



**Metro**

REVISED  
PLANNING AND PROGRAMMING COMMITTEE  
July 19, 2006

**SUBJECT: 2006 CALL FOR PROJECTS RECERTIFICATION AND DEOBLIGATIONS FOR LOS ANGELES COUNTY**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATIONS**

- A. Recertify \$171.89 million in existing Fiscal Year (FY) 2006-07 commitments from previous Call for Projects and authorize the expenditure of funds to meet these commitments, as shown in Attachment A;
- B. Receive and file ~~\$79.84~~ **\$80.61** million worth of time extensions shown in Attachment B;
- C. Deobligate \$6.29 million of previously approved Call for Projects, as shown in Attachment C;
- D. Authorize the administrative reprogramming of approved project funding for California Department of Transportation (Caltrans) projects as required, to meet Caltrans design and construction time frames and for the Port of Long Beach Pier B Intermodal Rail Access Yard project (Project # 8094), and the City of Los Angeles San Fernando Mission Blvd.: Sepulveda Blvd. to 1-5 Freeway (Project # 8064) based on special circumstances;
- E. Approve a four-year extension for two House Resolution (H.R.) 5394 (Rogan, 2001) projects for the City of Los Angeles State Route (SR) 710 Access Road Extension from Valley Boulevard to Alhambra Road (Project #8068) and for the City of South Pasadena Fair Oaks Corridor Improvements (Project #8018); a three-year extension for Metro's Ramirez Flyover (Project # 4302), and a two-year extension for the City of Santa Clarita Interstate 5/Magic Mountain Parkway (SR 126) Interchange (Project #6363);
- F. Amend the administrative authority to add the provision to allow the extension of lapsing deadlines of Metro programmed funds that match Federal High Priority or Demonstration projects;
- G. Amend the FY 2006-07 budget, as necessary, to include the 2006 Call for Projects Recertification and Deobligation projects in the FY 2006-07 Regional Programs budget and Metro grantee projects in the appropriate cost center budgets; and
- H. Authorize the Chief Executive Officer or his designee to negotiate and execute all necessary agreements for approved projects.

## ISSUE

Each year the Metro Board must recertify budget year funding for projects that were Board-approved through prior Calls for Projects to release the funds to project sponsors. The Metro Board must also approve the deobligation of lapsing project funds after providing project sponsors with the opportunity to appeal Metro staff recommendations to the Metro Technical Advisory Committee (TAC) and Metro Board. Attachment D provides background information for the recommendations.

## POLICY IMPLICATIONS

The Call for Projects process implements Metro's multi-modal programming responsibilities for Los Angeles County and the Metro Board-adopted Long Range Transportation Plan (LRTP). The staff recommendations are also consistent with the Short Range Transportation Plan (SRTP).

The 2006 Recertification and Deobligation process implements Metro's annual authorization and timely use of funds policies. Specifically, Metro Board policy calls for the deobligation of funding from project sponsors who have not met lapsing deadlines, or who have not used the entire grant amount to complete the project (project savings). Based on these Metro Board's recently approved one time changes to the Call for Projects process, some of the project savings may be used to fund cost increases for other locally sponsored Call projects.

## OPTIONS

The Metro Board could cancel all or some of the FY 2006-07 funding commitments rather than authorize their expenditures. This would disregard previous Metro Board approved Call for Projects funding commitments and could disrupt on-going projects that received multi-year Metro funding.

With respect to deobligations, the Metro Board could choose to deobligate funds from one or more sponsors. These deobligations represent projects that are not moving forward consistent with Metro's adopted Lapsing Policy due to various reasons including: lack of staff; environmental and right-of-way issues; and, contract award delays, to name a few. We considered a much stricter interpretation of the Metro lapsing policy, which might encourage project sponsors to focus scarce labor and other resources on Metro projects in order to deliver them in a more timely fashion. However, this would be disruptive to the process of delivering the specific projects involved. On balance, we believe that the appeals process between the project sponsors and the Metro TAC was a significant reminder that these Metro funded projects should not be further delayed. In addition, the specific projects involved are now very close to being delivered.

## FINANCIAL IMPACT

Projects approved through the Call for Projects are funded through a variety of federal, state and local grant sources. Local funds for the 2006 Call for Projects Recertification and Deobligation process are included in the FY 2006-07 Metro Subsidies to Others (Cost Center 0441) Budget. Most of these funds can only be used for transportation projects and not as operating funds. Local funds programmed to Metro are included in the appropriate cost center budget.

With respect to deobligated funds, staff will return with recommendations as to how to reprogram the funds such as cost escalation, reserve for future Calls for Projects, and other regional capital needs.

## BACKGROUND

Metro is required by federal (Title 23 U.S.C. 134 (g) & (h)) and state (P.U.C. 130303) statutes to prepare a Transportation Improvement Program (TIP) for Los Angeles County. The TIP allocates revenues across all transportation modes based on the planning requirements of the Transportation Equity Act of the 21<sup>st</sup> Century (TEA-21) and the Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU). Metro accomplishes these mandates, in part, by programming revenues through the Call for Projects.

### Technical Advisory Committee Appeals

On June 7, 2006, the Metro TAC met and heard sponsor appeals on the deobligation of funding for 17 projects. Of the 17 projects, the City of Los Angeles Upper 2<sup>nd</sup> Street Completion (Project# 6415) was removed from the list, as their Memorandum of Understanding (MOU) was executed by the requested deadline. A summary of the TAC recommendations and the Metro responses are listed in Attachment E. The TAC concurred with Metro staff's recommendation to deobligate \$6.29 million in funding for the twenty-five (25) projects contained in Attachment C. This funding represents audited savings from completed projects, savings from projects cancelled by the sponsors, and savings from projects that were beyond the lapse dates.

The TAC also heard project update reports on eleven (11) projects, ten (10) of which were given two (2)- year conditional extensions, and one project was given a one (1)-year extension in the 2005 Recertification process (Attachment F). As a condition of their extensions, these project sponsors are required to demonstrate that their projects are progressing and will be completed by their revised lapse date of June 30, 2006 or June 30, 2007.

## NEXT STEPS

With Metro Board approval of the 2006 Call for Projects Recertification and Deobligation, project sponsors will be notified and MOUs and Letters of Understanding (LOAs) will be executed with those who have received their first year of funding through the Recertification process. Amendments to existing MOUs and LOAs will be completed for those sponsors receiving time extensions.

## ATTACHMENTS

- A. LACMTA Call for Projects Recertification FY 2006-07 Projects
- B. LACMTA 2006 Projects Requiring Extensions as of June 30, 2006
- C. LACMTA Call for Projects Deobligation Recommendations FY 2005-06
- D. Background/Discussion of Each Recommendation
- E. Results of TAC Appeals Process
- F. Conditional Extensions Granted in 2005 Recertification Process

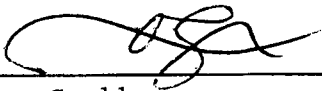
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Chief Executive Officer

**REVISED**  
**ATTACHMENT D**  
**BACKGROUND/DISCUSSION OF EACH RECOMMENDATION**

**A. Recertifications**

The \$171.889 million in existing FY 2006-07 commitments (Attachment A) was Metro Board approved and programmed in previous Calls for Projects. The current action is required to insure that funding continues in FY 2006-07 for those on-going projects for which Metro previously committed funding.

**B. Time Extensions**

During the 2001 Call for Projects Recertification and Deobligation, the Metro Board authorized the administrative extension of projects based on the following reasons:

- 1) Project delay due to an unforeseen and extraordinary circumstance beyond the control of the project sponsor (federal or state delay, legal challenge, act of God, etc.);
- 2) Project delay due to a Metro action that results in a change in project scope, schedule, or sponsorship that is mutually agreed upon by Metro and project sponsor prior to the extension request; and
- 3) Project delay due to contractual obligation, however, a time extension is needed to complete construction that is already underway (capital projects only).

Based on the above criteria, extensions totaling ~~\$79.84~~ **\$80.61** million for ~~forty-two (42)~~ **forty-three (43)** projects shown in Attachment B are being granted.

Included in Attachment B are projects that require additional time to execute their MOU or LOA. These project sponsors did not comply with the Metro Lapsing Policy section that requires funding agreements to be executed by December 31 of the first year of programming to avoid lapsing and deobligation. Project Sponsors, who were not in compliance, were notified of Metro's plan to deobligate the funds. They were given an opportunity to appeal to Metro's TAC on June 7, 2006. Based on their appeals, TAC recommended that they be given extensions to execute their funding agreements. For those project sponsors who informed TAC that they would like to use the new Board approved Call guidelines to deobligate their existing project and move the funds to another existing eligible Call project, TAC recommended that they notify Metro in writing by June 30, 2006, of their intentions. Metro is recommending, however that sponsors have at least 60 days from the July Board meeting to request these funding changes.

**C. Deobligations**

Attachment C shows the \$6.286 million of previously approved Call for Projects funding being recommended for deobligation. This includes approximately \$836,000 in cancelled projects, \$2.90 million in project savings, and approximately, \$2.550 million in grant or scope reductions. For those project sponsors who were not in compliance with Metro's Lapsing Policy, they were notified of Metro's plan to deobligate the funds, and were given an opportunity to appeal to Metro's TAC on June 7, 2006.

#### **D. Reprogramming of Previously Approved Funding**

Through several actions starting in April 2003, the Metro Board approved Caltrans schedule changes and the reprogramming of previously committed funding to future years. Caltrans funding must be reprogrammed to match revised delivery dates. Administrative authority is being requested to allow previous Metro Board-approved funding to be reprogrammed to match new Caltrans construction schedules.

Through the 2001 Call for Projects, the Port of Long Beach Pier B Intermodal Rail Access Yard (Project# 8094) was funded for \$4.172 million in FY 2004-05. The project is critical for reducing truck traffic in the Port and is an integral part of a \$1.3 billion Port expansion project. At the Port's legal counsel recommendation, one environmental document is being prepared for the entire \$1.3 billion project rather than separate documents for the roadway and rail elements. Since the environmental document will not be complete for another two (2) years, the Port is requesting that their funds be reprogrammed to FY 2008-09 and FY 2009-10.

The City of Los Angeles received \$1.6 million through the 2001 Call for Projects for the widening of San Fernando Mission Blvd. from Sepulveda Blvd. to the Interstate 5 (I-5) Freeway (Project # 8064). Due to the uncertainty of State funding, this project was deferred. In February 2004, the funding for this project was reinstated programmed for FY 2005-06 at the City's request. Because of several soil contamination issues that must be mitigated and additional rights-of-way that must be obtained prior to the start of construction, the City is requesting that the funds be reprogrammed over three (3) years, FY(s) 2005-06, 2006-07, and 2007-08, in lieu of programming the entire amount in one (1) year, FY 2005-06.

#### **E. Additional Extension Approvals**

As part of the 2001 Call for Projects, the Metro Board authorized \$5.2 million in Metro funds to serve as a portion of the required twenty percent (20%) local match to the \$46 million apportioned under H.R. 5394. These funds were allocated to the Cities of Los Angeles, Pasadena and South Pasadena for I-710 Mitigation projects. Approval of four-year extensions for the City of Los Angeles State Route (SR) 710 Access Road Extension from Valley Boulevard to Alhambra Road (Project #8068) for \$1.13 million, and the City of South Pasadena Fair Oaks Corridor Improvements (Project #8018) for \$1.3 million is being requested. Should these matching funds not be extended, the federal funds and the projects could be jeopardized.

Through the 1997 Call for Projects, Metro was awarded \$2.868 million to construct the Ramirez Flyover project (Project # 4302) that would add capacity to the Patsouras Transit Plaza. Due to budgetary constraints over the past few years, the project has been deferred. Metro Operations desires to proceed with the Project. An extension is being requested to allow the appropriate parties involved to determine if the project is cost effective and if so, to allow time to identify and secure additional funds to cover the projected shortfall.

Finally, a two-year extension for the City of Santa Clarita I-5/Magic Mountain Parkway SR 126 (Project #6363) for \$10.435 million is being requested. This project had been programmed using State funds. Because of the State budget shortfall, these funds were deferred. To allow the project to proceed, Metro advanced local funds with an agreement from the California Transportation Commission (CTC) that it would receive a replacement project. The process in which the CTC suspended its funding and Metro replaced those funds with other local funds took over one year, so we believe the extension request is warranted.

#### **F. Lapsing Deadline Extension Amendment**

As described in Item (C), the Metro Board authorized the administrative extension of projects based on three (3) listed conditions. It is being requested that a fourth condition be added to the list which would allow the administrative authority to extend the lapsing deadlines of Metro programmed funds that match Federal High Priority or Demonstration funding through the Intermodal Surface Transportation Efficiency Act (ISTEA), TEA-21, or SAFETEA. Through past Calls for Projects, the Metro Board has programmed local funds as a match for federal funds. If the local funds are not available, this could jeopardize the federal funds and the project.

#### **G. FY 2006-07 Budget**

Metro's Management Audit Services (MAS) completed a Business Process Audit of the Call for Projects in April 30, 2002. Through this audit, it was recommended that:

*...“Board action to approve the Call for Projects should also include authorizing actions to amend budgets when necessary.”...*

In past Call for Projects Recertification and Deobligations, the Metro Board authorized necessary amendments to the overall Subsidies to Others budget, not to the individual cost center budget associated with projects where Metro was listed as the Grantee. As a result, a recommendation was created by MAS to include language in all Call for Projects and annual Recertification and Deobligation Board reports to ensure inclusion of the adopted projects into Metro's budget and to comply with the recommendations of the Business Process Audit. In the past, projects usually have been included in the Metro Budget; however, this action authorizes the inclusion of those projects that may have been inadvertently omitted.

#### **H. Approved Funding Authorization**

Projects receiving their first year of funding are required to execute an LOA or MOU with Metro. This recommendation will authorize the Chief Executive Officer or designee to negotiate any agreement with Project Sponsors.



**Select Criteria from list below and Insert in column with arrow:**

1. Project delay due to an unforeseen and extraordinary circumstance beyond the control of the project sponsor (federal or state delay, legal challenge, Act of God, etc.);
2. Project delay due to a Metro action that results in a change in project scope, schedule, or sponsorship that is mutually agreed upon by Metro and project sponsor prior to the extension request; and
3. Project is contractually obligated, however, a time extension is needed to complete construction that is already underway (capital projects only).

**REVISED**  
**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**



**Projects Requiring Extensions**  
**as of June 30, 2006**  
 (\$000)

MODE	Proj ID #	Agency	Project Title	Total Prog \$	FIS /Oblig /Alloc \$	Balance \$	Recomd Ext. YRS	Reason for Ext. #1, 2, or 3	New Revised Lapse Date
<b>Projects Requiring Lapsing Extensions</b>									
3	8416 D	ARTESIA	COUNTYWIDE BUS STOP IMPROVEMENTS (BUS STOP SAFETY AND IMPROVEMENTS)	48	29	19	1	3	6/30/2007
6	6323	CALABASAS	CALABASAS REGIONAL TRAFFIC CENTER	329	71	258	2	3	6/30/2008
1	6143	CALTRANS	710 FWY (PCH TO DOWNTOWN L.B.) IMPROVEMENT	6,996	699	6,297	1	2	6/30/2007
2	8022	CALTRANS	SR-134/SAN FERNANDO ROAD ACCESS IMPROVEMENTS	830	230	600	1	3	6/30/2007
3	8416 C	COVINA	COUNTYWIDE BUS STOP IMPROVEMENTS (BUS STOP SAFETY AND IMPROVEMENTS)	48	-	48	1	1	6/30/2007
6	6329	CULVER CITY	VIDEO SURVEILLANCE INTEGRATION GAP CLOSURE	1,302	439	863	1	3	6/30/2007
6	4199	FOOTHILL TRANSIT	MONROVIA TRANSIT CENTER	2,639	1,869	770	1	1	6/30/2007
6	2401	GLENDALE	ARROYO VERDUGO TRANSIT PRIORITY SYSTEM & STOP IMPROVEMENTS	1,068	922	146	1	3	6/30/2007
6	4377	GLENDALE	AVTF REGIONWIDE INCIDENT MANAGEMENT STRATEGIES	608	192	416	1	1	6/30/2007
6	6321	GLENDALE	SAN FERNANDO CORRIDOR ITS	5,477	1,478	3,999	1	3	6/30/2007
2	444179	HAWTHORNE	ROSECRANS/AVIATION INTERSECTION WIDENING (Proj. 2343, 576 and 444179)	10,254	-	10,254	3	3	6/30/2009
2	4318	INGLEWOOD	ARBOR VITAE STREET IMPROVEMENTS	1,791	1,293	498	1	3	6/30/2007
6	4319	INGLEWOOD - (SOUTH BAY COC)	INTELLIGENT TRANSPORTATION INFRASTRUCTURE PROGRAM	1,520	1,332	188	1	3	6/30/2007
2	4293	LA CITY	ALAMEDA ST./N. SPRING ST. ARTERIAL REDESIGN	3,600	1,200	2,400	1	1	6/30/2007
2	4304	LA CITY	HIGHLAND AVE WIDENING AT FRANKLIN AVE	1,215	446	769	1	3	6/30/2007
3	6015	LA CITY	EAST LA/MID-CITY CORRIDOR BUS STOP IMPROVEMENTS	1,421	329	1,092	1	3	6/30/2007
3	6020	LA CITY	VERMONT AVE BUS STOP	794	365	429	1	3	6/30/2007
6	2120	LA CITY	GLENDALE BLVD. CORRIDOR IMPROVEMENT PROJECT	3,197	2,184	1,013	2	3	6/30/2008
6	4252	LA CITY	SANTA MONICA BLVD TRANSIT PARKWAY	1,078	-	1,078	1	3	6/30/2007
6	6301	LA CITY	GOLDEN STATE FWY CORRIDOR ATSAC	6,731	847	5,884	2	1	6/30/2008
7	8318	LA CITY	LA CITY AND SURROUNDING COMMUNITIES BICYCLE MAP	217	-	217	1	1	6/30/2007

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3. Project is contractually obligated, however, a time extension is needed to complete construction that is already underway (capital projects only).

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**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY**



**Metro**

**Projects Requiring Extensions**  
**as of June 30, 2006**  
**(\$000)**

MODE	Proj ID #	Agency	Project Title	Total Prog \$	FIS /Oblig /Alloc \$	Balance \$	Recomd Ext. YRS	Reason for Ext. #1, 2, or 3	New Revised Lapse Date
7	8330	LA CITY	BICYCLE COMMUTER TECHNOLOGY ACCESS	305	-	305	2	1	6/30/2008
8	6105	LA CITY	DOWNTOWN WAYFINDING/TRANSIT CONNECTION PROGRAM	574	512	62	1	2	6/30/2007
2	8102	LANCASTER	SR-14 FWY/AVE I INTERCHANGE IMPROVEMENTS	5,351	-	5,351	2	1	6/30/2008
6	2214	LA COUNTY	PACIFIC COAST HIGHWAY TRAFFIC MANAGEMENT SYSTEM	4,058	-	4,058	2 MOS.	1	9/27/2006
4	8111	MTA	EXPANSION OF COUNTYWIDE BSP	1,432	145	1,287	3	1	6/30/2009
8	6502	MTA	SERVICE PLANNING MARKET RESEARCH	800	683	117	1	3	6/30/2007
3	8416 L	NORWALK	COUNTYWIDE BUS STOP IMPROVEMENTS (BUS STOP SAFETY AND IMPROVEMENTS)	33	-	33	1	1	6/30/2007
3	8361	PALMDALE	PALMDALE TRANSIT AMENITIES PROGRAM	412	-	412	2	1	6/30/2008
6	4386	PALMDALE	AVE S INTERCONNECT	575	110	465	1	3	6/30/2007
6	6281	PALMDALE	NORTH COUNTY/ANTELOPE VALLEY TRAFFIC IMPROVEMENT	1,928	55	1,873	2	3	6/30/2008
2	8008	PASADENA	PASADENA SR 710 MITIGATION PROJECT	2,770	-	2,770	2	3	6/30/2008
2	6340	POMONA	MISSION BLVD GRADE SEP AT SR 71	2,329	-	2,329	1	1	6/30/2007
5	2346	POMONA	POMONA REGIONAL TRANSIT CENTER SECURITY SYSTEM PROJECT	155	102	53	1	3	6/30/2007
6	6282	SANTA CLARITA	REGIONAL CENTER CORRIDOR/GAP CLOSURE SIGNAL INTERCONNECT	703	188	515	1	3	6/30/2007
6	6283	SANTA CLARITA	AUTOMATED INCIDENT MANAGEMENT SYSTEM	1,205	225	980	1	3	6/30/2007
2	6347	SOUTH GATE	I-710 FIRESTONE BLVD INTERCHANGE RECONSTRUCTION	1,783	-	1,783	3	2	6/30/2009
6	4246	WEST HOLLYWOOD	WESTSIDE NORTH-SOUTH ARTERIAL CORRIDOR PROJECT	1,125	651	474	1	3	6/30/2007

**Select Criteria from list below and Insert in column with arrow:**

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2. Project delay due to a Metro action that results in a change in project scope, schedule, or sponsorship that is mutually agreed upon by Metro and project sponsor prior to the extension request; and
3. Project is contractually obligated, however, a time extension is needed to complete construction that is already underway (capital projects only).

REVISED

## LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

Projects Requiring Extensions

as of June 30, 2006

(\$000)



Metro

MODE	Proj ID #	Agency	Project Title	Total Prog \$	FIS /Oblig /Alloc \$	Balance \$	Recomd Ext. YRS	Reason for Ext. #1, 2, or 3	New Revised Lapse Date
<b>REVISED</b>									
<b>Projects Requiring MOU Extensions</b>									
2	8048	LA CITY	CAHUENGA BLVD WIDENING - MAGNOLIA BLVD TO LANKERSHIM BLVD	7,669	-	7,669	2 MOS.	1	9/27/2006
3	6012	LA CITY	DOWNTOWN SAN PEDRO TRANSIT HUB MIXED-USE DEV.	2,439	-	2,439	2 MOS.	1	9/27/2006
2	7193	LA COUNTY	GOODS MOVEMENT NHS	8,557	-	8,557	1 MOS.	1	8/31/2006
7	8159	LA CANADA FLINTRIDGE	LA CANADA FLINTRIDGE EAST/WEST BIKEWAY CORRIDOR	56		56	1 MOS.	1	8/31/2006
2	6347	SOUTH GATE	I-710 FIRESTONE BLVD INTERCHANGE RECONSTRUCTION	1,783	-	1,783	1 MOS.	1	8/31/2006
						79,839 80,609			
<b>Additional Extension Requests</b>									
2	8068	LA CITY	SR-710 ACCESS ROAD EXTENSION FROM VALLEY BLVD. TO ALHAMBRA ROAD. [ROGAN BILL HR 5394 DISCRETIONARY MATCHING FUND]	1,130	-	1,130	4	1	6/30/2010
1	4302	MTA	RAMIREZ FLYOVER INTERCHANGE	2,868		2,868	3	3	6/30/2009
2	8018	SOUTH PASADENA	SOUTH PASADENA FAIR OAKS CORRIDOR IMPROVEMENTS [ROGAN BILL HR 5394 DISCRETIONARY MATCHING FUND]	1,300	-	1,300	4	1	6/30/2010
2	6363	SANTA CLARITA	I-5/MAGIC MNT PKWY (SR-126) INTERCHANGE RECONSTRUCT	10,435	-	10,435	2	1	6/30/2008
						15,733			