



Metro

PLANNING & PROGRAMMING COMMITTEE
November 15, 2006

SUBJECT: 2007 CALL FOR PROJECTS

ACTION: APPROVE 2007 CALL FOR PROJECTS APPLICATION PACKAGE

RECOMMENDATION

Approve the 2007 Call for Projects Application Package (sent to Metro Board under separate cover).

ISSUE

Metro has initiated the 2007 Call for Projects process for Los Angeles County. The Call for Projects is a competitive grant process that co-funds new regionally significant capital projects and is typically held biennially in odd numbered years. Metro Board approval is needed on the draft 2007 Call for Projects Application Package. This package provides the instructions and specific modal applications that will be used by potential project sponsors that wish to nominate projects for consideration.

POLICY IMPLICATIONS

Metro is the regional transportation planning agency for Los Angeles County responsible for programming available state and federal funding on a timely basis. The Call for Projects implements Metro's multi-modal programming responsibilities for Los Angeles County and the Board-adopted Long Range Transportation Plan (LRTP). It provides critical funding for local agencies for needed transportation improvements that help implement the LRTP.

OPTIONS

On August 24, 2006 the Metro Board initiated the 2007 Call for Projects for Los Angeles County. Since then work has completed on the Draft 2007 Call for Projects Application Package to provide minor updates for program requirements and refine the evaluation criteria. Overall the Draft 2007 Call for Projects Application Package is similar in format and content as in past Calls. At this time the Metro Board could modify the Draft 2007 Call for Projects Application Package. Any modifications would be provided to project sponsors at the same time the supplemental 2007 Call for Projects Application package is distributed in mid-December. As in past Calls, once the Metro Board has approved the Application Package, staff distributes a supplemental package in mid-December to notify interested parties of any additional program changes.

FINANCIAL IMPACT

Funds available for the 2007 Call for Projects come from three principal sources:

- Local Proposition C 25% bond financing;
- State Traffic Congestion Relief Program allocations and repayments; and,
- Federal Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU).

The draft 2006 LRTP update baseline assumption about Proposition C 25% bond financing is consistent with Metro's debt policy and remains very conservative given the historic lag between programming of the bond funds and cash needs for projects. With the California Transportation Commission (CTC) recently having allocated State Traffic Congestion Relief Program (TCRP) funds to the Exposition Light Rail Transit project, a significant amount of federal Congestion Mitigation and Air Quality Improvement (CMAQ) program and local Proposition C 25% funds that were previously programmed to the project have become available for re-programming. Also, with the CTC having agreed to repay funds that Metro advanced for several Los Angeles County projects, including the Orange Line Busway project, Metro would be able to indirectly provide funding from those repayments to the 2007 Call for Projects. Finally, through the enactment of SAFETEA-LU, Congress has provided additional federal transportation funds that could be programmed in the 2007 Call for Projects.

The funding levels for the overall 2007 Call for Projects and for individual modal categories won't be determined until early 2007. These will be identified as part of the ongoing development of the LRTP update. Staff anticipates bringing preliminary funding marks for the 2007 Call for Projects to the Board in March 2007.

At the August 16, 2006 Planning and Programming Committee meeting, staff was directed to provide the Board with potential modal funding percentages based on the anticipated 2007 Call for Projects funding levels. The modal share estimates were presented at the August 24, 2006 Board meeting and were based on an estimated funding range of \$250-600 million (without freeway modal category) to be programmed over a five to six year period. The historical allocation of non-freeway funds in prior Call for Projects has been \$60-100 million annually.

BACKGROUND

Work on the 2007 Call for Projects process began in August 2006. Metro's Technical Advisory Committee (TAC), TAC subcommittees, and sub-regional agencies were consulted to develop the current Call for Projects process and application requirements. The Call for Projects will have seven (7) modal categories. These categories and eligible projects within each category are identified in Attachment B. Funding for Goods Movement projects will be integrated with the Regional Surface Transportation Improvements modal category, but depending upon the outcome of the Infrastructure

Bond Initiative, may not be programmed through the Call for Projects. In addition to the seven (7) modal categories, the 2007 Call for Projects will allow local government sponsors, on a one-time basis, to apply for additional funding needed to address cost increases for previously-approved projects programmed in FY 08 and FY 09 through prior Call for Projects.

The 2007 Call for Projects Application Package is similar to past Call applications. Since a Call has not been held since 2001, the 2007 Call for Projects Application Package contains new programming requirements resulting from new policy and programming actions from the Metro Board, Caltrans and other agencies. The new program requirements that are highlighted in this Call Application Package include the following:

- **Supplemental Funding Call Application:** For projects programmed in FY 08 and FY 09 through a previous Call for Projects that have experienced cost increases, a Supplemental Funding Call Application can be used to apply for additional funding. However, the scope of work must remain the same as originally approved by the Metro Board. This supplemental funding opportunity is similar to the recent FY 07 supplemental application submittal, and it is projected that relatively few projects will be submitted in the FY 08 and FY 09 Supplemental Funding process.
- **Non-Disclosure Agreement:** Applicants will be required to sign a Non-Disclosure Agreement which limits the use of Metro data used to prepare and submit applications for the 2007 Call for Projects. This new program requirement is necessary because of potential security concerns related to the uncontrolled release of the Metro information.
- **PSR/PDS and PSRE:** Metro requires that projects affecting a state highway facility have an approved Caltrans' Project Study Report (PSR) as this document contains cost figures sufficient to program construction dollars. If Caltrans requires that a Project Study Report/Project Development Support (PSR/PDS) be completed for a project, Metro will accept the PSR/PDS and may consider the project on a case-by-case basis as the PSR/PDS does not identify costs as specifically as the PSR.
- **Federal and State Funding:** The amount of local funds available through this Call for Projects will be limited. Therefore, federal and state funds represent the majority of the available funding and will be subject to numerous federal and state requirements that may require significant staff time to process if awarded funds, such as strict "timely use of funds policies" and obtaining advance authorization for such activities, including but not limited to: "Requests for Authorization" for preliminary engineering, utility relocation, right-of-way, and construction.
- **Local Match:** Local Match continues to be a Call for Projects Requirement. PROJECTS SUBMITTED THAT DO NOT MEET THE MINIMUM LOCAL MATCH REQUIREMENT WILL BE DISQUALIFIED. In the 2007 Call for Projects, the required 20% local match must be a monetary cash match. For RSTI, the required Local Match is 35%, the minimum 20% must be monetary, and the remaining 15% can consist of "in-kind" local match contributions. As with past Call for Projects, additional local match

funding above the requirement will result in a higher score – up to 10 additional points, depending upon the amount of the overmatch as described in the project evaluation criteria and weighting section of each modal category application. For RSTI, all overmatch above the 35% must be monetary cash.

In the 2007 Call for Projects, any project sponsor monies spent on environmental document preparation, and/or preliminary engineering will be considered as contribution to the 20% Local Match. This provision only applies to monies spent on environmental documentation preparation and preliminary engineering within three (3) years prior to Metro Board adoption of the 2007 Call for Projects scheduled for July 2007. However, because federal and state funds represent the majority of available funding in the 2007 Call for Projects, project sponsors who choose to exercise this option will be required to submit additional hard matching funds in future years if awarded federal and state funding.

- **Goods Movement:** Metro’s approach to funding for the Goods Movement projects within the RSTI modal category depends upon the outcome of Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. In the event Proposition 1B fails at the polls on November 7, 2006, Metro will be using this application for determining investments in Goods Movement projects. In the event Proposition 1B passes, Metro will be considering alternate programmatic and project specific approaches to implementing Goods Movement projects. Traditionally, Metro has capped its contribution to major Goods Movement projects at 17%.
- **SAFETEA-LU Project Eligibility:** SAFETEA-LU Earmark Projects are eligible to compete for funding in modal categories based on their merits. However, Earmark funding through SAFETEA-LU cannot be used as the Local Match Requirement. Additionally, Earmark dollars cannot be used as overmatch in order to obtain bonus points under Local Match Criteria.
- **Transit Oriented Development (TOD):** Metro Board members asked staff to consider how the 2007 Call for Projects could promote and benefit TODs. Each of the seven (7) modal categories in the Draft 2007 Call for Projects Application Package contains language to determine if the proposed project benefits existing or proposed TODs, and if so, awards additional points. In addition, projects adjacent to Metro or Commuter Rail stations, such as regionally significant transit stops and transit centers, are eligible for funding.

NEXT STEPS

Once the Metro Board has approved the Application Package, staff will distribute a supplemental package in mid-December to notify interested parties of any additional program changes.

The highlights of the 2007 Call for Projects schedule are as follows:

- Mid-December 2006: Final Application Package Supplement released to local agencies.
- January 26, 2007: Applications due from project sponsors.
- March 2007: Preliminary Call for Projects funding marks presented for Board consideration.
- May 2007: Staff completes preliminary project and funding recommendations.
- May 2007: TAC conducts review and appeals process.
- June 2007: Board workshop to review and provide direction on recommendations.
- July 2007: Board considers Call for Projects recommendations and makes funding decisions.
- August 2007- March 2008: Call for Projects programming decisions incorporated into state and federal Transportation Improvement Programs.

ATTACHMENTS

A. Modal Categories and Eligible Projects

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ATTACHMENT A

Modal Categories and Eligibility Criteria

Modal Application	Eligible Projects
Regional Surface Transportation Improvements	Major capital improvements and goods movement projects on regionally significant arterial highways such as: arterial widening, bottleneck intersection improvements, closure of gaps in the arterial system, grade separations, and other arterial improvements. Rehabilitation, Reconstruction and Repavement (3R) are eligible as a component of a larger capacity enhancing project.
Signal Synchronization & Bus Speed Improvements	Traffic signal synchronization, transit preferential treatment and priority systems, bottleneck intersection improvements, traffic control and monitoring systems, and Intelligent Transportation System (ITS).
Transportation Demand Management	Technology and/or innovation based strategies, Ridesharing Incentive/Disincentive Programs, Parking Management Programs, Transportation Facilities Amenities, and Commuter Service Centers.
Bikeway Improvements	Regionally significant projects providing Class I bike paths; Class II bike lanes; Class III bike routes connecting bikeway segments; bicycle underpasses, ramps or bridges; bike safety improvements; and bike amenities such as: bicycle parking, bicycle detection devices, intersection improvements, signage, lighting, fencing and incidental landscaping.

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ATTACHMENT A (continued)

Modal Categories and Eligible Projects

Modal Application	Eligible Projects
Pedestrian Improvements	Pedestrian improvements that promote walking as a viable form of utilitarian travel, pedestrian safety, and an integral link within the overall transportation system.
Transit Capital	Bus capital, improvements or construction of transit stations, transit centers and park and ride lots, commuter rail stations, transit stop improvements and transit vehicle or transit equipment purchases.
Transportation Enhancement Activities	Acquisition of scenic or historic sites, scenic or historic highway programs, landscaping and scenic beautification, historic preservation, rehabilitation of historic transportation buildings, control and removal of outdoor advertising, archaeological planning and research, environmental mitigation to address water pollution due to highway runoff, safety and educational activities for pedestrian and bicyclists, reduction of vehicle-caused wildlife mortality and establishment of transportation museums.