



Board Report

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**EXECUTIVE MANAGEMENT COMMITTEE
SEPTEMBER 21, 2017**

**SUBJECT: INFRASTRUCTURE FOR REBUILDING AMERICA (INFRA) FEDERAL
COMPETITIVE GRANT PROGRAM**

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE report on the candidate projects to be submitted for the FY 2018 INFRA competitive grant program.

ISSUE

On July 5, 2017 the United States Department of Transportation (USDOT) issued a Notice of Funding Opportunity (NOFO) announcing that the competitive federal freight grant program initiated through the Fixing America's Surface Transportation (FAST) Act - the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) - would be rebranded as the INFRA program. Additionally, USDOT announced that approximately \$700 million available in the FY 17 FASTLANE competition would be rolled over into the FY 18 INFRA cycle to create a one-time \$1.5 billion-plus funding opportunity.

While many program features from FASTLANE were retained in INFRA, the major evaluation criteria were reconstituted to reflect new USDOT priorities for the program. These changes have required staff to employ an Evaluative Criteria Framework-as identified in Attachment A-that would include (1) a re-evaluation of projects previously submitted for FASTLANE and (2) a review of other Measure M Expenditure Plan projects-as provided in Attachment B-to determine if they were now considered eligible and competitive for the new INFRA competition. This process will ultimately lead to applications submitted to USDOT by the November 2, 2017 deadline.

This report serves to provide an update to the Board on the projects that staff will be submitting for the FY 18 INFRA cycle, as well as a review of the Evaluative Criteria Framework used to select candidate projects for this federal grant competition.

DISCUSSION

Since the last INFRA application cycle-then the FY 17 FASTLANE program-was announced, several major funding breakthroughs have occurred that require Metro to develop and implement a comprehensive Evaluative Criteria Framework to guide investment decisions in a transparent, measured manner when submitting applications for state and federal funding programs:

- Los Angeles County voters overwhelmingly passed Measure M, providing Metro the task of implementing a \$120 billion expenditure plan of capital, operating, and maintenance projects over the next 40 years throughout the County. Measure M provides a major opportunity for Metro to leverage local sales tax dollars with state and federal dollars for investment in Los Angeles County's transportation infrastructure.
- The State of California approved Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, which is estimated to provide approximately \$5 billion annually statewide in new and expanded funding programs that will feature a combination of competitive and formula funding opportunities.
- USDOT announced that the FASTLANE program would be rebranded and reconstituted as the INFRA program, carrying forward \$700 million from the FY17 FASTLANE cycle to provide over \$1.5 billion in federal competitive grant funding for the FY18 application cycle. Future years of INFRA are authorized at \$950 million (FY19) and \$1.0 billion (FY20).

As the lead agency, Metro is allowed to submit no more than three distinct applications for the INFRA grant program per funding cycle. Last year during the FY17 FASTLANE application cycle, staff successfully worked with Caltrans District 7 staff to secure one of the State of California's three application slots, putting forth two projects for inclusion in a highway-oriented bundle of projects entitled *America's Global Freight Gateway: Highway Strategy*.

FY18 INFRA Applications

For the FY18 INFRA application cycle, staff plans to submit a total of four projects based upon the results of the Evaluative Criteria Framework. Metro will submit three projects as the lead agency, with an additional project submitted through the State of California as follows:

Metro

- Application #1: I-105 Express Lanes from I-405 to I-605
- Application #2: I-5 North Capacity Enhancements (SR-14 to Lake Hughes)
- Application #3: *America's Global Freight Gateway: Rail Project*
 - Rail capacity projects - Port of Los Angeles
 - Rail capacity projects - Port of Long Beach
 - Rail/Highway grade separation projects - Alameda Corridor-East

State of California

Application (1 of 3 Statewide): *America's Global Freight Gateway: Highway Strategy*

- SR-57/SR-60 Interchange Improvements

FY17 FASTLANE vs. FY18 INFRA Grant Applications

Staff has made two changes in the projects planned for grant applications under the FY18 INFRA program compared to FY17 FASTLANE program as a result of the new criteria posed by INFRA and using the Evaluative Criteria Framework. These changes include:

- Removing SR-71 Gap from I-10 to Rio Rancho Road from the State of California *America's Global Freight Gateway: Highway Strategy* application to increase application's overall competitiveness. This project will be deferred to the SB 1 application process.
- Selecting the I-105 Express Lanes (from I-405 to I-605) project as a third application for Metro to submit alongside the same two applications submitted last year based upon the new INFRA criteria that emphasizes managed lanes.

I-710 South Corridor Project (Phase I)/Early Action Projects

Given the significant importance of the I-710 South corridor to regional and national freight movement to and from the Ports of Los Angeles and Long Beach, staff made every effort to develop a competitive INFRA grant application for the Early Action Projects portion of this project. This project will not be ready for inclusion in the FY 18 INFRA cycle as it still requires more community input and more project definition at this time. Staff will work with project stakeholders to develop a competitive application for the SB 1 grant application process.

FINANCIAL IMPACT

Staff is currently working to refine individual project scopes, costs, schedules, and funding plans with partner agencies. This work is focused on increasing the competitiveness of projects while ensuring the consistency with project specific schedules for Measure M funding availability as well as the scalability of project scope to address lower funding awards than requests. As many of the INFRA candidate projects are also anticipated as candidates for SB 1 funding, staff is developing funding strategies that maximize the leveraging of both state and federal discretionary funds with Measure M and other Metro-controlled revenues. This work includes coordination with Caltrans, the California State Transportation Agency, and the California Transportation Commission on how to appropriately incorporate assumptions of state funding in the INFRA grant applications. Financial impacts of actual awards of INFRA funds will be reported to the Board following notification by USDOT.

NEXT STEPS

Staff will continue to develop the INFRA applications identified in this report to ensure submission of all applications by the November 2, 2017 deadline.

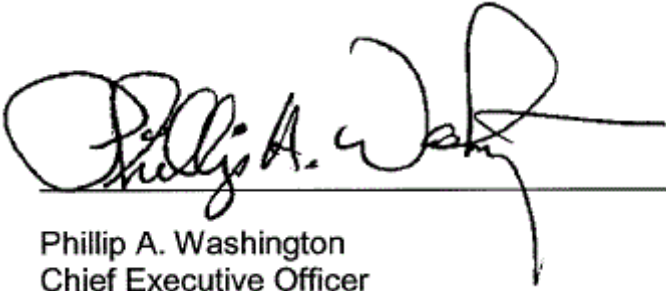
ATTACHMENTS

Attachment A - Use of the Evaluative Criteria Framework to Guide INFRA Project Candidate Selection

Attachment B - Measure M Expenditure Plan Evaluation Methodology

Prepared by: Michael Cano, DEO, Countywide Planning & Development, (213) 418-3010
Wil Ridder, Interim SEO, Countywide Planning & Development, (213) 922-2887

Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington
Chief Executive Officer