund an FY 23 set-aside competition for Existing TIRCP Projects (Cycle 6)

- CalSTA's published Cycle 6 (SoCal) target range is between \$900 M and \$1.35 B.
- CalSTA has discretion to allocate more funding from the remainder of AB 180 Southern California funds to Existing TIRCP Projects, up to the total **\$1.83 B*** available for all AB 180 programs, excluding funds for the other two programs.

AB 180/SB 198: An Unprecedented TIRCP Funding Opportunity

SB 198 expresses legislative intent to provide counties across the state with new formula funds (by pop.) in FY 2024 and FY 2025 to augment AB 180 funds.

- Metro stands to receive **\$1 B** in SB 198 funds if secured by the legislature.
- CalSTA allows Metro to indicate the role SB 198 funds could play in supporting cashflow assumptions for the overall Cycle 6 programmatic application.

AB 180 + SB 198 combined offer (potentially) **up to \$2.83 B** for Metro projects in TIRCP Cycle 6 for Existing TIRCP Projects, if CalSTA decides not to fund projects in the “New TIRCP Projects” & “Major Projects – Project Development Reserve” programs.

The total amount reasonable to expect CalSTA to award Metro in Cycle 6 for Existing TIRCP Projects will be **significantly less than \$2.83 B** due to competition for AB 180 funds with other Southern California agencies and CalSTA’s desire to fund projects in these other two AB 180 programs.

TIRCP Cycle 6: Purpose of the “Existing TIRCP Projects” competition

TIRCP Cycle 6 is an unprecedented program – first time CalSTA is providing supplemental TIRCP funding for projects previously awarded a grant (Cycles 1 through 4).

Purpose: (a) **maintain** or (b) **leverage** an identified source of significant federal or local funds.

- **“Maintaining” funding:**
 - Projects that are under construction and will lose access to committed federal funds unless additional non-federal funds are identified.
 - Also includes retaining access to local funds committed to a portion of the project not yet fully funded.
- **“Leveraging” funding:**
 - Projects that need additional state funds to receive (leverage) a **future** federal or local funding commitment.

N.B.: AB 180 General Fund dollars must be fully encumbered & liquidated by June 30, 2027. Supplemental SB 198 funds do not have the same liquidation deadline.

TIRCP Cycle 6 Guidelines: Key Evaluation Considerations

- Construction readiness is vital. CalSTA will rate most highly projects that are environmentally approved and will demonstrate a high degree of project readiness with few risks related to proceeding into construction and operating services that achieve the proposed benefits once the project is completed.
- Applicants for “Existing TIRCP Projects” must be the same as those that submitted the original TIRCP application.
- Applicants submitting multiple applications or a program of projects for the “Existing TIRCP Projects” category must prioritize their projects.
- TIRCP funds cannot be used to supplant other committed funds.
- Applicants are encouraged to identify the role potential FY 2023-24/2024-25 funding (SB 198) could play to address a portion of funding request.

Review of Metro's 11 Potential "Existing TIRCP Projects"

Staff reviewed the guidelines for eligibility/competitiveness criteria and determined that the following eight (8) projects would be either ineligible or non-competitive due to a lack of sufficient construction readiness.

Projects already completed: (1)

- Willowbrook/Rosa Parks Station & Blue Line Light Rail Op. Improvements

Projects already under construction: (2)

- Airport Metro Connector 96th Street Station/Metro Green Line Ext. to LAX
- Metro Red & Purple Line Core Capacity Improvements

Projects awarded Cycle 5 funds: (1)

- NextGen and Zero Emission Bus Implementation Project

Projects without significant federal / local funds to maintain / leverage: (1)

- Metrolink AVL Capital and Service Improvements Project

Projects not sufficiently construction ready: (3)

- Green Line Light Rail Extension to Torrance
- Orange/Red Line to Gold Line BRT Connector
- Vermont Transit Corridor

Prioritized Program of Projects for TIRCP Cycle 6

Based on staff review of project eligibility, committed federal/local funding at risk, timing of risk and cashflow needs, construction readiness, and equity considerations, Metro intends to submit the following prioritized Program of Projects for the TIRCP Cycle 6 – “Existing TIRCP Projects” Southern California competition:

1. East San Fernando Valley (ESFV) LRT: Initial Operating Segment
Federal Funding at risk: \$908.8 million
Total amount to be requested: \$600 million
2. Metro L (Gold) Line Foothill Extension LRT: Pomona to Montclair
Local Funding at risk: \$39.0 million
Total amount to be requested: \$798 million
3. West Santa Ana Branch (WSAB) Transit Corridor: LPA
Federal Funding to be leveraged: FTA CIG
Total amount to be requested: \$500 million

Total Metro TIRCP Cycle 6 funding request: \$1,898 M

Proposed Combined Cash Flow for Cycle 6 (AB 180 + SB 198)

The Proposed Cash Flow assumes a combination of \$1, 898 M in AB 180 funds for Southern California and SB 198 funds (yet to be secured) for LA County (Metro)

Priority Rank	Project	FY 24	FY 25	FY 26	FY 27	Total
#1	ESFV	223.5	226.5	122.8	27.2	600.0
#2	Gold Line Foothill Extension	--	248.0	300.0	250.0	798.0
#3	WSAB	--	--	200.0	300.0	500.0
TOTAL		323.5	254.5	472.8	827.2	1,898.0

Next Steps: Process

TIRCP Cycle 6 – Existing TIRCP Projects

2022-23

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|---|-------------|
| • Applicant Submittal of Preliminary Information to CalSTA: | December 6 |
| • CalSTA Transmittal of Follow-Up Questions to Applicants: | December 20 |
| • Applicant Submittal of Answers to CalSTA Questions: | January 13 |
| • CalSTA Anticipated Announcement of Awards: | January 31 |

Additional AB 180 Programs

Staff will identify potential projects for these upcoming programs and report back to the Board in January 2023.

- ✓ New TIRCP Projects – maximum of \$900 M for SoCal, contingent upon Cycle 6 outcome
- ✓ Major Projects – Project Development Reserve
- ✓ High Priority Grade Crossing Improvement & Separation Projects
 - Project Applications Due: February 10
 - CalSTA Anticipated Announcement of Awards: April 24

Next Steps: Legislative Program

- (1) **Advocacy:** LA County must aggressively seek the maximum funding for our entire package of projects.
- (1) **Legislation:** Engage the LA County Legislative Delegation to actively support the necessary budget actions to allocate the future FY 2024 and FY 2025 SB 198 surplus funds.
- (2) **Future Opportunities:** Review current and support the creation of new opportunities to secure additional funding for the WSAB project when the project is environmentally cleared and construction ready through various State programs and funding streams to leverage existing Measure M and future federal USDOT Capital Investment Grant (CIG) funds.