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APRIL 8, 2016

TO: BOARD OF DIRECTORS

THROUGH: PHILLIP A. WASHINGTON *PAW*
CHIEF EXECUTIVE OFFICER

FROM: CALVIN HOLLIS *CH*
INTERIM CHIEF PLANNING OFFICER

**SUBJECT: USDOT FEDERAL FISCAL YEAR (FFY) 2016 FASTLANE
PROGRAM GRANT APPLICATIONS**

ISSUE

Following up on our February 16, 2016 report to the Board of Directors and consistent with our internal selection process, this report outlines those eligible projects that we have identified as the most competitive for the first competitive cycle of the federal Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grant program. We plan to submit grant applications for three projects (Attachment A) to the U.S. Department of Transportation (USDOT) by the April 14, 2016 deadline. Because USDOT limits the number of applications that an agency may submit as the lead applicant to three, Caltrans will also submit a grant application for a grade separation project (Attachment A).

DISCUSSION

On Wednesday, March 2, 2016, the USDOT published a Notice of Funding Opportunity (NOFO) for FASTLANE discretionary grants. The contents of the NOFO were consistent with the information that we had anticipated and communicated to the Board of Directors on February 16, 2016. About \$759 million are available for award of the \$800 million authorized for FFY 2016 by the Fixing America's Surface Transportation (FAST) Act for Nationally Significant Freight and Highway Projects.

As applicable to the State of California, the minimum grant award under this USDOT funding opportunity is \$25 million for projects anticipated to have a total cost of at least \$100 million ("large projects"). Also, the minimum grant award is \$5 million for projects that do not satisfy the minimum threshold ("small projects"). The FASTLANE grant request for both large and small projects cannot exceed 60% of future eligible costs. The maximum federal grant award cannot exceed 80% of all future eligible project costs, if other federal funds are also proposed to be used.

Projects in both urban and rural areas are eligible for FASTLANE grants. Per the NOFO, about \$190 million are to be used for projects located in rural areas and about \$76 million are reserved for small projects. There is no limit on the maximum amount of a FASTLANE grant an eligible applicant may receive per project or combined for the maximum of three applications that the NOFO allows per agency as the lead applicant. Also, there is no limit on the total amount of FASTLANE grants that may be awarded to projects in a single state. Although we may apply for all or most of the FASTLANE funds made available by the NOFO, it is very unlikely that all of our projects would be funded because USDOT must consider geographic diversity among grant recipients. As applicable to similar USDOT discretionary grant programs, we expect most grants not to exceed \$20 million.

Grant funds are to be awarded competitively to freight and highway projects of national or regional significance. Eligible projects are limited to: i) highway freight projects carried out on the National Highway Freight Network (NHFN, as defined in federal law); ii) highway or bridge projects carried out on the National Highway System, including projects that add capacity on the Interstate System to improve mobility or projects in a national scenic area; iii) railway-highway grade crossing or grade separation projects; or iv) a freight project that is an intermodal or rail project, or a surface transportation project located within the boundaries of a public or private freight rail, water (including ports), or intermodal facility that significantly improves freight movement on the NHFN. For large projects to be eligible, construction must begin no later than 18 months after the execution of a grant award with USDOT. Also, a project is eligible for funding if preliminary engineering was completed by the time a proposal is submitted to USDOT.

Internal Process for Requesting, Evaluating, and Selecting Projects

On February 12, 2016 we requested input through an interoffice memo from all departments to identify projects that could be eligible and competitive for FASTLANE grants. More specifically, we also asked departments to complete a checklist, so that their candidate projects may be evaluated for further consideration. On February 16, 2016 we informed the Board of Directors of the FY 2016 FASTLANE funding opportunity and of our internal process to identify projects that can best compete for funding. Following this process, we received a total of seven candidate projects. In reviewing each candidate project, we assessed the extent to which each project meets the requirements and evaluation criteria included in the NOFO.

After follow-up discussions and meetings with department staff who have proposed projects, we identified the three projects that are most competitive and best meet USDOT's evaluation criteria for FASTLANE funding, including the extent to which the project cannot be readily and efficiently completed without a TIGER grant. Attachment A lists the three projects that we are recommending be submitted to USDOT. Attachment A also includes a description of the FASTLANE project that Caltrans will submit (one of three projects selected statewide) as the lead applicant. Attachment B lists the other three projects that we are not recommending be submitted to USDOT because they were determined to not meet eligibility requirements, to be less

competitive, or a FASTLANE grant may not allow completing the projects without additional commitments of non-federal funds.

NEXT STEPS

We will develop and submit grant applications for the three projects identified in Attachment A by USDOT's April 14, 2016 deadline. We will inform the Board of Directors of any further developments on our applications, as information becomes available. USDOT may announce the projects selected for a funding award by September 2016. We also will continue to pursue other federal discretionary funding opportunities as they arise for our projects.

ATTACHMENTS

- A. Projects Recommended for FASTLANE Grant Applications
- B. Projects Not Recommended for FASTLANE Grant Applications

PROJECTS RECOMMENDED FOR FASTLANE GRANT APPLICATIONS¹

TITLE	DESCRIPTION	FUNDING
<p>➤ Freight Advanced Traveler Information System (FRATIS)</p>	<p>Deploy Intelligent Transportation System connected vehicle applications between the Port of Los Angeles and the Port of Long Beach along I-710 to the rail yards in the City of Commerce. The project will provide freight-specific dynamic travel planning and information to improve container movements and reduce empty-load trips.</p>	<p>FASTLANE Request: <u>\$13.8 M</u></p> <p>Local/State Match: \$9.2 M (40%)</p> <ul style="list-style-type: none"> • \$9.2 M (Measure R)² <p>Total Cost: \$23.0 M</p>
<p>➤ I-110/ I-405 Improvements</p>	<p>Increase the capacity of the mainline of I-110 and provide an auxiliary lane for the NB I-405 to SB I-110 connector to reduce congestion and improve operations and the level of service at the interchange.</p>	<p>FASTLANE Request: <u>\$15.0 M</u></p> <p>Local/State Match: \$22.0 M (59%)</p> <ul style="list-style-type: none"> • \$22.0 M (Measure R)³ <p>Total Cost: \$37.0 M</p>
<p>➤ State Route 71 Freeway Conversion</p>	<p>Upgrade SR- 71 from a 4-lane expressway to an 8-lane freeway with high occupancy lanes from Mission Blvd. to SR- 60.</p>	<p>FASTLANE Request: <u>\$40.0 M</u></p> <p>Local/State Match: \$91.0 M (52%)</p> <ul style="list-style-type: none"> • \$25.2 M (State RIP) • \$65.8 M (Prop C) <p>Other Federal Funds: \$44.0</p> <p>Total Cost: \$175.0 M</p>
<p>➤ Rosecrans/Marquardt Grade Separation Project <u>Note:</u> Caltrans to submit the application as the Lead Applicant.</p>	<p>Grade separation at Rosecrans Ave. and Marquardt Ave., from the Burlington Northern Santa Fe (BNSF) mainline double tracks in the City of Santa Fe Springs. It is part of larger congestion relief and safety project being undertaken by Caltrans in partnership with Metro and BNSF.</p>	<p>FASTLANE Request: <u>\$25.0 M</u></p> <p>Local/State Match: \$112.2 M (82 %)</p> <ul style="list-style-type: none"> • \$16.6 M (Measure R) • \$68.6 M (Prop 1A- CHSRA)² • \$20.0 M (Section 190)³ • \$ 7.0 M (BNSF) <p>Total Cost: \$137.2 M</p>

1. First three projects listed in alphabetical order. 2. Gateway Cities COG regional share. 3. South Bay COG regional share.

PROJECTS NOT RECOMMENDED FOR FASTLANE GRANT APPLICATIONS¹

TITLE	DESCRIPTION	FUNDING
➤ I-105 ExpressLanes	Convert high occupancy vehicle lanes on I-105 from I-405 to I-605 into high occupancy toll (HOT) lanes and restripe to add second HOT lane.	FASTLANE Request: <u>\$110.0 M - \$160.0 M</u> Local/State Match: \$40.0 M (27- 20%) <ul style="list-style-type: none"> • \$40.0 M (TBD) Total Cost: \$150.0- \$200.0 M
➤ I-110/Crenshaw Boulevard Improvements	Improve I-405 from Western Avenue to Crenshaw Boulevard, including increasing vehicle storage space at on-ramps and off-ramps, widening local access streets, and realigning ramps.	FASTLANE Request: <u>\$26.0 M</u> Local/State Match: \$61.0 M (70%) ² Total Cost: \$87.0 M
➤ Southern California Regional Interconnector Project (SCRIP)	Convert the stub-end track configuration of the Los Angeles Union Station into “run-through” tracks that cross over U.S. Route 101 and merge with the existing freight railroad right-of-way along the west bank of the Los Angeles River. Only eligible freight components of SCRIP are included in the scope of work.	FASTLANE Request ³ : <u>\$198.0 M</u> Local/State Match: \$132 M (40 %) <ul style="list-style-type: none"> • \$ 10.1 M (TBD) • \$121.9 M (Prop 1A- CHSRA) Total Cost: \$330.0 M

1. Listed in alphabetical order. All ineligible, as preliminary engineering cannot be completed by the due date of the FASTLANE applications. The I-105 ExpressLanes is also ineligible because the proposed funding request exceeds the maximum of 60% of eligible future project costs (in addition to not having funds committed for its implementation, among other factors).

2. South Bay COG Measure R regional share.

3. Although the funding request is equivalent to the maximum of 60% of eligible future project costs allowed by USDOT, it is very unlikely that the project would be selected for a funding award as it would consume about 26% of the FASTLANE funds that are available nationwide.