

**Board Report**

File #: 2016-0391, **File Type:** Informational Report**Agenda Number:** 39.

**REGULAR BOARD MEETING
MAY 26, 2016****SUBJECT: STATE AND FEDERAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**RECEIVE AND FILE **State and Federal Report.****DISCUSSION**

**Executive Management Committee
Remarks Prepared By Raffi Haig Hamparian
Government Relations Director, Federal Affairs**

Chairman Ridley-Thomas and members of the Executive Management Committee, I am pleased to provide an update on a number of federal affairs of interest to our agency. This report was prepared on May 4, 2016 and will be updated, as appropriate, at the Executive Management Committee meeting.

Federal Grants For Fiscal Year 2016

I am pleased to share with you today that Metro is actively and aggressively pursuing a number of grants authorized by the FAST Act and/or backed by the Federal Fiscal Year 2016 transportation appropriations bill adopted by the U.S. Congress late last year. Specifically, Metro has submitted applications for the FASTLANE Grant program and TIGER Grant program to the U.S. Department of Transportation for their consideration. Project submitted by our agency for these grants were outlined in a Board Box issued by our Chief Executive Officer last month. Metro's Government Relations team is actively seeking Congressional support for our grant applications.

I am also pleased to share that last month the U.S. Department of Transportation announced that Metro was awarded over \$8 million dollars in federal grant funding under two separate grant programs. Specifically, in partnership with Southern California Association of Governments (SCAG), Metro will receive \$4.2 million to be used towards the purchase of five electric zero-emission buses as well as eight charging stations. The electric bus infrastructure will serve the Metro Orange Line bus rapid transit corridor and the funding was made available through the Federal Transit Administration's (FTA) Low or No Emissions Deployment Program. In addition, Metro will also receive a \$4 million grant for the City of Avalon to replace its existing 5,000-square-foot ferry terminal, built back in 1968, with a new two-story 10,000-square-foot state-of-the-art Cabrillo Mole terminal on

Catalina Island. This funding was awarded through the Federal Transit Administration's Passenger Ferry Grant Program. We are deeply appreciative to members of our Board of Directors and members of the Los Angeles County Congressional Delegation for strongly supporting these two grant applications that were awarded by the FTA last month.

Federal Appropriations For Fiscal Year 2017

The U.S. Senate Committee on Appropriations unanimously approved the Federal Fiscal Year 2017 Transportation - HUD Appropriations Bill. Included in the bill is funding for Metro's New Starts projects. Specifically, the bill provides \$100 million for the Regional Connector, \$100 million for the Purple Lines Extension Phase 1, and lastly the bill states that \$250 million will be available for California's three New Starts projects that are awaiting Full Funding Grant Agreements. In the U.S. House of Representatives, top-line funding figures have not yet been approved, therefore, the Transportation-HUD Bill has not been advanced through the Appropriations Committee at this time. We will continue to work closely with our Los Angeles County Congressional Delegation as the Federal Fiscal Year 2017 Appropriations process develops.

The Transportation Infrastructure and Innovation Act (TIFIA)

Metro is pleased that a major priority in our Board-approved Federal Legislative program was adopted in the FAST Act with respect to the TIFIA program. Specifically, that the FAST Act now allows for Transit Oriented Development as an eligible expense for TIFIA loans. We are actively exploring how to benefit from this new provision. With respect to TIFIA - we are also working with the U.S. Department of Transportation to conclude a \$307 million TIFIA loan for section 2 of the Westside Purple Line Extension.

Local Hire

In March, the U.S. Department of Transportation issued a federal register notice extending the Local Hire Pilot Program until March 7, 2017. This is a welcome development and I want to thank the Chairman for requesting this extension from Secretary Foxx. Metro staff will continue to work with Congresswoman Karen Bass and U.S. DOT officials to make this program permanent.

Lastly, I want to thank Chairman Ridley-Thomas for his leadership in strongly and effectively advocating for Metro's Board-approved Federal Legislative Agenda while in Washington, DC last month.

I look forward to expanding on this brief report at the Executive Management Committee meeting with any new developments that occur in the days ahead.

This concludes my remarks before the committee. I would welcome the opportunity to answer any questions from you Mr. Chairman or from members of this Committee.

**Executive Management Committee
Remarks Prepared By Michael Turner
DEO, Government Relations, State Affairs**

Chairman Ridley-Thomas and members of the Executive Management Committee, I am pleased to provide an update on a number of state affairs impacting our agency. This report was prepared on May 4, 2016 and will be updated, as appropriate, at the Executive Management Committee meeting.

SB 1472 (Mendoza) Board Restructuring Bill

SB 1472, if adopted into State law, would add two additional seats to our Board of Directors. Language in the bill would require that one new Board seat appointed by the Senate Committee on Rules and the other new Board seat be appointed by the Speaker of the Assembly. The bill also prohibits these two additional appointees from residing in the same city as another member of the authority. Pursuant to our Board-approved 2016 State Legislative Program, staff will work to oppose this legislation, as amended. Staff will continue to monitor the bill as it moves through the policy committees in the State Legislature.

California High Speed Rail Authority Approves the 2016 Business Plan

California High-Speed Rail Authority (Authority) Board of Directors adopted the \$64.2 billion 2016 Business Plan, which lays out a phased approach to building the system that will ultimately connect the San Francisco Bay Area to Los Angeles via the Central Valley with high-speed passenger rail service. The review process for the Draft Plan included two public comment periods, three legislative hearings and more than 300 public comments, the Authority amended the original draft, and the final version includes:

- Early investments in the Burbank to Los Angeles/Anaheim corridor.
- The addition of the Merced Station stop as part of initial high-speed rail service, which will provide a less than one hour ride to San Jose.
- Improved connections to Amtrak via a connecting station in Madera.
- Expanded rail modernization efforts in both Southern and Northern California, where high-speed rail will link to improved service provided by intercity, commuter and urban rail agencies.

The High Speed Rail authority believes this final plan establishes a clear path for building a useable system while making concurrent investments in Southern California, specifically in the Burbank, Los Angeles and Anaheim passenger rail corridor. The State Legislature will hold hearings in the near future to consider the final adopted High Speed Rail Business Plan and project budget.

Key State Budget Issues

Additionally key budget issues will soon be in development and under review. There have been a number of bills relating to Cap and Trade Programs these bills are expected to work their way through the policy committee process and will be merged during the budget negotiations. It also appears that the High Speed Rail project and its funding will be under review and continued discussion.

Governor's Transportation Funding Package - The Governor's Transportation Funding Package is a \$36 billion proposal that includes Caltrans reforms, increased gas and diesel taxes aimed at highway and bridge repair, increased funding for local streets and roads, additional funding for transit,

rail and trade corridors. It is expected that this item will be held in committee pending further discussions in the budget process.

University of California Institute for Transportation Studies (ITS) Funding - The ITS under the UC system provides regional transportation data analysis. The UC system is requesting an increase in funding from the state's Public Transportation Account which will allow for more campuses, including UCLA, to perform this function. The Budget Subcommittee is expected to consider adopting an additional \$3 million in funding for ITS in 2016-17. Metro supports the increase in funding for ITS. This request is being supported by a number of Metropolitan Planning Organizations and the California Transit Association. The UC system has asked for Metro's support and we will be supporting this item in committee tomorrow.

State Transit Assistance (STA) Program Allocations - The State Controller's Office (SCO) recently amended the STA allocations in the State. This has caused concern in a number of regions. The budget committee is considering a recommendation to enact a provision that would freeze the allocations at the level of the previous fiscal year. This will allow transit agencies to pursue a process to address the way in which the SCO apportions these funds.

Alternative Fuel Vehicle Access in HOV Lanes - The Governor has recommended trailer bill language that would extend the white sticker program to 2025, extend the green sticker program to 2019 and remove the cap on the issuance of the stickers. The budget committee is recommending that both sticker programs be extended until 2019 and that Caltrans be asked to submit a report on the impact to HOV lanes.

Freeway Service Patrol Funding - The FSP program's annual budget and funding allocation formula do not address the funding requirements of the larger urban counties where the congestion mitigation efforts are needed. Legislation established a fixed annual funding budget and a formula to allocate State Highway Account funds to participating agencies. The funding level has not been increased since 2006. Staff is working to address concerns related to the growing costs to operate the program.

I look forward to expanding on this brief report at the Executive Management Committee meeting with any new developments that occur in the days ahead.

ATTACHMENTS

Attachment A - May 2016 - Legislative Matrix

Prepared by: Michael Turner, DEO, Government Relations, (213) 922-2122
Raffi Hamparian, Director, Government Relations, (213) 922-3769

Reviewed by: Pauletta Tonilas, Chief Communications Officer, (213) 922-3777



Phillip A. Washington
Chief Executive Officer