



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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**12**

**2<sup>nd</sup> REVISED**  
**PLANNING AND PROGRAMMING COMMITTEE**  
**FEBRUARY 18, 2015**

**SUBJECT: CAP-AND-TRADE PROGRAM**

**ACTION: APPROVE CANDIDATE TRANSIT AND INTERCITY RAIL CAPITAL PROGRAM PROJECTS**

**RECOMMENDATION**

Authorize the Chief Executive Officer to approve the submission of two or more project applications for grant funds from California's Cap-and-Trade Program's Greenhouse Gas Reduction Fund through the Transit and Intercity Rail Capital Program.

**ISSUE**

As of this writing, Comprehensive Guidelines for the Transit and Intercity Rail Capital Program (TIRCP) available under the Cap-and-Trade Program are soon to be issued by the California State Transportation Agency (CalSTA) and are expected to include an accelerated schedule for distribution of funds, with grant applications due to Caltrans by April 10, 2015. In order to meet this timeline, staff seeks Board approval to submit grant applications for identified candidate projects considered as the most competitive for this program.

Attachment A identifies the candidates for major capital projects (\$3 million or greater) and minor capital projects (less than \$3 million) nominated by various Metro departments and evaluated in accordance with the rigorous evaluation criteria provided in the Guidelines, illustrating graphically which projects evolved as the most viable for an award of grant funds. Project readiness is a major consideration, as any TIRCP funds awarded in this first funding cycle must be allocated by June 2016. The projects listed under the "Multi-Year Strategy Projects" heading in Attachment A are those projects that were considered to be potentially competitive, but could not, at this time, meet the project readiness criteria. The major capital projects candidate that ranks most favorably in this exercise is the Willowbrook/Rosa Parks Station Improvement Project, with additional consideration of operational enhancements to the Blue Line corridor in the immediate vicinity. The minor capital projects candidate identified for grant application is a restraining rail project on the Red/Purple Line at Union Station.

In addition to highlighting the preferred candidates for this current funding cycle, Attachment A illustrates an initial concept of a multi-year strategy to advance Measure R transportation projects, as well as providing support for Metrolink's grant applications.

## **DISCUSSION**

The TIRCP was created by California State Legislature to provide grants to fund capital improvements and operational investments specifically designed to reduce greenhouse gas emissions by reducing vehicle miles traveled throughout California. The grant funds are derived from California's Cap-and-Trade Program and are the result of quarterly auctions of emission credits for greenhouse gas emitters regulated under Assembly Bill (AB) 32. Auction proceeds, known as the Greenhouse Gas Reduction Fund (Fund), are then reinvested in various projects to further reduce emissions. Fiscal Year (FY)2014-15 will be the first year in which the State makes investments from the Fund. Total funding available for the current year is \$870 million, divided into 11 programs administered by various State agencies, with each program receiving a set dollar amount. Most programs will be distributed by competitive grants, and each has its own set of guidelines. CalSTA intends to adopt a multi-year program of projects covering a minimum of two years of estimated funding in each cycle.

This first cycle of two year funding under the TIRCP is allocating an estimated \$125 million, with \$25 million allocated from FY2014-15 funds, and \$100 million estimated to be available for FY2015-16. 10% of future Cap-and-Trade auction proceeds will be allocated to TIRCP in subsequent cycles; it should be noted that overall auction proceeds may grow significantly as transportation fuels become subject to Cap-and-Trade regulations next year.

In this first cycle, applicants are limited to a submission of one major capital project for consideration (\$3 million or greater) and one smaller scale minor capital or demonstration project (less than \$3 million), but no single major project can exceed 33% of available funds in any programming cycle. The 33% limit per project equates to an award of approximately \$40 million for any one major capital project per applicant agency in this first funding cycle. This limit could change if additional revenues are added.

### **TIRCP Guidelines**

The guidelines state that the TIRCP are to fund capital improvements and operational investments that will reduce greenhouse gas emissions and modernize California's intercity rail, bus and rail transit systems to achieve all of the following objectives:

- Reduce greenhouse gas emissions;
- Expand and improve rail service to increase ridership;
- Integrate the rail service of the State's various rail operations, including integration with the high-speed rail system;

- Improve safety; and
- Provide a benefit to disadvantaged communities.

### Project Eligibility Criteria

The TIRCP specifically requires a funded project to demonstrate that it will achieve a reduction in greenhouse gas emissions. Examples provided included lower-cost projects focused on integration, reliability and enhancement of service, and higher-cost capital expansion projects. Projects that link key destinations and improve accessibility to economic opportunities, and that integrate the services of various rail and transit operations, including integration with the high-speed rail system, will be favorably evaluated.

Another significant goal of the TIRCP is to maximize benefits to disadvantaged communities (DAC), requiring that at least 25% of available funds be made available to projects that provide direct, meaningful and assured benefit to DACs. The California Environmental Protection Agency (CalEPA) has used an environmental health screening tool to delineate DACs through a calculation based on environmental (especially air quality), socio-economic, and public health factors. DACs, as defined, are disproportionately located in both Los Angeles County and the Central Valley, and notably less prevalent in other major metropolitan areas.

CalSTA intends to give priority to applications which fund construction or project implementation. Consideration will be given to proposals to fund only preconstruction components for a project, but a full funding plan must be provided to assure construction of a useable segment. Project elements that are separable or scalable based on available funding will be eligible, but independent utility must be demonstrated. In all scenarios, a project or project elements will be considered only if fully funded from a combination of Program funds and other committed funding, if necessary. Funding leverage is desirable, and clear commitments to provide funding for continuation of any new service is required.

### Potential Metro Projects

Concluding analysis of projects in the 2009 Long Range Transportation Plan as well as projects identified by partner agencies, stakeholders and staff of all Metro departments, several projects were identified as having the potential to meet the criteria outlined in the TIRCP Guidelines. Staff developed the matrix shown in Attachment A and recommends an application be submitted to CalSTA in the major capital projects category to execute the Willowbrook/Rosa Parks Station Improvement Project. This Project consists of multimodal capital improvements at the Station designed to increase passenger capacity, repair or replace aging components, improve passenger flow and enhance safety and security. The Project, which is located in an economically distressed community, would also improve station accessibility and integration with an adjacent shopping plaza, the Martin Luther King Jr. Medical Center Campus and other nearby medical, education and cultural facilities. The Project compliments public

improvements planned by Los Angeles County including bicycle facilities and streetscape plans which connect to the Station.

Staff identified certain operational improvements to the Blue Line which will further benefit the Willowbrook/Rosa Parks Station and also meet the goals and criteria of TIRCP. These projects include replacing the 20-year old Blue Line signaling system on the alignment and in the Yard, installing new track crossovers to improve system performance and constructing a siding for train storage to increase capacity and reduce dead-heading of trains. These improvements would meet the Guidelines' primary criteria of reducing greenhouse gas emissions, increase ridership due to more efficient and reliable service, and offer substantive improvements to operational safety.

The cost of these improvements will be included in the total fund application, and both the station improvements and the Blue Line operational improvements would be ready to utilize the allocated funds within the prescribed time frame of December 2016. As indicated, disadvantaged community benefits figure significantly in the funding Program goals, and Attachment B graphically illustrates the scope and breadth of disadvantaged communities located within Metro's service area, while highlighting the fact that the Willowbrook/Rosa Parks Station and the Blue Line in general are centrally located within that community.

Staff also recommends that an application be submitted to CalSTA in the minor capital projects category for \$2 million in funding to construct track improvements to the Red/Purple Line at Union Station. Installation of barriers in the Red/Purple Line tunnels leading to Union Station, referred to as restraining rails, will serve to stabilize wheels of the subway trains as they cross through the tracks entering the station area, allowing an increase in operating speeds and minimizing the need to hold trains in advance of entering the station. The improvements will increase service by allowing Metro to reduce headways between trains and facilitate more reliable service and on-time performance into this intermodal and regional transit hub.

#### Multi-Year Cap-and-Trade Strategy

Metro's overall Cap-and-Trade funding strategy must factor existing agency priorities with what projects within the region meet the eligibility of the various programs and are currently ready for an allocation of funds within this first funding cycle. As a part of Metro's existing agency priorities, staff has also considered opportunities through the Cap-and-Trade Programs to address cost increases that Metro has realized since the adoption of the 2014 Short Range Transportation Plan, other initiatives approved through Board motions, and the subsequent implications to the FY 2016 budget development as presented to the Board in December.

The opportunity to propose separable project elements or to apply for funds to develop a project that would be constructed with funding from other sources, can enhance our efforts to manage agency priorities. As the Greenhouse Gas Reduction Fund grows and the Cap-and-Trade Program matures, we will likely see significant possibilities to

strategically apply for funds using a multi-year strategy to compliment the funding profiles of our larger transit projects.

### **DETERMINATION OF SAFETY IMPACT**

The requested actions will have no impact on the safety of our customers or employees.

### **FINANCIAL IMPACT**

Funding of \$100,000 required for preparation of project applications has been included in cost center 4420 budget.

#### **Impact to Budget**

Preparation of project applications will have no impact on the FY2015 budget.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to approve the candidate projects contained in Attachment A and instead select one or more other projects considered for application. Staff does not recommended this alternative as the Willowbrook/Rosa Parks Station Improvement Project with Blue Line operational upgrades meet all the criteria set forth in the Guidelines and should represent a competitive application on behalf of Metro.

### **NEXT STEPS**

Upon approval, staff will prepare and submit the project applications, due to Caltrans by April 10, 2015. CalSTA will publish the list of approved projects by June 30, 2015 and the list will be presented to the California Transportation Commission on August 26, 2015. We anticipate funds will be available for allocation any time after that date.

### **ATTACHMENTS**

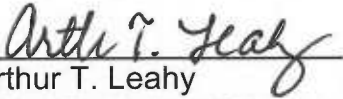
- A. Proposed Metro TIRCP Projects Decision Matrix
- B. Disadvantaged Communities Map

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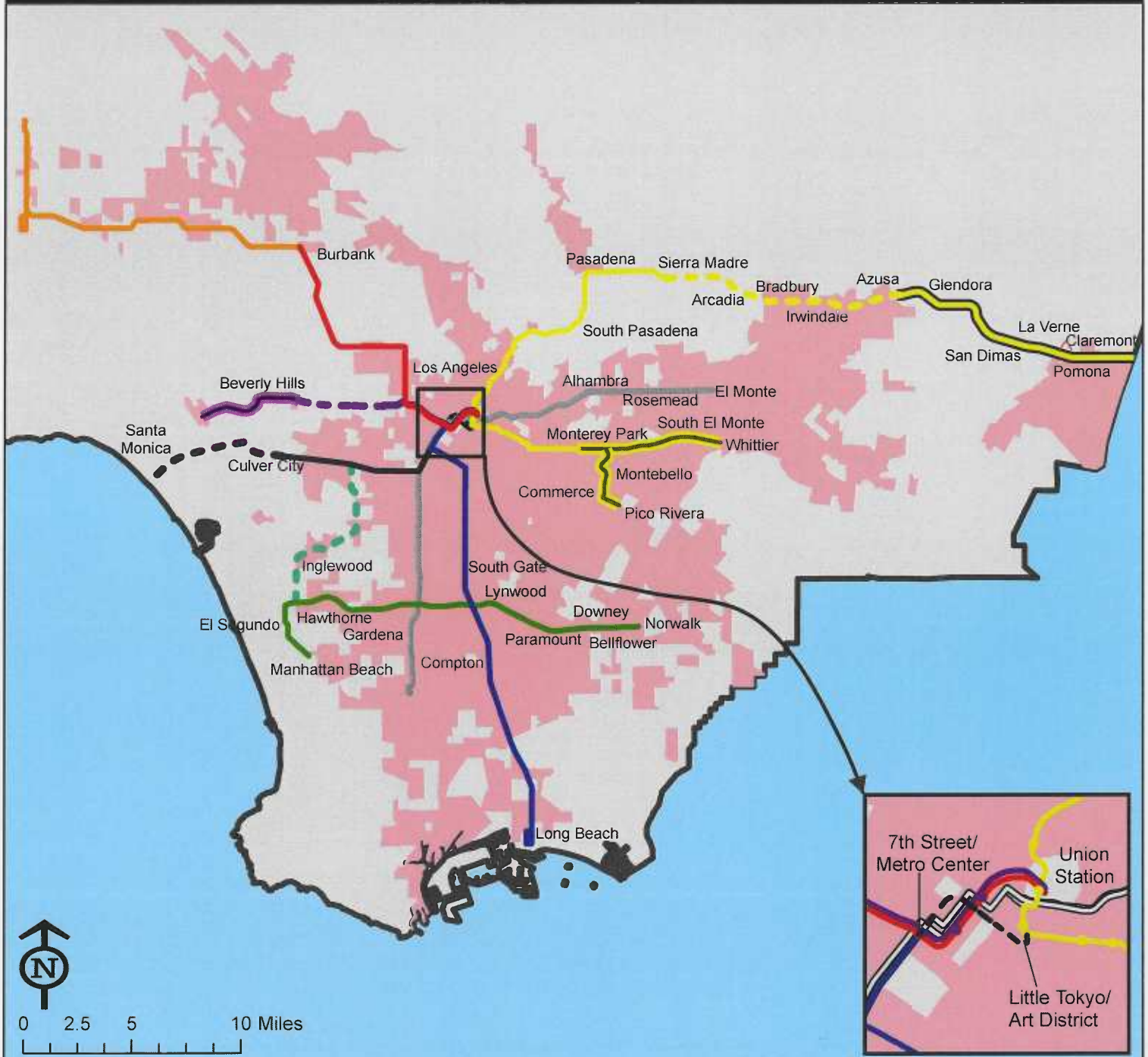


Arthur T. Leahy  
Chief Executive Officer



# Transit Services and Disadvantaged Communities

REVISED  
ATTACHMENT B



## Existing Services

- RedLine
- Blue Line
- Purple Line
- Green Line
- Exposition Line
- Gold Line
- SilverLine
- OrangeLine

## Under Construction

- - - Crenshaw/LAX Transit Project
- - - Regional Connector
- - - Purple Line Extension Section 1
- - - Exposition Transit Corridor Ph 2
- - - Gold Line Foothill Extension

## Environmental/Engineering

- Purple Line Extension Section 2 & 3
- Eastside Transit Corridor Ph 2
- Gold Line Foothill Extension Ph 2

## Disadvantaged Communities\*

- Disadv. Communities

\* Disadvantaged communities are defined by CalEPA based on information generated by the California Communities Environmental Health Screening Tool (CalEnviroScreen). This tool has been developed by the Office of Environmental Health Hazard Assessment (OEHHA) to identify communities in California most burdened by pollution from multiple sources and most vulnerable to its effects taking into account socioeconomic characteristics and underlying health status.