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**PLANNING & PROGRAMMING COMMITTEE
MARCH 16, 2011**

SUBJECT: 2011 CALL FOR PROJECTS

**ACTION: APPROVE PRELIMINARY FUNDING MARKS/FUND ESTIMATE AND
PROCESS FOR FINAL BOARD ACTION ON CALL**

RECOMMENDATION

Approve the following actions for the 2011 Countywide Call for Projects:

- A. Preliminary Transportation Modal Category Funding Marks and Preliminary Fund Estimate of \$102 million;
- B. Reprogramming \$5 million from the 2010 Countywide Call for Projects Recertifications and Deobligations and any funds deobligated during the 2011 Countywide Call for Projects Recertifications and Deobligations process to the 2011 Call for Projects;
- C. Assigning first priority for 2010 and 2011 deobligated funds from the Signal Synchronization and Bus Speed Improvements modal category to the County of Los Angeles projects for Gateway Cities (# F1312) and San Gabriel Valley (# F1321), and the North County ITS project (# F1300); and
- D. Process for Final Action on the 2011 Call for Projects.

ISSUE

To allocate transportation funds now available for regionally significant projects that public agencies may implement, we initiated the 2011 Call for Projects. To proceed with project funding recommendations, we are recommending that the Board approve the preliminary transportation modal category marks and the preliminary fund estimate shown in Attachments A and B, respectively.

We are also recommending that the Board increase the funding mark for the Bicycle Improvements category to 15 percent, approve the reprogramming of funds from the 2010 and 2011 Countywide Call for Projects Recertifications and Deobligations to the 2011 Call for Projects (except for the Signal Synchronization and Bus Speed Improvements modal category where deobligated funds from 2010 and 2011 would be prioritized to fund the two Los Angeles County Traffic Forum and North County ITS

projects), and approve the process leading to adoption of recommendations for the 2011 Call for Projects. These recommendations are in response to the Board motions approved in September 2009 and September 2010.

POLICY IMPLICATIONS

The preliminary modal category funding marks (Attachment A) are based on the regional program direction provided in the adopted 2009 Long Range Transportation Plan (LRTP). The fund estimate of \$102 million (Attachment B) is based on the March 2010 funding availability and priorities as adopted by the Board. The regional significance and demonstrated mobility benefit of the specific projects that eligible sponsors have proposed will be used to select the projects to be funded. The preliminary fund estimate is based on federal, state, and local funds forecasts used in the adopted 2009 LRTP (as updated in March 2010) plus the funds from deobligated projects.

OPTIONS

The Board could adjust the preliminary fund estimate or the preliminary modal category funding marks, or defer the 2011 Call for Projects entirely. Adjusting the funding marks is not recommended because they are consistent with the adopted 2009 LRTP and Board direction. Deferring the 2011 Call for Projects also is not recommended because funds are expected to be available and some allocation process is necessary, so that we may fulfill our statutory transportation programming responsibilities. For example, we would not be positioned to submit the statutorily required 2012 Regional Transportation Improvement Program (TIP) for Los Angeles County to the Southern California Association of Governments (SCAG) and the California Transportation Commission (CTC) by the required December 2011 deadline. Los Angeles County's State TIP funding priorities will be set for the six-year period ending in FY 2016-17 and the Call for Projects is our established process for that purpose.

FINANCIAL IMPACT

We will include Propositions C 10% and 25% local sales tax funds for the first fiscal year of the 2011 Call for Projects in the fiscal year (FY) 2014-15 Budget under cost center 0441 - Subsidies to Others. We also will include future-year funding in subsequent annual budgets.

Impact on Bus and Rail Operating and Capital Budget

The sources of funds for these activities are from Proposition C 10%, Proposition C 25%, Congestion Mitigation and Air Quality (CMAQ), Regional Improvement Program (RIP), Regional Surface Transportation Program (RSTP) and State Transportation

Improvement Program – Transportation Enhancements (STIP-TE). The Proposition C 10%, Proposition C 25% and STIP-TE funds are not eligible for Metro bus and rail operating and capital expenditures.

While the source of CMAQ funds is eligible for operating purposes or transit capital, there are no additional operating expenses eligible under CMAQ funding. However, CMAQ funds could be used for transit capital purposes. Los Angeles County must strive to fully obligate its share of CMAQ funding by May 1st of each year, otherwise we risk its redirection to other California Regional Transportation Planning Agencies by Caltrans. We recommend the use of long-lead-time CMAQ funds as planned to ensure utilizing our federal funds.

RSTP funds in this action could be used for our transit capital needs. Also, while these funds cannot be used directly for our bus or rail operating needs, they could free-up other such operating eligible funds by exchanging the funds used for our paratransit provider, Access Services Incorporated. Since these RSTP funds originate in the Highway portion (Title 23) of Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU), they are among the most flexible funds available to us. We do not recommend this action.

BACKGROUND

Federal statute (Title 23 U.S.C. 134 (g) & (h)) and state statute (P.U.C. 130303) require us to prepare a TIP for Los Angeles County. The TIP allocates revenues across all surface transportation modes based on the planning requirements of the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

We accomplish these mandates, in part, by programming transportation revenues through the Call for Projects process wherein Los Angeles County jurisdictions and transit agencies may apply for funding for regionally significant projects. These regionally significant projects are often beyond the fiscal capabilities of local sponsors, and the Call for Projects process allows an opportunity for these projects to be funded to meet the County's transportation needs. The Call for Projects implements our multi-modal programming responsibilities for Los Angeles County and the Board-adopted 2009 LRTP.

Funding Marks

The modal category funding marks are provided as preliminary minimums (percentage for each mode) and are based on the relative modal shares from the Board-adopted 2009 LRTP, combined with the Board-approved motion on September 16, 2010 with regard to increasing the bicycle modal funding percentage from 7 to 15 percent. The Board will need to determine the final funding levels for each category based on the

regional significance and demonstrated mobility benefit of the specific projects that the eligible sponsors propose in the 2011 Call for Projects process.

The preliminary fund estimate is based on the Board-adopted 2009 LRTP assumptions, as updated in March 2010, and includes federal, state, and local funds. Forecasts for the local fund sources in Attachment B are consistent with the LRTP update and our Debt policy. Federal funding forecasts are based on historical trends, but are adjusted to reflect federal Highway Trust Fund growth rates and possible downside risks (e.g., possible reductions in amounts of Congestion Mitigation and Air Quality Improvement [CMAQ] Program funds). State fund forecasts also are based on historical trends, but do not reflect growth due to higher priority needs such as state highway safety, maintenance, and operating costs. The specific funding sources chosen for the 2011 Call for Projects are subject to change based upon the projects finally selected and other factors, including eligibility and availability.

Per the September 2009 Board motion in which the Board directed that a five- to ten-percent reserve be established for meritorious projects that were denied funding, staff has created a ten-percent reserve fund for the 2011 Call for Projects. In accordance with the September 2010 Board motion, staff has shifted a portion of the reserve to increase the bicycle improvements funding mark from \$8 million to \$15 million, leaving a \$2.9 million reserve balance.

Reprogramming of Funding from 2010/2011 Recertifications and Deobligations

With the adoption of the 2009 Call for Projects, the Board also directed that as Call funds become deobligated in the next two years (FY 2009-10 and FY 2010-11), those deobligated funds be applied to the projects in the 2009 Call for Projects which were next in line under the threshold of Approval in that respective category. To address the Board's motion, in the 2010 Call for Projects Recertification/Deobligation process, a total of \$18.06 million, composed of funding from each Call for Projects mode, was recommended for deobligation. The next-in-line project for each respective mode, except for the Signal Synchronization and Bus Speed Improvements mode which did not have any eligible projects below the line, was reviewed to determine if sufficient deobligated funds existed to fund any of those projects and whether the project sponsor(s) were willing to contribute their local match. Of the \$18.06 million, we funded one Regional Surface Transportation Improvements (RSTI) project, two Bikeway Improvements projects, and one Pedestrian Improvements project. The remaining balances were insufficient to fund additional projects and in July 2010 the Board approved placing these funds in reserve for programming within the same modal category in the 2011 Call for Projects. Attachment C shows the Board-approved 2010 Call for Projects Recertification/Deobligation actions.

With regard to the RSTI modal category, the City of Los Angeles submitted a \$489,000 invoice, eligible for re-payment, for the deobligated Sepulveda Boulevard Tunnel under Mulholland Drive (CFP# 8032) after July 2010. As a result, a reserve does not currently exist for this mode from the 2010 deobligation process.

For the Signal Synchronization mode, in March 2010, the Board adopted the LRTP Near-Term Strategies and Priority Setting Criteria. This action resulted in funding for three traffic forum projects—San Gabriel Valley Traffic Signal Corridor (#F1321) and Gateway Cities Traffic Signal Corridor Phase V (#F1312), both sponsored by the County of Los Angeles, and North County Traffic Forum ITS Expansion (#F1300), sponsored by the City of Palmdale—being reduced to a limited amount for project development. In discussions with the two project sponsors and as we reported to the Board in October 2010, these projects may need funding earlier than anticipated to maintain their current project schedules. We are therefore recommending that these projects receive first priority for funds deobligated in the Signal Synchronization and Bus Speed Improvements mode through the 2010 and 2011 Deobligation processes.

Schedule and Process

When the 2009 Call for Projects was adopted in September 2009, the Board directed that any changes to the preliminary funding marks between modes be brought back to the Board for approval prior to the reallocation of funds and awarding of projects and notification to project sponsors for all future Calls for Projects. To address the Board's directive, we recommend the following process:

- Present preliminary staff recommendations to the Board in June 2011. These recommendations will not include the funds set aside in the reserve and will represent a "dotted line" (preliminary recommendation line) which can be adjusted.
- Release preliminary staff recommendations to the public after the Board meeting in late June 2011. These recommendations will incorporate any adjustments directed by the Board and will represent a "dotted line" (preliminary recommendation line) which can be adjusted.
- Our Technical Advisory Committee (TAC) will hold its appeals meetings in early August 2011. TAC will have the opportunity to recommend funding projects with the reserve fund.
- Present TAC recommendations and staff's response to those recommendations to the Board for final 2011 Call for Projects action in September 2011. These recommendations will include all funds identified for the 2011 Call for Projects. Board action will identify the slate of projects and associated dollars to be funded by the 2011 Call for Projects.
- Present the LACMTA Board of Directors with a table that shows the forecasted fund type assignments for each selected project.

NEXT STEPS

With Board adoption of the recommended 2011 Call for Projects transportation modal category funding marks and the preliminary fund estimate, we will notify Los Angeles County applicants accordingly. We will continue to evaluate projects and release

preliminary funding recommendations in June 2011. Applicants will be given an opportunity to appeal their project scores to our Technical Advisory Committee in early August 2011.

The Board will have an opportunity to review and comment on the preliminary funding recommendations as part of the June Planning and Programming Committee meeting. The Board is scheduled to formally adopt the 2011 Countywide Call for Projects at its September meeting.

ATTACHMENTS

- A. 2011 Countywide Call For Projects Preliminary Transportation Modal Category Funding Marks
- B. 2011 Countywide Call For Projects Preliminary Fund Estimate
- C. Excerpt from 2010 Countywide Call for Projects Recertifications and Deobligations for Los Angeles County Board Report (July 2010—Item 11 Attachment D)

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ATTACHMENT A

**2011 Countywide Call for Projects
Preliminary Modal Category Funding Marks ⁽¹⁾
(\$ in thousands)**

Modal Category	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	TOTAL
Regional Surface Transportation Improvements	-	-	-	\$9,108	\$10,680	\$19,788
Goods Movement Improvements	-	-	-	\$7,050	\$10,800	\$17,850
Transit Capital	-	-	\$3,908	\$5,100	\$5,202	\$14,210
Transportation Enhancements	-	-	\$448	\$1,000	\$1,036	\$2,484
Signal Synchronization & Bus Speed Improvements	-	-	-	\$10,500	\$12,042	\$22,542
Bikeway Improvements	-	-	\$314	\$7,450	\$7,850	\$15,614
Pedestrian Improvements	-	-	\$381	\$3,048	\$4,550	\$7,979
Transportation Demand Management	-	-	-	\$1,074	\$2,700	\$3,774
Reserve	-	-	-	\$1,000	\$1,856	\$2,856
TOTAL FUNDING MARK	-	-	\$5,051	\$45,330	\$56,716	\$107,097 ⁽²⁾

- (1) Individual FY total amounts are estimated and are subject to revisions without changing overall programming totals as approved
- (2) Total funding mark includes the preliminary fund estimate of \$102 million plus \$5 million for FY14-15, deobligated from 2010 Countywide Call for Projects Recertifications and Deobligations

ATTACHMENT B

**2011 Countywide Call for Projects
Preliminary Fund Estimate *
(\$ in thousands)**

	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	TOTAL
<i>LOCAL PROPOSITION C:</i>						
Transit-Related Streets/Highway Imprv. (Prop C 25%)	-	-	-	\$9,300	\$18,900	\$28,200
Commuter Rail, Park and Ride (Prop C 10%)	-	-	-	\$7,000	\$7,500	\$14,500
<i>STATE:</i>						
2012 State Transportation Improvement Program (STIP)						
Transportation Enhancement Activities (TEA)	-	-	-	\$13,800	\$14,000	\$27,800
<i>SAFETEA-LU and Beyond:</i>						
Congestion Mitigation Air Quality Prog. (CMAQ)	-	-	-	\$10,000	\$11,500	\$21,500
Regional Surface Transportation Program (RSTP)	-	-	-	\$5,000	\$5,000	\$10,000
TOTAL	-	-	-	\$45,100	\$56,900	\$102,000

* Individual FY total amounts are estimated and are subject to revisions without changing overall programming totals as approved

**2011 Countywide Call for Projects
Excerpt from 2010 Countywide Call for Projects Recertifications and
Deobligations for Los Angeles County Board Report (July 2010—Item 11
Attachment D)**

B. Deobligation

Attachment B shows the **\$18.06 million** of previously approved Countywide Calls for Projects funding that is being recommended for deobligation. This includes approximately **\$12.34 million** in cancelled projects, **\$3.23 million** in project savings, **\$1.72 million** in projects that did not meet the Lapsing Policy, and **.77 million** in project downscope due to the receipt of ARRA funding for a segment of the project.

Per the Board direction in September 2009, funding recommended for deobligation in FY 10 and FY 11 are to be reallocated within the same modal category to projects next in line from the 2009 Call for Projects. Of the \$18.06 million recommended for deobligation, the following represents the modal breakdown: \$1.13 million in Highway mode, \$2.517 million in Regional Surface Transportation Improvements (RSTI), \$2.552 million in Signal Synchronization and Bus Speed Improvement, \$6.292 million in Bikeway Improvements, \$1.208 million in Pedestrian Improvements, \$3.908 million in Transit Capital, and \$0.448 million in Transportation Enhancement Activities (TEA) mode.

Highway Mode

Since the Highway modal category is not part of the Call for Projects, we recommend that the \$1.13 million be used to continue our High Occupancy Vehicle (HOV) and Soundwall Programs.

RSTI

Inglewood Avenue Corridor Widening Project (# F3112) from the City of Lawndale is the next 2009 project for funding. We recommend reprogramming \$2.172 million in Call for Projects dollars (FY 14\$ & FY 15\$) with \$1.443 million (40%) local match commitment from the City. The remaining \$.345 million should be placed in reserve for programming in the next Call for Projects as it is insufficient to fund additional projects.

Signal Synchronization and Bus Speed Improvement

We recommend reserving all deobligated funds in this modal category for the next Call for Projects as all eligible projects were previously funded in 2009.

Bikeway Improvements

We recommend programming \$3,256,633 to the Exposition Bike Path Phase 2 from Venice-Robertson to Centinela (#F3513 & #F3514) in the City of Los Angeles. This project should have received funding as it was above the line, but was omitted from the 2009 Call for Projects funding recommendations. The 2009 LRTP reserved \$10 million

for the Exposition Bike Path project. The City of Los Angeles phased this project into two segments (\$4,415,463 and \$8,841,170, respectively for a total request \$13,256,633), leaving \$3,256,633 unfunded. Secondly, we recommend reprogramming \$2.721 million (FY 14\$ & FY 15\$) to the Burbank Channel Bikeway Regional Gap Closure (#F3509) from the City of Burbank. The City of Burbank is to provide \$.680 million (20%) local match commitment to the project. This project is the second Bikeway Improvement project below the line in the 2009 Call for Projects. The first project, South Gate Shared Use Bike Path (#F3508) from the City of South Gate is ineligible for funding since the City does not have agreement from Union Pacific to construct the bike path on their Right-of-Way. The remaining .314 million should be placed in reserve for programming in the next Call for Projects as it is insufficient to fund additional projects.

Pedestrian Improvements

Our recommendation is to reprogram \$826,560 (FY 15\$) with \$206,640 (20%) local match commitment to Main Street Pedestrian Enhancements Project – 2nd to 4th St (#F3630) from the City of Los Angeles. We also recommend reserving the remaining \$.381 million for the next Call for Projects since this amount is not sufficient to fund the next project in line.

Transit Capital

There are three projects with the same score of 65 below the line and funding requests totaling \$13.96 million (un-escalated). We do not have sufficient funds for all three projects and wish to reserve the \$3.908 million in Transit Capital for the next Call for Projects.

TEA

There are three projects with the same score below the line totaling \$4.64 million. We recommend reserving the \$0.448 million in deobligated funds for the next Call for Projects since there are insufficient dollars to fund all three projects.