



Board Report

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**PLANNING AND PROGRAMMING COMMITTEE
SEPTEMBER 16, 2015**

SUBJECT: 2015 CALL FOR PROJECTS

ACTION: APPROVE 2015 COUNTYWIDE CALL FOR PROJECTS

RECOMMENDATION

APPROVING the following actions for **2015 Countywide Call for Projects (Call)**, as further described in this report and attachments:

- A. the recommendations in Attachment A responding to the Technical Advisory Committee (TAC) motions regarding the 2015 Call and additional funding recommendations;
- B. program \$201.9 million in seven modal categories from the fund sources shown in Attachment B. This amount also programs a limited amount of funds from the 2015 Call for Projects Deobligation (\$2.5 million) and the 2015 Call TAC reserve;
- C. all projects in Attachment C for potential nomination to the California Transportation Commission for 2016 State Transportation Improvement Program funds, as necessary;
- D. amend the recommended 2015 Call Program of Projects into the FY 2015-2016 Los Angeles County Regional Transportation Improvement Program by adopting the resolution in Attachment D which certifies that Los Angeles County has the resources to fund the projects in the FY 2015-2016 Regional TIP and affirms its commitment to implement all of the projects in the program;
- E. administer the 2015 Call as a one-time project-specific grant program with the requirement that project sponsors bear all cost increases; and
- F. authorize the Chief Executive Officer to administratively provide project sponsors with funding in earlier years than shown, if the project sponsor can demonstrate project readiness to proceed, has sufficient local match and such funds are available.

ISSUE

In January 2015, Metro received 178 applications for 2015 Call funding with requests of over \$473 million. Over the past eight months, staff has evaluated the applications, met with TAC and its

Subcommittees, and TAC held project sponsor appeals. Based on the evaluations and TAC's recommendations, staff is recommending funding for 88 projects totaling \$201.9 million. Board approval is necessary to program the funds to these 88 projects.

DISCUSSION

Background

Federal statute (Title 23 U.S.C. 134 (g) & (h)) and State statute (P.U.C. 130303) requires that Metro prepare a Transportation Improvement Program (TIP) for Los Angeles County. The TIP allocates revenues across all surface transportation modes based on the planning requirements of the federal Moving Ahead for Progress in the 21st Century Act (MAP-21).

Metro accomplishes these mandates, in part, by programming transportation revenues through the Call process wherein Los Angeles County local agencies may apply for funding for regionally significant projects. These regionally significant projects are often beyond the fiscal capabilities of local sponsors. The Call process provides an opportunity for these additional projects to be funded to meet the County's transportation needs. The Call implements Metro's multimodal programming responsibilities for Los Angeles County and the Board-adopted 2009 Long Range Transportation Plan (LRTP). The Call process awards funds on a competitive basis for projects that successfully demonstrate their mobility benefits.

Call for Projects Overview

A total of 178 project applications were received in January 2015, and the technical evaluation process began. This evaluation was conducted by internal technical teams who reviewed applications within each of the transportation modal categories using the Board-approved application requirements and evaluation criteria. Evaluation criteria used to select the projects include a "Complete Streets" integrated, multimodal transportation network, consistency with Senate Bill (SB) 375 goals of reducing Vehicle Miles Traveled (VMT) and Greenhouse Gas Emissions (GHGe), and First/Last Mile access to the transit system. After the Board approved the Preliminary Funding Marks and the Fund Estimate in June 2015, a preliminary project recommendations list was developed, posted online, and mailed to project applicants and TAC members in late June/early July 2015.

The Call is nationally recognized as a model for developing a competitive programming process and continually evolves to address new agency initiatives, recently-passed legislation, and Board directives. The 2015 Call is notable for recommending funding for six multijurisdictional projects, helping to implement the Complete Streets Policy for which Metro gained national recognition, and funding Complete Streets elements in all of the recommended Regional Surface Transportation Improvements (RSTI) projects. The 2015 Call is also noteworthy for providing more than 20% of the funding in an earlier timeframe than in prior Calls (the first two years). Lastly, the 2015 Call encouraged ready-to-go projects by awarding up to five overmatch points to applicants who expended funds pre-construction, a new policy from which eight projects recommended for funding were able to benefit.

Metro's TAC and its Subcommittees were consulted at various steps throughout the development

process. In addition to monthly updates before TAC and the Streets & Freeways (S&F) Subcommittee, staff met approximately 10 times with the 2015 Call Working Group, comprised of members of the S&F Subcommittee, Bus Operations Subcommittee (BOS), Transportation Demand Management/ Sustainability (TDM/Sustainability) Subcommittee, and Local Transit Systems Subcommittee (LTSS), to consider potential technical changes for incorporation into the 2015 Call Draft Application Package.

In September 2014, the Board approved the 2015 Call Application Package, which provided instructions to project applicants. Metro hosted a Call Workshop on September 30, 2014 and conducted workshops in the seven subregions which requested them.

Fund Estimate Assumptions

In June 2015, the Board adopted a preliminary fund estimate of \$199.39 million for the five-year Call period as shown in Attachment B. The Board also adopted the preliminary modal category funding marks based on federal, state and local fund forecasts used to develop the 2009 LRTP. Forecasts for the local fund sources are consistent with the 2009 LRTP, Short Range Transportation Plan (SRTP) update and Metro's Debt Policy. Federal funding forecasts are based on historical trends, but are adjusted to reflect federal Highway Trust fund growth rates, changes in future federal reauthorizations, and possible downside risks (e.g., possible reductions in amounts of Congestion Mitigation and Air Quality Improvement [CMAQ] Program funds). State fund forecasts are also based on historical trends, but do not reflect growth due to higher priority needs such as State Highway Safety, Maintenance, and Operating costs. The State's Regional Improvement Program (RIP) funding is subject to the actual 2016 State Transportation Improvement Program (STIP) fund estimate to be adopted by the California Transportation Commission (CTC) in August 2015. The specific funding sources and amounts chosen for the 2015 Call are subject to change based upon the projects finally selected and other factors, including project eligibility and funding availability.

In this fund estimate, staff identified \$75 million in STIP Funds as part of the overall \$199.39 million in 2015 Call funding. Subsequent to the staff report, staff was informed that the CTC is considering adopting a "zero fund estimate" for the 2016 STIP due to the drop in the fuel excise tax. A "zero fund estimate" means that there will be no new funding capacity in the 2016 STIP. As a result, the State Legislature has convened an extraordinary session to deal with this and other transportation funding issues. Due to the uncertainty surrounding the 2016 STIP Fund Estimate, the CTC may defer adopting the Fund Estimate until October 2015. Staff will return to the Board with an update as soon as the CTC has acted.

Technical Advisory Committee (TAC)

A special TAC meeting was held on July 22nd to review the preliminary project scores and funding recommendations, and again on July 28th to hear appeals from 10 agencies on 18 projects. TAC concurred with staff's recommendations to fund an additional \$276,957 to project F9404 (Antelope Valley Transit Authority's Electric Bus Charging Infrastructure Charging Improvements) as well as \$2,208,000 to project F9623 (City of Los Angeles' Beverly Boulevard, Vermont Avenue to Commonwealth Avenue Pedestrian Improvements) from 2015 Call for Projects Deobligation funds.

In addition, TAC concurred with staff's preliminary modal recommendations in the Goods Movement Improvements, Signal Synchronization and Bus Speed Improvements, Transportation Demand Management, and Pedestrian Improvements modes. They recommended funding for one additional project in the Regional Surface Transportation Improvements and Transit Capital modes and two additional projects in the Bicycle Improvements mode. Staff concurred with the TAC recommendations.

Attachment A is a matrix of staff responses to the TAC motions.

Final Recommendations

In formulating our final funding recommendations, TAC motions were reviewed. Attachment C summarizes the program of projects recommended by staff for the 2015 Call for Projects. Attachment D is the Board resolution certifying that Los Angeles County has the resources to fund the projects in the FY 2015-2016 Regional TIP. Attachment E summarizes the specific recommendations and conditions associated with the 2015 Call, while Attachment F provides a description of each project recommended for funding.

DETERMINATION OF SAFETY IMPACT

The 2015 Call will not have any adverse safety impacts on our employees and patrons.

FINANCIAL IMPACT

Adoption of the 2015 Call for Projects would have a \$201.9 million impact on the agency. Call funding is subject to the availability of local, state and federal funding as planned. Should local, state and federal funding be reduced, staff will return to the Board with recommendations on how to fund all of Metro's programs, including the 2015 Call. There is no funding programmed for projects approved through the 2015 Call in the FY 2015-16 Budget. Funding of \$201.9 million for the 2015 Call will be included in FYs 2016-17, 2017-18, 2018-19, 2019-20, and 2020-21 budgets in cost centers 0441 - Subsidies to Others and 0442 - Subsidies to Others. Since this is a multi-year program, the cost center manager, Chief Planning Officer and Executive Director of Program Management will be responsible for budgeting the costs in future years.

Consistent with the Metro Board's approval of the Short Range Transportation Plan (SRTP) in July 2014, funding for the Plan, including the Call for Projects, assumes borrowing consistent with Metro's Debt policies. The funding may consist of bond funds backed by Proposition C. After these bonds are issued, the Debt service is assigned to the appropriate sub-fund within Proposition C.

Impact to Budget

Proposition C 10% and 25% local sales tax funds will be included in the fiscal years' budgets as outlined above. The sources of funds for these activities are: Proposition C 10%, Proposition C 25%, Repayment of Capital Projects Loan Funds, Congestion Mitigation and Air Quality (CMAQ), and RIP STIP. The Proposition C 10% and Proposition C 25% funds are not eligible for Metro bus and rail operating and capital expenditures. Proposition C 10% is eligible for Metrolink operations. The

commitment from Proposition C 10% here is limited to Metrolink station and other Metrolink-related projects. RIP funds cannot be used for transit operating expenses.

CMAQ funds are eligible for operating purposes or transit capital. Los Angeles County must strive to fully obligate its share of CMAQ funding by May 1st of each year, otherwise Metro risks its redirection to other California Regional Transportation Planning Agencies by Caltrans. Staff recommends the use of long-lead-time CMAQ funds as planned to ensure utilizing our federal funds in a manner consistent with the 2009 LRTP and the 2014 SRTP as updated.

In light of new state and federal funding programs such as the Active Transportation Program managed through the Southern California Association of Governments (SCAG) and the CTC and the state Cap and Trade Program, staff recommends that the Call process seek to maximize opportunities to leverage Call funding with other programs given shortfalls such as the 2016 STIP.

ALTERNATIVES CONSIDERED

The Board may suggest alternative projects for funding through the 2015 Call process. Projects added to the recommended list will result in other projects either moving off the funded list or projects receiving reduced levels of funding.

The Board could also choose to defer the 2015 Call. This is not recommended because the 2009 LRTP assumed the Call would continue. In addition, the Call provides funding to local agencies for transportation improvements, allowing local agencies to partner with Metro in improving the transportation system, thereby fulfilling our statutory transportation programming responsibilities.

NEXT STEPS

Upon Board approval of the 2015 Call, the Regional TIP will formally be transmitted to SCAG for processing. Pending the availability of state funds planned from the 2016 STIP, projects identified to receive RIP funding will also be submitted to the CTC for inclusion in the 2016 STIP if possible.

Project sponsors will be notified of the final funding awarded by the Board and the sponsor's local match necessary to proportionally match awarded funds. A Metro-sponsored workshop will be scheduled with successful project sponsors in November 2015 to review and discuss Metro/project sponsor administrative conditions, and federal, state and local programming requirements.

Through the 2015 Call development process, Metro acknowledges the opportunity to use federal and state funds to accelerate the programming of approved projects. Upon Board approval of the 2015 Call, we will notify successful project sponsors of the possibility for advancing federal and state funds to earlier years in the 2015 Call cycle. As part of this notification, instructions will be provided as to the deadline for submitting requests and the criteria we will use to evaluate the submittals. To provide all project sponsors equal access to earlier year funding, all requests will be evaluated concurrently after the submittal deadline. If more requests are received than available funds, project advancement will be based on the project's ranking as determined by its overall evaluation score and the readiness of the project for early delivery.

After Board approval of the Call, the following schedule reflects the next steps.

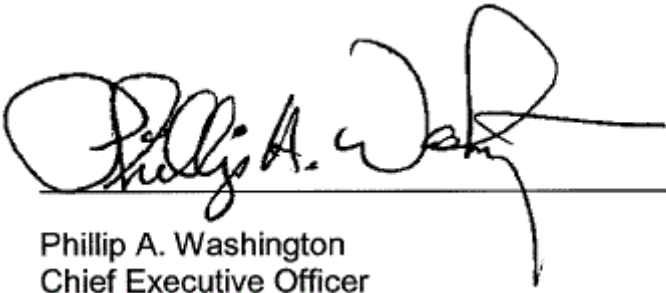
Successful Project Sponsor Workshop	November (TBD)
SCAG Approves Regional TIP	December 2015
Caltrans Approves Regional TIP	Summer 2016
U.S. Department of Transportation Approves Federal TIP	December 2016

ATTACHMENTS

Attachment A - Final Staff Recommendations Resulting from TAC Motions
Attachment B - 2015 Countywide Call for Projects Preliminary Fund Estimate
Attachment C - Metro 2015 Countywide Call for Projects Recommended Program of Projects
Attachment D - 2015 Call for Projects Resolution
Attachment E - Specific Recommendation Information
Attachment F - 2015 TIP Countywide Call for Projects Descriptions of Recommended Projects

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