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REVISED

PLANNING & PROGRAMMING COMMITTEE
August 16, 2006

SUBJECT: 2007 CALL FOR PROJECTS FOR LOS ANGELES COUNTY

ACTION: APPROVE 2007 CALL FOR PROJECTS PROCESS

RECOMMENDATION

Approve initiation of the 2007 Call for Projects process.

ISSUE

Metro is initiating 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. A Call has not been held since 2001, largely due to the State General Fund deficit. This action authorizes Metro to initiate and proceed with the 2007 Call for Projects, which would culminate in Board action in July 2007. This 2007 Call would program funds that would be available mostly starting in 2009 and beyond.

POLICY IMPLICATIONS

The Call for Projects implements Metro's multi-modal programming responsibilities for Los Angeles County and the Board-adopted Long Range Transportation Plan (LRTP) for Los Angeles County. This provides critical funding for local agencies and Caltrans for needed transportation improvements that help implement the LRTP.

OPTIONS

The Board could eliminate or defer the 2007 Call for Projects. This is not recommended, as transportation funds have not been programmed through the Call since FY 2000-01. The Board adopted 2001 LRTP envisioned a Call for Projects in 2003 and 2005, both of which were deferred. Further, staff presented a preliminary financial analysis to the Board for the Draft 2006 LRTP update that assumed the Call for Projects would continue throughout the Plan's 25-year period starting in FY 2006-07.

FINANCIAL IMPACT

The 2007 Call for Projects does not impact the Metro Board adopted FY 2007 Budget because the new programming commitments are beyond FY 2007.

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

- 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 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 also 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 February or March 2007.

At the August 16, 2007 Planning and Programming Committee meeting, staff was directed to provided the Board with potential modal funding percentages based on the anticipated 2007 Call for Projects funding levels. The modal share estimates are based on an estimated funding range of \$250-600 million (see Attachment B). The historical allocation of funds in prior Call for Projects has been \$60-100 million annually. This would equate to an estimated funding range of \$300-500 million for the 2007 Call for Project programming period.

BACKGROUND

Metro is required by federal statute (Title 23 U.S.C. 134 (g) & (h)) and state statute (P.U.C. 130303) to prepare a Transportation Improvement Program (TIP) for Los Angeles County. The TIP allocates revenues across all surface transportation modes based on Los Angeles County's mobility needs and the planning requirements of the Transportation Equity Act of the 21st Century (TEA-21) and SAFETEA-LU.

Metro accomplishes these mandates, in part, by programming transportation revenues through the Call for Projects for regionally significant projects to local jurisdictions and

Caltrans. These regional projects are often beyond the fiscal capability of local sponsors and provide additional projects to meet the County's transportation needs. The Call for Projects implements Metro's multi-modal programming responsibilities for Los Angeles County and the Board-adopted LRTP.

The parameters of the 2007 Call for Projects are being refined over the next several months. Metro staff will consider allowing 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. This would be similar to the recent Board action for previously approved projects with funding in FY 07. Staff proposes to fund new projects in eight modal categories. These are outlined in Attachment A, along with the current criteria for eligibility for each category. Staff anticipates that funding from the Freeway modal category will be programmed to Caltrans for highway projects based on previously Board adopted highway project priorities. Funding for Goods Movement projects will likely be integrated with the Regional Surface Transportation Improvements modal category.

NEXT STEPS

The 2007 Call for Projects will be initiated with a memo from the Chief Planning Officer in August 2006 to public agencies formally announcing the 2007 Call for Projects, overview of schedule, and Metro contact information. In late fall, the application package will be brought to the Board for review and approval. The application will identify whether regional programmed funds can be used for cost increases, on a one-time basis, for projects programmed in FY 08 and FY 09. Preliminary funding marks for the Call will be brought to the Board for consideration in early 2007. Final action on the 2007 Call is proposed for summer 2007.

The anticipated schedule for the 2007 Call for Projects process is as follows:

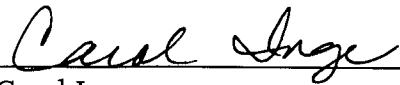
- October 2006: Draft Call for Projects Application Package released to local agencies.
- November 2006: Applicant Workshop held for project sponsors.
- November/December 2006: Call for Projects Application Package presented for Board action.
- Mid-December 2006: Final Application Package Supplement released to local agencies.
- January 2007: Applications due from project sponsors.
- February 2007: Preliminary Call for Projects funding marks presented for Board consideration.
- June 2007: Staff completes preliminary project and funding recommendations.
- June 2007: TAC conducts review and appeals process. 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.

ATTACHMENT

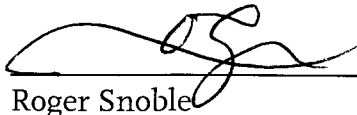
A. Modal Categories and Eligibility Criteria

B. **2007 Call for Projects Preliminary Modal Funding Range**

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ATTACHMENT A

Modal Categories and Eligibility Criteria

Modal Application	Eligible Projects
Freeways - HOV Lanes, and Gap Closures	HOV lanes, HOV lane connectors, closure of gaps in the freeway network, freeway to freeway interchanges and other capacity enhancing 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.

2007 Call for Projects Preliminary Modal Funding Range

	2001 L RTP Modal %	Estimated Funding Range (Millions)
Regional Surface Transportation Improvements/Goods Movement	40%	\$99 — \$239 *
Signal Synchronization	24%	\$60 — \$144
Transit Capital	11%	\$28 — \$68
Bikeway Improvements	8%	\$21 — \$49
Pedestrian Improvements	8%	\$21 — \$49
Transportation Demand Management	7%	\$17 — \$40
Transportation Enhancements	2%	\$4 — \$10
Total	100%	\$250 — \$600

* Funding for RSTI/Goods Movement may be less than full range shown, depending on availability of Regional Surface Transportation Program and State Transportation Improvement Program funds.

State Highway projects will be implemented in accordance with Board adopted priorities rather than through the Call for Projects application process. State Highway projects are funded through the L RTP and are not included in the Call for Projects funding estimates.

