



Board Report

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**AD HOC CONGESTION REDUCTION COMMITTEE
JANUARY 20, 2016**

SUBJECT: METRO EXPRESSLANES ROUND 2 NET TOLL REVENUE GRANT APPLICATION PACKAGE

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

APPROVE the **Metro ExpressLanes Round 2 Net Toll Revenue Grant Applications** (Attachments B and C).

ISSUE

State law requires the net toll revenues generated from the Metro ExpressLanes be invested in the corridor from which they were derived, pursuant to an approved expenditure plan. In October 2015 the Board approved the guidelines (Attachment D) for allocation of net toll revenue. As part of this allocation, funding was approved for a grant program which includes three (3) transportation funding categories - Transit Uses; System Connectivity/Active Transportation; and Roadway Improvements. The application package requires Board approval prior to solicitation of grant proposals from local agencies.

DISCUSSION

The generation of net toll revenues from the ExpressLanes offers a unique opportunity to advance the Long Range Transportation Plan (LRTP) and Los Angeles County Metropolitan Transportation Authority's (Metro) goals for a more sustainable multi-modal countywide transportation system. To further advance these goals, staff initiated and the board approved Round 1 of the Net Toll Revenue Reinvestment Program in 2014.

In October 2015, the Board approved the Round 2 guidelines delineating the method by which Metro will disburse the net toll revenues based on six reinvestment principles. Three of the re-investment principles are direct set-asides (Reserve Fund, Transit Operations, and Caltrans set-aside), which are not part of the Grant Program.

Net of the set-asides, the Grant Program allocates surplus revenues among three funding categories: 1) Transit Uses, 2) System Connectivity/Active Transportation, and 3) Roadway Improvements, which are the subject of the Grant Application Package.

The objective of the Grant Program is to increase mobility through a series of integrated strategies (transit operations, transportation demand management, transportation systems management, active transportation, and capital investments) on the I-10 and I-110 corridors. These combined strategies often result in more reliable and stable outcomes and provide a greater magnitude of positive change than a single strategy scenario. As part of the 2014 Round 1 Grant program, staff received 35 applications totaling \$123,405,007 in funding requests of which 22 projects totaling \$20,729,452 were funded.

Round 2 of the Grant program is slated to distribute between \$20 and \$24 million in funding to the three identified funding categories. Consistent with the Round 1 process, on December 14, 2015, staff convened a Corridor Advisory Group (CAG) Summit which included representatives from both the I-10 and I-110 corridors to present eligibility guidelines, new application requirements, and seek stakeholder input. As Attachment E illustrates, the meeting was attended by a myriad of agencies representing public and non-profit interests in transit, highways, active transportation, and public health. Following discussion and exchange, the participants concurred with the proposed guidelines changes.

Eligible Applicants

Eligible applicants include public agencies that provide transportation facilities or services within Los Angeles County. These include cities, transit operators, the County of Los Angeles, and Los Angeles County Metropolitan Transportation Authority. Transportation-related public joint powers authorities and non-profit agencies must partner with a public agency serving as lead to be eligible.

Non-profit Agencies

Based on Board direction provided in October 2015 and Metro ExpressLanes staff's experience with the non-profit community whose role has been vital in making Los Angeles County more sustainable, staff is encouraging, whenever possible, for eligible applicants to partner with non-profit organizations. The experience, programs, networks, and commitment of the region's non-profit agencies provide a foundation for increased public and direct community engagement resulting in positive behavior change.

The Round 2 scoring criteria furthers this objective in the following manner:

Transit Uses and Roadway Improvements - In the Innovative Transportation Technology, Practices, and Strategies criterion, five (5) out of the 15 points will be given to those applicants that partner with a non-profit agency.

System Connectivity/Active Transportation - For applications in this category, staff has identified 10 out of 100 points for partnership with Non-Profit agencies.

Eligible Projects/Programs

To be eligible for funds, the project, program, or enhanced transit service must operate along or within three miles of either the I-10 Corridor (between Alameda Street to the west and the El Monte Transit Center to the east) or I-110 corridor (defined as Adams Boulevard to the north and the Harbor Gateway Transit Center to the south). A project/program beyond the 3-mile radius will also be eligible if it can be determined that it is regionally significant and demonstrates direct benefit to the I-10 or I-110 corridors. Regional significance is defined as those projects/programs that are multi-jurisdictional, and/or are included in, or consistent with, the Metro LRTP, Metro Countywide Sustainability Policy and Implementation Plan, or other relevant sub-regional plan.

New Program Requirements

- Two versions of the application will be available. The first version will be for Transit Use and Roadway Improvements, the other for System Connectivity/Active Transportation. Project sponsors should submit an application in which the project would score the highest possible points under the evaluation criteria.
- Project sponsors must execute their funding agreement within six (6) months of receipt of the agreement from Metro and begin expenditure of funds within one (1) year of executing the agreement to avoid potential lapsing of funds.
- Encouraging, wherever possible, for eligible applicants to partner with a non-profit organization to deliver projects/programs.
- All project applicants must collect before and after data. (i.e., pedestrian and bicycle counts, transit ridership, vehicle throughput, speed, and volumes). The cost of this task may be included in the project budget.
- Applications submitted for planning/feasibility studies or outreach will not be accepted unless these components are part of a larger capital/infrastructure project/program within the corridor.
- All approved projects will adhere to Metro's Living Wage policy and be required to ensure that any new jobs created will be located within the region. Any projects that result in job creation outside of the Los Angeles County region will not be eligible.

Evaluation Criteria

To be recommended for funding, projects/programs must provide a direct mobility benefit within the Metro ExpressLanes corridors. Projects/programs will be evaluated based on the following criteria with a possibility of attaining a maximum of 100 points:

Transit Uses and Roadway Improvements:
A. Mobility Benefits (up to 30 points)
B. Innovative Transportation Technology, Practices and Strategies (up to 15 points) * 5 points will be given to those applicants that partner with a non-profit agency
C. Implementation of Regional and Local Sustainability Plans and Policies (up to 15 points)
D. Local Match (up to 10 points)
E. Cost Effectiveness (up to 10 points)
F. Safety (up to 10 points)
G. Project Implementation Readiness (up to 15 points)

System Connectivity/Active Transportation:
A. Mobility Benefits (up to 20 points)
B. Innovative Transportation Technology, Practices and Strategies (up to 15 points)
C. Implementation of Regional and Local Sustainability Plans and Policies (up to 10 points)
D. Local Match (up to 10 points)
E. Cost Effectiveness (up to 10 points)
F. Safety (up to 10 points)
G. Project Implementation Readiness (up to 15 points)
H. Non-Profit Partnership (up to 10 points)

Application Evaluation Process

The application evaluation process is as follows:

Step 1 - Staff will distribute the application package to eligible applicants and convene workshops to review the application package and guidelines with workshop attendees.

Step 2 - Once all applications have been received, projects will undergo a preliminary eligibility review.

Step 3 - All eligible projects will be scored by a technical review team comprised of Metro and members of the I-10 and I-110 Corridor Advisory Group.

Step 4 - Once the projects have been ranked, staff will then review to ensure consistency with funding availability and criteria within the corridor and category.

Step 5 - Recommended projects/programs will be submitted to the Board for consideration and

funding approval.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards.

FINANCIAL IMPACT

The funding for approved projects will be derived from net toll revenues generated. The costs for the grant program are already included in the FY16 budget in Cost Center 2220, Congestion Reduction, in Project 307002 (ExpressLanes I-10) and Project 307001 (ExpressLanes I-110).

ALTERNATIVES CONSIDERED

The Board may decline to approve the recommended actions. This is not recommended as State legislation requires that the net toll revenues be reinvested in the corridor where generated.

NEXT STEPS

Staff will distribute the application package and return to the Board with recommended projects based on the following schedule:

Board Approval of Application Package	January 28, 2016
Distribution of Application Package	February 12, 2016
Applicant Workshop	March 3, 2016 & March 8, 2016
Deadline for Grant Submissions	May 16, 2016
Presentation of Projects to CAGs	June 2016
Recommendation of Expenditure Plan Projects to Metro Board for Approval	July 2016
Allocation of Funds to Grantees	December 2016


ATTACHMENTS

- Attachment A - Project Eligibility Guidelines
- Attachment B - Project Application - Transit Uses and Roadway Improvements
- Attachment C - Project Application - System Connectivity/Active Transportation
- Attachment D - Adopted Guidelines for Net Toll Revenue Allocation

Attachment E - ExpressLanes I-10 and I-110 CAG Summit Attendees

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