



MEASURE M

ADMINISTRATIVE PROCEDURES

- V. DEBT POLICY**
- VI. CASHFLOW MANAGEMENT – MULTI-YEAR SUBREGIONAL PROGRAMS**
- VII. CONTINGENCY SUBFUNDS**
- VIII. 3% LOCAL CONTRIBUTION TO MAJOR TRANSIT PROJECTS**
- IX. MULTI-YEAR SUBREGIONAL PROGRAMS (MSP)**
- XVII. VISIONARY PROJECT SEED FUNDING**

Measure M Administrative Procedures: V. Debt Policy

Purpose of Debt Policy administrative procedures

The Debt Policy administrative procedures facilitate the development of a Debt Policy that, pursuant to the Board-approved Measure M Final Guidelines (the Guidelines), will provide formal guidance for debt issuance under Measure M.

Process for developing Debt Policy

Metro Treasury will review and potentially update the Metro Debt Policy each year, with any update presented to the Metro Board. For the 2018 Metro Debt Policy, Treasury, with input from Metro Planning, will prepare the updated Debt Policy by the end of fiscal year 2018 to include Measure M, and submit the update to the Metro Board for adoption in 2018.

Debt Policy content

As it relates to Measure M, the Debt Policy will identify “debt affordability policy limits,” which are the maximum amounts of each category of Measure M (e.g., Transit 35%, Highway 17%, Active Transportation 2%) that can be used to pay debt service.

Additional debt issuance and reporting requirements

Metro will issue and repay Measure M debt in accordance with the bond covenants in any bond indenture or trust agreement that may be developed, and will follow the debt issuance and reporting requirements of the Measure M Ordinance, which include payment of debt service from the appropriate subfund, a review and required findings of all proposed debt issues by the Measure M Independent Taxpayer Oversight Committee, and a limit on maximum indebtedness.


APPROVED: CEO


Department Head

2/2/18
DATE

Measure M Administrative Procedures: VI. Cashflow Management – Multiyear Subregional Programs

Purpose of Cashflow Management administrative procedures

The Cash Management administrative procedures guide the annual development of forecasted five-year cashflows for the Multi-Year Subregional Programs (MSP), excluding the highway and transit "system connectivity" programs. The procedures cover the determination of programming and expenditure amounts for each program, advancing projects with local or other funding, borrowing or swapping from one MSP to another, and process for requesting funds. The requirement to develop the MSP procedures is set forth in the Board-approved Measure M Final Guidelines (the Guidelines).

Pursuant to the approved Guidelines, Metro must develop five-year cashflow forecasts for all operating and capital uses, and consider all revenue sources available to Metro, including local, state, federal, and potential debt financing, needed to fund the transit system operating costs, the capital program, and project commitments.

Process for developing MSP revenue forecast

- Metro Planning, OMB, and Treasury will prepare a five-year revenue forecast that is available for programming to each sub-regional program in the Expenditure Plan, annually, in October of each year (sub-regional programs are listed on page 3 of the Expenditure Plan, excluding those designated in Subregion "sc" for system connectivity). See "Table IX: Multi-Year Subregional Program (MSP) Project Development Process," Step 1 of the Guidelines. Programed funding is the maximum annual amount that can be expended on approved projects within the MSP.
- Any unexpended programmed amounts can carryover from year to year, subject to the lapsing restrictions in the related funding agreement, and be expended in future years.
- The forecast for FY 2018 will be provided to the MSP in October 2017. The initial five-year forecast will cover the current fiscal year and the following four fiscal years (i.e., FY 2018 – FY 2022).
- The MSP forecast for FY 2019 and subsequent years will subtract from each year all amounts previously programmed.
- Any amounts not programmed in the MSP five-year revenue forecast will be added to the subsequent year's five-year revenue forecast.
- A draft MSP forecast will be reviewed and approved by the Chief Planning Officer and Chief Financial Officer prior to release, and will be consistent with the overall Measure M

forecasted five-year cashflows, the Long Range Transportation Plan Financial Forecast, and the 10-Year Budget.

Data sources and methodology

Metro Planning will determine the revenue forecast using a base year estimate (i.e., the first year of the five-year forecast) that is escalated over the following four years by sales tax growth rates to be agreed upon each year by Planning, OMB, and Treasury. The base year estimate is equal to the Expenditure Plan "Measure M Funding 2015\$" amount for the program multiplied by the following cost curve percentages, which were created as part of the Measure M ballot measure based on estimated funding capacity.

Cost Curve Percentages

Fiscal Years	Percentage
2018 through 2027	1%
After 2027	3%

Any amounts in the initial year of the five-year forecast that are not programmed (e.g., Metro approves or the subregion requests programming less than the maximum available) or lapse, will be added to the subsequent five-year forecast, to the first year of the next five-year forecast.

Subregional funding requests and programming of funds

Pursuant to section "IX. Multi-Year Subregional Programs" of the Guidelines, the subregions will adopt project development and implementation plans that include the anticipated expenditures by year (for the five years of the forecast period), by project. The funding agreements for each project will require that the project sponsor submit cash flow estimates of annual expenditures at least quarterly. The expected expenditure of Measure M funding each year (i.e., the amount to be submitted to Metro for cash reimbursement during the year) shall not exceed the programmed amount in the five-year forecast in total and in any year.

The project sponsor must submit an expenditure estimate (of previously programmed funding) for the subsequent fiscal year by February of each year. This requirement will be incorporated into the funding agreements. Metro will use the estimate to determine the budget for the upcoming fiscal year. Metro may adjust the budget amount based on factors including the historical amounts billed versus the estimated expenditure.

The funding in the adopted five-year plan will be deemed programmed, or reserved, for each project in the subregional plan and Expenditure Plan program, in total and in each year over the five-year forecast and will be subtracted from the next upcoming five-year forecast.

Metro Planning will compile the plans submitted by the subregion, determine the specific plans and funding amounts based on requirements and recommendations by various Metro

departments managing subregional programs and present those to the Metro Board; and ensure the requested funding amounts can be supported by the forecast cashflows. Metro Planning will monitor the amounts programmed and the resulting or remaining balance (the amount programmed by the Metro Board less any actual expenditures) and report this information periodically to the Metro Board.

Advancing projects with local funds

Project sponsors can advance Measure M funding (e.g., claim funding from future five-year MSP programming cycles or prior to Board approval and funding agreement) by using local or other funds for an approved project, and receiving future reimbursement from Measure M. To facilitate this type of reimbursement, Metro will enter into a "Letter of No Prejudice" (LONP) with project sponsors that will identify the amounts subject to reimbursement and the eligibility requirements of the expenditures, and state that any reimbursement of these amounts from future Measure M is contingent.

Any LONP advancing of funds should be included in the project sponsor's five-year implementation plan and show the amount of local or other funding used to advance Measure M, and the requested annual reimbursement amounts and timeframe. Any reimbursements will be subject to availability. LONP shall be issued by the CEO or designated Senior Executive Officer of the department(s) managing development and implementation of MSP projects.

Multi-year Subregional Program funds borrowing

Pursuant to section "IX. Multi-Year Subregional Programs" of the Guidelines, "Subregional project sponsors can request to borrow from one MSP fund amount to accelerate a project in another MSP fund of a different type that may not be available until a later year."

Any request for program borrowing should be included in the subregion-adopted project development and implementation plan. Project sponsors must identify the amounts by year and programs that will be borrowed, or swapped. For example, a project sponsor may request that funding currently available from the Active Transportation, 1st/Last Mile, & Mobility Hubs program is swapped with an equal amount of Los Angeles Safe Routes to School Initiative program (not available until FY 2033), in order for a project to be advanced. The amount swapped, by year, cannot exceed the five-year amount forecasted for the currently available program.

The borrowing among MSP programs (as well as the five-year plan) is dependent upon Metro Board approval.



APPROVED: CEO



Department Head

2/2/18
DATE

Measure M Administrative Procedures: VII. Contingency Subfunds

Purpose of Contingency Subfund administrative procedures

The Contingency Subfund administrative procedures guide the ongoing management of the subfunds, and ensure the related provisions of the Measure M Ordinance and Final Guidelines (the Guidelines) are being followed. The administrative procedures address the creation, funding, and expenditures of the subfunds, including the calculation of allowable inflation adjustments to projects and programs, and identify Metro's process for implementing and managing them.

The Ordinance calls for Metro to establish the subfunds and to credit to them all Net Revenues allocated to the Transit and Highway Subfunds, except amounts allocated to the Metro State of Good Repair and Metro Active Transportation Program, and not assigned to a project or program on the Expenditure Plan.

The subfunds can be used for inflation on a particular Measure M project or program if less than 2/3rds of the "Measure M Funding \$2015" amount, as defined in the Expenditure Plan, is expended prior to FY27 (Section 7.b.2.A of the Ordinance). Metro shall also expend funds allocated to the Contingency Subfunds, to the extent necessary, to service the debt of any bonds issued or other obligations incurred in accordance with the Ordinance. The term "service the debt" is interpreted to be interest only, and not principal payable on any debt.

In addition to the Ordinance, the implementation and management of the subfunds must consider additional Metro policies, including those for accounting and reporting to the Oversight Committee.

Schedule and process for developing reports

Metro Accounting will create the two Transit and Highway Contingency Subfunds within the existing Metro Financial Information System (FIS) for fiscal year 2017 (The Transit Contingency Subfund #3847 and Highway Contingency Subfund #3818 were created in FY17). The Transit Contingency Subfund will be a component of the Transit, First/Last Mile (Capital) Subfund (fund #3810), and the Highway Contingency Subfund a component of the Highway, Active Transportation, Complete Streets (Capital) Subfund (fund #3816).

Periodically, no less than annually, Metro Accounting will bill expenditures initially funded from fund #3810 and/or #3816 to the respective Contingency Subfund, all expenditures for inflation on eligible projects and interest. A corresponding transfer of revenue from fund #3810 or #3816 will be made to the Contingency Subfund in the amount of the expenditures. Inflation expenditures are expected to occur no earlier than July 1, 2026, when it can be determined per Section 7.b.2.A that Contingency Subfunds are eligible for use on the respective project, and are

subject to a maximum amount (based on a Board-selected inflation index). Expenditures for interest can be billed as early as fiscal year 2017 and are not limited to a maximum amount.

Methodology, data sources, and key assumptions

Metro Accounting will monitor all eligible inflation and interest expenditures from fund #3810 and/or #3816.

Metro Treasury will inform Metro Accounting and OMB by February each year of the amount of budgeted Measure M Transit and Highway interest for the upcoming fiscal year that will be paid from the Contingency Subfunds.

Metro Planning and Program Control will provide for the benefit of Metro Accounting and OMB, by February each year (beginning 2026), a report with support calculations that identify Measure M projects that are eligible for inflation, the Board-selected inflation index, the estimated maximum inflation amount, and determination that the upcoming budgeted expenditures are within the maximum inflation amount. The report will verify that a present value of the project or program expenditures (including budgeted and projected expenditures), using the index as a discount factor, is no greater than the "Measure M Funding 2015\$."

The maximum inflation expenditure for an eligible project or program is equal to the total of annual expenditures, each multiplied by the inflation index for the respective fiscal year, less the "Measure M Funding 2015\$" amount, subject to the constraint that the present value is equal to the "Measure M Funding 2015\$."

$$\text{Maximum inflation}(N) = \sum_t^N \text{Expenditure}(t) - \text{Measure M Funding 2015\$}$$

Such that:

$$\text{Measure M Funding 2015\$} = \sum_t^N \frac{\text{Expenditure}(t)}{(1 + \text{Inflation Index}(t))}$$

Where:

$\text{Expenditure}(t)$ = the amount of Measure M funds expended on the project in fiscal year t , as reflected in FIS, plus budgeted and projected expenditures for the upcoming fiscal year.

$\text{Inflation Index}(t)$ = the annual rate of inflation for fiscal year t . The index is a measure of inflation, such as the ENR Construction Cost Index for Los Angeles. In this case, the index for year t is equal to the percentage change from July to June. If the selected index is not yet available for a particular year, the percentage from the most recently available July to June period will be used for those years.

N = the last fiscal year of expenditures for the project or program.

Budget

Metro OMB will identify the estimated project inflation funding and interest expense for the next upcoming fiscal year, as part of the budget and "budget matrix", prior to July of each year. The budget matrix will identify the budgeted amounts to be funded from the Contingency Subfunds for the fiscal year.



APPROVED: CEO



Department Head

2/2/18
DATE

Measure M Administrative Procedures: VIII.
3% Local Contribution to Major Transit Projects

The Measure M Ordinance includes a provision for 3% local contribution to major rail transit capital projects. The rationale for the contribution is that local communities with a rail station receive a direct benefit due to the increased access to high-quality transit service that is above and beyond the project's benefit to the County as a whole. Countywide, the 3% local funding contribution represents approximately \$1 billion in funding to support the project delivery identified in the Expenditure Plan. The 3% local funding contribution is a critical element of a full funding plan for these rail transit projects. The Ordinance includes provisions that allow development of a mutual agreement between a jurisdiction and Metro, and a default penalty if such an agreement cannot be reached.

The Measure M Master Guidelines, adopted by the Metro Board in June 2017, included detailed language related to the 3% local contribution provision that has been incorporated here.

VIII. 3% LOCAL CONTRIBUTION TO MAJOR TRANSIT PROJECTS

INTRODUCTION

The Measure M Ordinance includes a provision for 3% local contribution to major rail transit capital projects. The rationale for the contribution is that local communities with a rail station receive a direct benefit due to the increased access to high-quality transit service that is above and beyond the project's benefit to the County as a whole. Countywide, the 3% local funding contribution represents approximately \$1 billion in funding to support the project delivery identified in the Expenditure Plan. The 3% local funding contribution is a critical element of a full funding plan for these rail transit projects. The Ordinance includes provisions that allow development of a mutual agreement between a jurisdiction and Metro, and a default penalty if such an agreement cannot be reached. The agreements shall be in accordance with these guidelines.

PROGRAM METHODOLOGY

The Ordinance calculates the local contribution based on the centerline track miles within a local jurisdiction with a new station in those jurisdictions. These guidelines reflect the nexus between mobility benefits provided to a jurisdiction based on the location and proximity of a new station. The local contribution will be calculated by dividing 3% of the project's total cost, estimated after the conclusion of thirty percent (30%) of final design, by the number of new rail stations constructed on the line. For purposes of this section, determination of the local jurisdiction borders will be a new station located within one-half mile of the jurisdiction. Building on the Metro Board adopted First/Last Mile policy in 2016, which defines the "walkshed" around each station as a half-mile radius, the 3% local contribution requirement will be proportionately shared by all local agencies based upon the local agency's land area within a one-half mile radius of a new station. Other arrangements agreed upon by every local jurisdiction in a project corridor with a local contribution obligation are also acceptable, provided that the total of all jurisdictions' contributions equals 3% of the estimated project cost. A list of jurisdictions that may be affected, subject to changes determined by the environmental process, is included as Appendix A.

An agreement approved by both Metro and the governing body of the jurisdiction shall specify the total project cost as determined at the conclusion of thirty percent (30%) of final design, the amount to be paid by the local jurisdiction, and a schedule of payments. Once approved, the amount to be paid by the local jurisdiction shall not be subject to future cost increases.

Eligible Fund Contributions

Eligible fund sources to satisfy 3% local contribution include any funds controlled by the local agency or local agencies (e.g., General Fund, State Gas Tax Subventions, Prop. A, Prop. C and Measure R and M Local Return Funds, Measure M Subregional Program Funds), or any funds awarded from non-Metro competitive grant process funding. Measure M Subregional Program

Fund contributions must be accompanied by documented agreement from all jurisdictions that would otherwise be eligible for those sub-regional funds. In-kind contributions eligible to satisfy 3% local contribution include, but not limited to, project specific right-of-way and waiver of permitting fees, local agency staff time (incurred and forecast) if those costs are specifically included in the project cost and contribution amount by the conclusion of thirty percent (30%) of final design.

Betterments

Betterments are defined consistent with existing policy adopted by the Metro Board on Supplemental Modifications to Transit Projects (October 2013). A "betterment" is defined "as an upgrade of an existing city or utility's facility or the property of a Third Party, be it a public or private entity, that will upgrade the service capacity, capability, appearance, efficiency or function of such a facility or property of a third party." Once the 30% design project scope and cost have been determined as the basis of the 3% contribution calculation, subsequent betterments cannot be included in that calculation, nor counted toward a jurisdiction's eligible contribution. However, they may be included in the project scope if carried at the jurisdiction's expense.

Active Transportation Capital Improvement Contributions

These guidelines reflect provisions adopted by the Board that allow for local jurisdictions to meet all or a portion of their 3% local contribution obligation through active transportation capital improvements and first/last mile investments that are included in the project scope and cost estimate at the conclusion of thirty percent (30%) of final design. All local first/last improvements must be consistent with station area plans that will be developed by Metro in coordination with the affected jurisdiction(s). The criteria for local first/last mile investments for first/last mile contributions are being developed by Metro, specifically to carry out integration of first/last mile within transit capital projects. First/Last mile improvements consistent with this section and included in project scope at conclusion of 30% of final design will not be considered "betterments" for the purposes of these Guidelines, and are eligible for local contribution obligations.

Local Contribution Limits

The 3% local contribution will only be calculated against the overall project scope and cost determined at the conclusion of thirty percent (30%) of final design. Local agencies cannot count other transportation investments that are not included in the project scope and cost estimate after the conclusion of thirty percent (30%) of final design. Metro staff will provide written notice to the affected jurisdiction(s) and a report to the Metro Board at the completion of thirty percent (30%) of final design.

Contributions for calculations assigned to the County of Los Angeles are to be determined by the County.

Opt-Out Option

Metro will withhold up to 15 years of Measure M Local Return Funds for local agencies that fail to reach a timely agreement with Metro on their 3% contribution prior to the award of any contract authorizing construction of the project within the borders of that jurisdiction. Local return funds from Proposition A, Proposition C, and Measure R are not subject to withholding. In some cases, principally in smaller cities, the default withholding of 15 years of local return from only Measure M Local Return Funds will be less than a formal 3% contribution. In these cases, the cities which default on making their full 3% contribution will suffer no further impact.

AUDIT REQUIREMENTS

Use of Measure M funds will be subject to audit and oversight, and all other applicable state and local laws.

REPORTING REQUIREMENTS

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of the Measure M Funds are contributing to accomplishing the program objectives.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

The following flow chart details the procedural steps and milestones for executing and administering the 3% local contribution agreements.

Step 1 Establish Project Cost and 3% Local Contribution Assessments

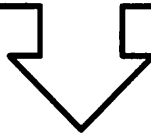
Conclusion of 30% Final Design sets project scope and costs to calculate 3% local contribution.

- Metro will notify and coordinate with agencies that may have a local contribution throughout the project development.
- The Metro Board will take action to acknowledge the conclusion of 30% Final Design for major transit projects, in order to identify the timing for calculating the 3% local contribution of the total project cost estimate at that time. The 3% contribution will be a percentage of the total project cost at 30% Final Design in year-of-expenditure dollars.
- Each affected agency will receive a notice of their local contribution amount estimate and payment schedule no less than 60 days prior to the Board action on the conclusion of 30% Final Design (as determined by Metro), which determines the 3% local contribution amount.
- Notice of the Board action on the project cost estimate at 30% Final Design will take effect beginning January 1, 2018. Agencies subject to the 3% local contribution with projects that had completed 30% Final Design prior to that date will not receive notices of Board Action.
- Board action will also specify the amount of the 3% local contribution assigned to each agency based on the Measure M Guidelines.

Step 2 Execute Local Contribution Agreements

An agreement approved by both Metro and the governing body of the jurisdiction shall specify the total project cost as determined at the conclusion of thirty percent (30%) of final design, the amount to be paid by the local jurisdiction, and a schedule of payments. The full amount of the local contribution should be paid by the completions of 50% of project construction. Once approved, the amount to be paid by the local jurisdiction shall not be subject to future project cost increases (amounts paid over time will be increase with the Construction Cost Index).

- Local jurisdictions may meet all or a portion of their 3% contribution through funding of active transportation capital improvements and first/last mile investments, that are included in the project scope and cost estimate at the conclusion of thirty percent (30%) final design.
- In-kind contributions eligible to satisfy 3% local contribution include, but not limited to, project specific right-of-way and waiver of permitting fees, local agency staff time (incurred and forecast) if, those costs are specifically included in the project cost and contribution amount by the conclusion of thirty percent (30%) of final design cost, and will be subject to the review and audit by Metro.
- Pursuant to the Measure M Ordinance, betterments are not an eligible contribution. The definition of “betterment” is detailed in Section VIII of the adopted Guidelines.
- Eligible fund sources to satisfy 3% local contribution include any funds controlled by the local agency or local agencies that can be legally expended on expenditures of this type.
- Other arrangements agreed upon by every local jurisdiction in a project corridor with a local contribution obligation are also acceptable, provided that the total of all jurisdictions’ contributions equals 3% of the estimated project.



Step 3 Opt Out

If no agreement is entered into and approved prior to the award of any contract authorizing the construction of the project within the borders of the jurisdiction, or if at any time the local jurisdiction is in default of any sums due pursuant to the approved agreement, all funds contained in the Local Return allocated to that jurisdiction may, at Metro’s sole discretion, be withheld for not longer than fifteen (15) years and used to pay for the project until the three percent (3%) threshold is met.

This Opt Out provision does not exclude negotiations with Metro for a funding agreement. Once a fully executed funding agreement is in place Measure M Local Return fund may be released, partially or in full, depending on the terms of the agreement whichever is sooner.



Step 4 Payment of Local Contributions

- Metro will invoice the local agency per the payment schedule identified in the executed local contribution funding agreement.
- If Measure M Multi-year Subregional Program funds have been identified as a source to meet the local contribution obligation Metro will draw down on those MSP funds per the payment schedule identified in the executed local contribution funding agreement, accounting for amounts that may be programmed for other purposes.
- Local agencies claiming in-kind contributions to satisfy their local contribution requirement will submit documentation of the in-kind service performed for Metro's review and approval.
- Failure to submit payment may result in loss of Measure M Local Return funds not to exceed 15 years.



Step 5 Annual Auditing and Reporting for Measure M Funds

Use of Measure M funds will be subject to audit and oversight, and all other applicable state and local laws. Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of the Measure M Funds are contributing to accomplishing the program objectives.


APPROVED: CEO


Department Head


DATE

MEASURE M ADMINISTRATIVE PROCEDURES:
IX. MULTI-YEAR SUBREGIONAL PROGRAMS (MSP)
5-YEAR PLAN PROCESS

SECTION 1

SUBREGIONAL 5 YEAR PROGRAM PROCESS

Step 1 Five Year Forecast

Step 1: Metro provides a five-year Measure M programming funding forecast for each Multi-Year Subregional Program, based on the amounts provided in the Measure M Expenditure Plan.*

**Actual funds disbursement will be based on cashflow Policy in the Guidelines. Fund estimates may be adjusted annually by Metro for accuracy.*

- I. Metro will provide a five-year financial forecast in October of each year.
- II. The financial forecast will define **estimated** amounts available for programming for each MSP.
- III. The **estimates** of available funds will outline upcoming 5 year periods for each MSP, accounting for any prior programming amounts and lapsing of funds.
- IV. These amounts will be consistent with Attachment A groundbreaking dates included in the Measure M Expenditure Plan.
 - Coordination will be undertaken for swapping of MSPs funds among different MSP types within the subregion.
 - Subregional entities will explain the project benefits and readiness.
 - Metro must concur with any fund swap.
- V. The 5 year estimates will need to conform to Cash Flow procedures Pg. 15 of the Measure M Guidelines and the related administrative procedures.
- VI. Only Metro provided MSP funding estimates are valid.

Step 2 Preliminary List Of Projects & Five-Year Plan

Step 2: Subregional entities will develop a preliminary list of subregional projects for inclusion in five-year plan.** The plan development will include public participation and an analysis of the projects previously submitted in the Mobility Matrices as possible alternatives; parameters will be developed by Metro. The final list of projects will be included in the five-year programming plans.

*** Coordination with Metro staff is required to ensure project eligibility in each category.*

No additional analysis is required to include or exclude Mobility Matrices projects.

This is a program development stage for the MSP 5 year plan(s). Resources to support this are allowed in the Guidelines as follows.

Pursuant to the Measure M Guidelines, ***“Resources to support the steps listed in Table IX can be drawn from MSP, not to exceed 0.5% of the amounts for any single year determined in***

Step 1 of Table IX. Any additional resources to support the steps in Table IX must be drawn from resources under the control of the subregion or its constituent cities.”

Note: “Any single year” refers to the basis for the calculation. An aggregate can be made available at any time during the five year period of up to 5 single year increments.

Terms of the amounts and timing of the 0.5% funding will be determined in a funding agreement between Metro and the subregional entity/project sponsor. To receive 0.5% Measure M funding for planning activities (specifically, “planning activities” here means project development activities prior to the environmental phase of a project), the subregional entity must notify the designated Metro MSP contact in writing, identify the MSP program, and provide the proposed scope of work, amount requested, basis for estimated cost (including firms or persons that will be compensated, if available), the type of subregional capital projects that are subject of the planning activities if known, and a representation that the requestor has approval of all entities in the subregion that are eligible to receive MSP funding. If the request is accepted, Metro will move forward with the preparation of a funding agreement and notice to proceed. For questions, please contact MMGuidelines@metro.net.

- I. 5 year plans based on project readiness will be developed utilizing existing information provided by the project sponsors, as provided by the subregions for each MSP type.
- II. The subregional entity will develop a 5 year list of projects to include MSP requested funding amounts, project timing/schedules, and other actions anticipated to deliver a final project. Note: The funding agreement will require a representation from the subregional entity/project sponsor that all entities within the subregion eligible for MSP funding have been involved and consulted regarding the composition of projects in the plan, either directly, or through their participation in a council of governments or comparable subregional entity that represents the subregion.
- III. In order to ensure Metro concurrence of any 5 year list of projects, subregional entities should seek Metro staff review for eligibility and program nexus during this development stage.
- IV. Projects will be sequenced based on available funds and project schedule.
- V. The 5 year plans should identify projects to be funded, including annual expenditures and funding by fiscal year (July to June). Complete the Step 2 Programming Form in the Appendix. All funding sources should be identified in detail in the Step 4, including all non-MSP funding, as well as other funds (see the financial expenses and funding sources tables in the “Project Financial Plan”). If funds required are in excess of available funds, Metro may ask the subregional entity to prioritize or delay certain projects. The project sponsors are expected to submit reasonable expenditure estimates. Project sponsors should submit

expenditures to be funded by the MSP revenues based solely on the five-year forecast (as this is the amount that Metro will program).

- VI. Nexus for each MSP project must be developed and align with the MSP program type, Board approved definitions and related Guidelines, as part of the plan.
 - a. Projects submitted as part of the Mobility Matrix are eligible, but may be reconsidered by the subregional entity.
 - b. Definition for each proposed project will be developed by the project sponsor in sufficient detail to establish a nexus with the MSP category. The nexus definition is required for each project and will assist in evaluating the project and its applicability to the MSP program which will potentially fund the proposed project. The project nexus should align with the approved guideline definition (set forth in Sections IX-XIII of Guidelines, and supplemented in additional administrative procedures).
 - Examples include:
 - ❖ *Project will close the Class II gap on Arterial X. This project will allow for seamless connectivity from Point A to B on Arterial X. This project is an eligible Active Transportation project; or*
 - ❖ *Project will improve traffic flow on the corridor by synchronizing Arterial A, an eligible Highway efficiency and Operational Improvements project.*
 - 0.5% support resource needs must also have nexus – which depends on MSP program type
 - 0.5% expenses are eligible for project development prior to the environmental clearance phase; conversely, project level environmental review is an eligible capital expense
- VII. Public outreach will be conducted concurrently while developing that 5 year project funding plan. See Public Participation Section 4 for details about outreach requirements.

Step 3 Subregional Entity Adoption

Step 3: For each Multi-year Subregional Program within their respective subregion, a subregional entity adopts a five-year project development and implementation plan for adoption by the Metro Board. The plan will identify specific projects and phasing; allocated* and anticipated funding amounts, and project timing, including final delivery commitments.

- I. Metro Staff and the subregional entity will review the proposed project(s) submitted. Proposed projects will be reviewed for nexus to program and funding eligibility consistent with the definition adopted by the Metro board in the Measure M guidelines.
- II. The subregional entity will adopt the proposed 5-year program of projects.

- III. The subregional entity will forward the adopted proposed list of projects to Metro.
- IV. Metro staff will review the proposed 5-year program of projects for consistency with the Measure M Ordinance, Guidelines, and Administrative Procedures.
- V. Metro staff will provide a response within 60 days of submission of the 5-year program of projects.

Step 4 Metro Board Approval

Step 4: Upon approval by Metro Board, project sponsors may apply for funding consistent with the Guidelines and related procedures, based on adopted five-year subregional fund programming plans.* Funding agreements will be executed between Metro and project sponsor(s).

- I. Metro staff will use the information from step 1-3 to prepare a recommendation to adopt a subregional program for Board approval.
- II. Metro staff will provide concurrence of eligible projects and may request supplemental information to verify program nexus and funding eligibility prior to requesting Metro Board approval. In order to provide concurrence, staff will require the following information:
 - a) Project readiness information (see “Project Readiness” form in the Appendix); and
 - b) Detailed project fund plan information (see “Project Financial Plan” form in the Appendix).
- III. Based on this consultation, staff will make a recommendation to the Metro Board regarding funding of the requested 5 year program amounts and the initiation of Funding Agreements for the projects identified in the approval request.
- IV. Metro Board may accept the program of projects as recommended by staff or a subregional entity, or it may request submission of additional information.
- V. After Metro Board approval, Metro staff will begin executing funding agreements with project lead agencies.
- VI. **Project funding agreements will comprise project specific** (as opposed to program-level) **approvals**. Funds requested for a project must not exceed available Measure M funds shown in the five-year forecast. If funds required are in excess of available funds, Metro may ask the subregional entity to prioritize or delay certain projects. Project sponsors which seek MSP project funding – project sponsor is defined as the entity developing and delivering the capital project – will develop a scope of work which will detail the following:

- a) Need for project development if using 0.5% program development funds option
 - b) Specific project location/physical limits
 - c) Detailed project description including MSP Program/Project Nexus
 - d) Detailed funding plan – what phases of the project will be funded and by what funds.
 - All funds must be committed.
 - Supplemental fund requirements will be triggered if the project sponsor cannot fully fund the project Pg. 25 Measure M guidelines.
 - e) Final Jurisdictional Support/Community or Council actions (e.g., resolution)
 - f) Schedule list of completed phases and phases funded by Measure M.
- V. There will be reporting and audit requirements of the projects once an agreement is executed.

Step 5 Annual Update

Step 5: Subregional agencies may update or amend their adopted five-year programming plans on an annual basis reflecting project modifications, deletions, or additions of new projects, subject to the process in Steps 1-3. All plans and plan modifications must be consistent with relevant administrative procedures, funding agreements, and Metro Board adopted policies.

- I. Project sponsors seeking Measure M funds for new projects not included in the 5 year MSP plan approved in step 3 will follow all the steps outlined in Step 2.
- II. Project sponsors seeking to amend the 1) scope, 2) request additional funding or 3) cease work on a project will provide a letter to Metro detailing the request and provide sufficient justification to review the proposed change. Project deletions are strongly discouraged where funds have been partially expended. Metro will require additional detailed information as to why a project cannot be completed prior to any substitutions. Funding agreements may include reimbursements for project expenses, loss of 10% retention or other penalties.
- III. Metro will provide concurrence of eligible new project and modifications to existing projects consistent with the project definitions or program nexus.
- IV. The subregional entity will adopt the updated 5 year plan which will include the new projects and requested modifications from the new or revised projects.
- V. Metro Board will approve the amended 5 year MSP plan.
- VI. Metro staff will commence executing amendment or funding agreements for projects.

Step 6 Communication

Step 6: Following Metro approval of projects, project sponsor(s) and Metro include the relevant subregional entity in all communications regarding project development and delivery.

- I. Metro and the project sponsor will communicate via the reporting requirements included in the funding agreement.
- II. If the project sponsor would like to change their project scope, schedule or funding, the project sponsor will consult with both Metro and the subregional entity.
- III. Must meet minimum audit requirements of those for Local Return
- IV. All reports, expenditures, agreements and related project requirements are subject to audit and will require all appropriate documentation (such as contractor invoices, timesheets, receipts, etc.).

SECTION 2

FUNDING AGREEMENT & REQUIREMENTS

Supplemental Funds Requirement

- I. Supplemental funds are funds other than MSP or Local Return funds that are needed to fully fund a project. Supplemental funds can include Metro in kind resources, such as additional technical support, Metro sponsorship or other Metro staff resources.
- II. Metro will send notice to project sponsor(s) if required or requested supplemental funds will trigger additional policy implications.
- III. The policies that will apply include, but are not limited to policies listed on p. 37-38 in the Guidelines (Section XII), and may include policies adopted subsequent to this administrative procedures.

Letter of No Prejudice (LONP)

Metro may enter into a "letter of no prejudice" with a subregional entity, where Metro will agree to consider reimbursing a subregional entity with MSP funds for any local funds expended prior to the execution of a funding agreement. The reimbursement can apply to funding from either the 0.5% program or MSP project.

LONP procedures - - as applicable to 0.5% program

- I. A scope of work must be developed by the subregional "entity" requesting funds for the 0.5% portion of the MSP program which will receive funding based on the Five Year Forecast. The scope of work will detail the following
 - Identified task which are related specifically to the MSP (i.e., Active Transportation, Highways, Goods Movement, etc.)
 - ❖ Task will be directly attributed to work required to develop MSP related program.
 - ❖ Funds are not available for non-MSP administrative purposes
 - ❖ All tasks must be attributed to a capital program being funded by Measure M MSP.
 - Total Resources estimated to complete the program tasks (staff/consultant services); not to exceed the 5 year estimate.
 - ❖ A staffing plan will be required, identifying staff required for the delivery of the capital project.
 - Schedule for the length of the tasks to be performed to deliver the capital program.

- II. Scope of work will be reviewed by Metro to ensure the proposed work aligns with the MSP and can be attributed directly to the capital development of a project.
- III. Subregional entities are responsible for discrepancies generated for all contractual arrangements pursued under an LONP.

If the above steps are not performed prior to the execution of the LONP they will be performed prior to executing the funding agreement.

LONP procedures - - as applicable to project funds

LONP requests will be considered for project expenditures on a case by case basis.

LONP Project Funding Agreement Provisions:

- I. A letter of no prejudice is only intended to be an interim arrangement between Metro and the subregional entity requesting funds for eligible uses.
- II. For each LONP and the identified scope of work approved by Metro, a funding agreement will need to be executed in order that the subregional entity can be reimbursed for any costs. Additional, case specific provisions may be included.
- III. The funding agreement will include reporting requirements.
- IV. The funding agreement will be audited intermittently and at the end of the period of performance.
- V. The subregional entity will be responsible for any charges found as ineligible. Metro determination of eligible expenditures shall be final.

Lapsing Rules

Pursuant to the Measure M Guidelines, the principles of "Timely Use of Funds" apply to MSP funds. Readiness is also required to be able to access funds. Because of these priorities, all MSP funding is subject to lapse if not expended in a timely fashion, pursuant to the signed funding agreement.

The funding agreement will include a provision that project funds will lapse after 3 years. The lapsed funds will not be deducted from the MSP or subregional total, but the near term available funding will be redistributed at the discretion of Metro based on cashflow. The first consideration for distribution of the available funding will be any outstanding LONP requests, for eligible program or project expenditures. Metro must consider all demands on the MSP cashflow, including the need for debt service, to determine the best discretionary use of the lapsed funding.

Payment

Payment will be issued once an invoice is approved by Metro staff, to help ensure that the submitted expense is within the approved scope of work attached to the project funding agreement. As noted above, Metro shall determine which expenditures qualify as eligible for payment, and that determination shall be final.

Metro will approve or disapprove invoices within 30 days of submission. Failure of Metro to approve or disapprove the invoices within 30 days of submission will be addressed in the funding agreement. Once the invoice has been approved by Metro, the payment will be issued within 30 days.

SECTION 3.

SUBREGIONAL QUALITATIVE PERFORMANCE MEASURES

Subregional entities will apply qualitative performance measures from the following list of performance measures. The subregional entities will articulate the benefits of the 5 Year Plans including a description of how the projects will achieve the thematic goals established by the Measure M MSP Administrative Procedures.

If a subregion wishes to adopt a quantitative metric, Metro will advise the subregion on best practices for metrics appropriate to their MSP. The Policy Advisory Council will periodically review the application of performance metrics in the evaluation of MSP projects and program outcomes.

Subregional Qualitative Performance Measures

Theme	Provide responses to how the project achieves the following outcomes, if any:
Mobility	<ul style="list-style-type: none">• Relieve congestion• Increase travel by transit, bicycle and pedestrian modes• Improve travel times• Improve effectiveness & reliability for core riders
Economic Vitality	<ul style="list-style-type: none">• Increase economic output• Support job creation & retention• Support goods movement• Reduce household transportation costs• Extend useful life of facilities
Accessibility	<ul style="list-style-type: none">• Improve transportation options• Improve service to transit dependent, low-income, and disadvantaged populations• Improve first-last mile connections to transit
Safety	<ul style="list-style-type: none">• Reduce incidents• Improve personal safety
Sustainability & Quality of Life	<ul style="list-style-type: none">• Improve environmental quality• Improve public health• Improve quality of life

SECTION 4

PUBLIC PARTICIPATION

Each subregional entity will be responsible for developing a Public Participation Element that will cover how interest groups are addressed, identify the processes/procedures involved in the engagement effort and key components of the MSP plan. These are presented as questions that must be answered in advance of, and included within, the MSP 5-Year Plan "Public Participation Element."

How these questions are addressed is not prescribed, recognizing the flexibility that may be pursued differently among subregions in developing their elements. For example, subregions may elect to utilize, or build upon, successful existing public participation processes that the subregion currently has in place to connect with its community. On the other hand, a subregion may elect to develop a brand new approach tailored to an MSP category generating keen public interest.

This Public Participation Element must be included in the MSP 5-Year Plan adopted by the subregional entity governing board and subsequently adopted by the Metro Board, per the MSP Administrative Procedures (see p. 4, Step 2, VII).

The MSP 5-Year Plan Public Participation Element needs to answer these questions.

1. Who has an interest in MSP development (by program)? Outline relevant and impacted interests. At a minimum, the public participation element must address the interests of:

- Subregional Entities
- Cities, County and other local jurisdictions
- Communities (where projects are located or significantly influencing)
- Stakeholders (may well vary by MSP focus, but could include advocacy organizations, non-profits representing community interests, business interests, potential service providers and/or funders for the MSP program or project, etc.)

2. What process/procedures will be followed to meaningfully involve these groups?

A. Define who takes the lead for developing/implementing public information and community outreach processes and/or procedures.

- Design and implementation should address forums for participation, frequency, and feedback to subregional entity governing board as input for decisions related to (3) below.

B. How are the processes/procedures documented and communicated?

- If a subregional entity believes a prior public outreach process adequately addresses public participation elements as framed by these questions, that justification must be clearly documented.
- The final, proposed Public Participation Element shall be approved for incorporation into the 5-year MSP at a duly noticed subregional entity public hearing.

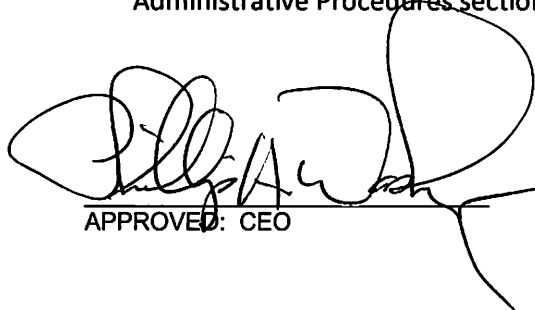
3. How will the range of interests outlined in (1) above be engaged in development of the following MSP Plan components? Subregions shall consult with stakeholders in the development of a Public Participation element.


- A. Identification of candidate projects
- B. Selection of candidate projects
- C. Review and approval of overall 5-Year Program
- D. Implementation of projects within the Program

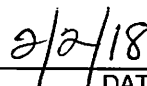
4. What is the timing of the Public Participation Element?

- A. Public participation should be initiated at the outset of the MSP planning process for all projects considered for MSP programming to be truly relevant.
- B. To ensure that a public participation element will be in place and implemented in the development of the first 5-year program, each subregional entity must address the Public Participation questions and submit them formally as a prerequisite for receiving the 0.5% planning funding. This formal submission is recommended via a standard template that will be provided by Metro (see attached, Public Participation form in the Appendix).
- C. The template for the first round of MSP program public participation may outline an intended approach that would be fleshed out over an appropriate period of time-- but importantly, would be activated as part of the project identification and selection process accompanying the first submitted 5-year program. Note that the 0.5% MSP planning funds can be used to develop public participation processes appropriate to that program.
- D. Each 5-year program adopted by the subregional entity governing board would include a description of the established public participation element, and how it has been applied in developing the MSP program, and its recommendations.

Finally, the Public Participation Element must reference if, and to what extent, the subregion addresses performance measurement as part of the MSP 5-Year Plan, per the Measure M Administrative Procedures section on performance measurement (see Section 3).


APPROVED: CEO


Department Head


DATE

Appendix

**Measure M Multi-year Subregional Programs
5 Year Plan Programming Forecast (Step 2, V.)**

List each project, the location, relationship to MSP name/type, and description:

Project Name	Description ¹

List the estimated cost of each project and funding sources:

Project Name	Cost Estimate	MSP \$ Amount	Non-MSP \$	Notes/Comments (e.g., Funding Sources)

List the annual funding for each project over the 5 year program (list each funding source on a separate row):²

Project Name	Cost Estimate	MSP \$ Amount ³	5 Year Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6+ ³

¹ Metro may request additional information about a project regarding, among other things, its eligibility for MSP funding and readiness.

² The annual Measure M MSP funding cannot exceed the total available for the subregion.

³ The total Measure M MSP funding amount can exceed the 5 year total for planning purposes only. Funding outside the 5 year period is not guaranteed.

PROJECT READINESS

“Project Readiness” is essential in determining whether a project is ready for funding. It is important that project sponsors provide accurate and complete information for evaluating project readiness to avoid future funding delay.

Provide any/all evidence that project funding will result in timely development and completion of the project including the following information:

- Describe how the schedule provided is realistic to enable project completion based on the years funding is requested in the submitted Project Financial Plan, and is consistent with any and all regulations and policies for fund use, including but not limited to Metro/State/Federal lapsing policies.
- List all owners of the right-of-way where the project is to be constructed. What are the existing uses of the right-of-way? Are there any future plans that might affect the project? Have the owners been contacted? If so, are they willing to sell the property?
- If the project requires the use of Metro-owned right-of-way, the project applicant is responsible for coordinating with Metro’s Real Estate Department and ensuring consistency with Metro’s Right-of-Way policy if the project is either adjacent to, or encroaches upon, Metro property or requires a formal permission for its use from Metro. The cost of any alterations to the Metro right-of-way to make it usable for a project, including relocations or removal of existing structures, or meeting other Metro conditions for use of the property will be the responsibility of the project sponsor.
- Identify all other agencies or organizations that are active participants in this project. Indicate how and when their involvement is required in order to implement this project.
- “Letters of support” by others should be included with the application package if available (not mailed separately to Metro’s CEO).
- If information is available, identify if there are any adjacent jurisdictions, agencies, property owners, etc., who would be impacted by the proposed project. Please list and describe outreach efforts, dates, participants and any results/issues that could impact the project’s schedule. Also, please identify if right-of-way condemnation would be necessary.
- Indicate the proposed project schedule below by filling in estimated or already completed dates for the project activity milestones.

Activity

Date

Feasibility Study

Project Study Report

Operational Plan

Start of Environmental Documentation

Community Meetings or Other Forums *(please list)*.....

Draft Environmental Document

Final Environmental Document

Governing Board Approval

(please provide name of governing board entities below)

Begin Plans, Specifications, and Estimate

Completion of Plans, Specifications, and Estimates

Start of Right-of-Way Acquisition

Right-of-Way Certification*

Utility Relocation

Ready to Advertise*

Start of Construction (Contract Award)

Project Completion

Other

**The right-of-way phase is complicated so applicants should be realistic about the length of time, particularly if condemnation will be necessary.*

PROJECT FINANCIAL PLAN

Complete and attach the financial plan for the project. Enter all amounts in nominal, or year-of-expenditure dollars and include any assumed inflation rates. Clearly identify all funding sources as either COMMITTED or UNCOMMITTED. Project applicants should note that if their application is awarded funding, all Local Match funding will be escalated accordingly and considered committed. All figures must reflect whole dollars.

A person duly authorized to sign for the organization (city manager, general manager, executive director, or high-ranking officer) must sign below:

I certify that all sources of grant funding have been identified in Project Financial Plan.

I certify that this project is not the full responsibility of a developer.

Signature

Date

Title

PROJECT FINANCIAL PLAN

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

1. PROJECT FINANCIAL EXPENSES

NOTE: INDICATE ALL AMOUNTS IN WHOLE DOLLARS FROM CURRENT FISCAL YEAR.

PROJECT EXPENSES *	Prior Years	FY	FY	FY	FY	FY	TOTAL
CAPITAL EXPENSES:							
1 Design and PS&E							
2 Right-of-Way Acquisition or Lease							
3 Utilities Relocation							
4 Equipment Purchase or Lease (e.g., computers)							
5 Vehicle Purchase or Lease							
6 Construction							
7 Construction Engineering							
OPERATING EXPENSES:							
8 Administration/Management							
9 Operating Costs							
10 Maintenance							
11 Marketing							
OTHER EXPENSES (Specify):							
12 _____							
13 _____							
14 _____							
15 _____							
16 _____							
17 _____							
18 TOTAL PROJECT EXPENSES							

* List only expenses to be incurred in the completion of the Scope of Services of the project for which you are applying for funding. Expense categories are not applicable for all projects.

PLEASE INDICATE THE AMOUNT AND YEARS IF YOU HAVE INCURRED COSTS IN THE EARLIER YEARS OR IF YOU WILL REQUIRE ADDITIONAL FUNDING IN LATER YEARS FOR THIS PROJECT.

PROJECT FINANCIAL PLAN

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

2. PROJECT FUNDING SOURCES

NOTE: INDICATE ALL AMOUNTS IN WHOLE DOLLARS FROM CURRENT FISCAL YEAR.

ALL EXISTING PROJECT FUNDING SOURCES *	Indicate if Committed or Uncommitted	Prior Years	FY	FY	FY	FY	FY	TOTAL
19 Federal Monetary (Specify):								
20 Local Match to Federal Monetary								
21 Federal Monetary (Specify):								
22 Local Match to Federal Monetary								
23 State Monetary (Specify):								
24 Local Match to State Monetary								
25 State Monetary (Specify):								
26 Local Match to State Monetary								
27 Local Monetary (Specify):								
28 In-Kind (Specify):								
29 Other (Specify):								
30								
31 TOTAL EXISTING FUNDING SOURCES								

* List only funding for expenses to be incurred in the completion of the Scope of Work of the project for which you are applying for funding, being sure to include all sources of grant funding.



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

Measure M – MSP Public Participation Element

Project	Project		
Sponsoring Agency	Agency	Subregional Entity	Entity
MSP Name	MSP Name		
Fiscal Year	Fiscal Year	Submission Date	Date
Contact Name	Last Name	First Name	
Mailing Address	Address		
City, State ZIP	City	State	ZIP
Email	Email	Phone	Phone

1.) Who has interest in MSP development (by program)?

Outline relevant and impacted interests. At a minimum, the public participation element must address the interests of COGs; Cities, Counties and other local jurisdictions; communities; and stakeholders

2.) What process/procedures will be followed to meaningfully involve these groups?

- a. Define who takes the lead for developing/implementing public information and community outreach processes and/or procedures.

Design and implementation should address forums for participation.

b. How are the processes/procedures documented and communicated?

If a COG/subregion believes a prior public outreach process adequately addresses public participation elements as framed by these questions, that justification must be clearly documented.

3.) How will the range of interests outlined in (1) above be engaged in development of the following MSP Plan components?

Identification of candidate projects
Selection of candidate projects
Review and approval of overall 5-Year Program
Implementation of projects within the Program
Stakeholders consulted during plan development
Responses to feedback

4.) What is the timing of the Public Participation Element?

- A. Include a timeline/schedule for implementing the public participation element, and how it has been applied in developing the MSP program, and its recommendations.
- B. Public participation should be initiated at the outset of the MSP planning process for all projects considered for MSP programming to be truly relevant.

5.) The Public Participation Element must reference if, and to what extent, the subregion addresses performance measurement as part of the MSP 5-Year Plan, per the Measure M Administrative Procedures section.

Please use a separate sheet if necessary or otherwise include information available at the time.

**THIS PAGE IS A PLACE HOLDER FOR FUTURE FORMS
TO BE DEVELOPED AS NEEDED**

Measure M Administrative Procedures: XVII. Visionary Project Seed Funding

VISIONARY PROJECT SEED FUNDING

Measure M makes \$20 million available over 40 years (FY2018-FY2057) to be used for "Visionary Project Seed Funding." This document provides a set of guidelines for how that funding will be distributed.

SUMMARY

Metro's Visionary Project Seed Funding will be leveraged to help spark and develop innovative mobility concepts for Los Angeles County. The Seed Funding will be utilized as a tool to generate and develop concepts into actionable projects that can be implemented in the future, in addition to aiding in identifying potential funding streams for implementation.

To enable this program, Metro will enter into a contractual agreement with a consultant(s) who will provide direct research and staff support to grantees for innovative project ideas. The consultant will be selected for a minimum of a three year contract with the option for renewal. Consultants will be evaluated based on their ability to deliver on a broad range of projects. Consultants may consist of professionals from private companies, educational, and/or non-profit institutions.

Metro will annually solicit project concepts and/or problem statements for consideration from eligible applicants (defined below). Proposals will be evaluated on a defined set of metrics developed in partnership with the contracted consultant. Metro may select one or more applicants for grant award each year. The selected grantee(s) will work with Metro and the contracted consultant to develop an innovation research and analysis plan for the duration of the term.

Consultant contracts and grantee awards will be overseen by Metro.

AVAILABLE FUNDING

\$500,000 available annually, with the option to renew. The grant funded share of the project is limited to 60 percent.

SELECTION OF CONSULTANT

Every three years, subject to reevaluation by the CEO, LA Metro will competitively solicit a consultant to assist in managing this program. Consultants will be selected based on their demonstrated expertise in transportation planning, engineering, and/or public policy academic research and their access to sufficient resources to deliver the contents of the contract.

SELECTION OF PARTNER AGENCIES

ELIGIBLE APPLICANTS

Metro, Municipal Operators, Local Operators, Council of Governments are eligible for consideration for award(s). Eligible applicants may partner with private sector vendors, non-profits, or academic institutions. Private vendors need a public sector partner, with an interest in possible implementation, to be able to apply.

ELIGIBLE PROJECTS

Eligible applicants are directed to develop a problem statement detailing a specific project concept or a problem statement that could benefit from additional research-based support. Applicants will be

expected to provide a clear narrative on the challenge/goal that their agency is facing and to develop a preliminary outline for the scope of work.

Eligibility of projects is broad. Examples of potential categories the proposed technical assistance could address include, but are not limited to, the following:

- New mobility solutions
- Use of new and innovative technology ideas in transportation
- Safety or security improvements
- Substantial improvements in travel time and customer experience
- Major reductions in emissions or other environmental externalities
- Improvements in access for disadvantaged populations
- Connectivity to major trip generators
-
- Reduction of project costs compared to conventional delivery methods

SELECTION CRITERIA

To select the grantee(s) for the Visionary Project Program, a Metro team of reviewers will evaluate the following criteria:

1. **IMPACT AND OUTCOMES.** Applicants are expected to identify goals that their program seeks to achieve for Los Angeles County.
2. **PROJECT DESCRIPTION.** Applicants will be evaluated based on the clarity of the problem they are seeking to solve by means of the Visionary Project Seed Funding. High scoring applications will include a thoughtfully developed problem statement and methodology for exploration during the Visionary Project Program term.
3. **TEAM CAPACITY AND COMMITMENT.** Applicants will be expected to detail the team and its capacity to facilitate and manage the project during the three-year term.

COST SHARING OR MATCHING

The grant funded share of this project is up to 60 percent with a 40 percent agency match. Agencies may choose to provide a cost share match above 40 percent to expand the scope of their Visionary Project. Grant terms will be adjusted based on the projects that are selected.

RESERVE/CARRYOVER REQUIREMENTS

Metro's goal will be to spend or allocate these funds in a timely manner. However, Metro may reserve or carryover some or all of its allocation to the next fiscal year if necessary. Metro will begin the process of procuring a vendor and developing a notice of funding availability upon approval by the CEO.

REPORTING REQUIREMENTS

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M Visionary Project Seed funds are contributing to accomplishing the program objectives.

AUDIT REQUIREMENTS

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.


APPROVED: CEO


Department Head


DATE