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**DECEMBER 12, 2016**

**TO: BOARD OF DIRECTORS**

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

**FROM: THERESE W. MCMILLAN** *TW*  
**CHIEF PLANNING OFFICER**

**SUBJECT: USDOT FY 17 FASTLANE PROGRAM GRANT APPLICATIONS**

**ISSUE**

The Fixing America's Surface Transportation Act (FAST Act), a five-year transportation authorization bill funded at \$305 billion and signed into law on December 4, 2015, established the Nationally Significant Freight and Highway Projects (NSFHP) program to provide federal financial assistance to projects of national or regional significance. This grant program, also known as the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) grant program, was authorized at \$4.5 billion for fiscal years (FY) 2016 through 2020, with \$850 million for FY 17 authorized to be awarded by the United States Department of Transportation (USDOT) Secretary of Transportation and vetted by Congress.

On October 28, 2016, the USDOT issued a Notice of Funding Opportunity (NOFO) for the second round of the FASTLANE grant program. This NOFO<sup>1</sup> provided eligibility criteria for agencies and projects as well as application requirements. **The deadline for FASTLANE grant applications is December 15, 2016.**

This report outlines those eligible projects that we have identified as the most competitive for this second cycle of the FASTLANE grant program. We plan to submit grant applications for two projects (Attachment A) to the USDOT by the December 15, 2016 deadline, and support a third application by the California Department of Transportation (Caltrans) that will bundle two Metro projects into a larger highway package of projects entitled *America's Global Freight Gateway: Southern California Highway Strategy* (Attachment A).

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<sup>1</sup> <https://www.transportation.gov/build-america/fastlane/fastlane-ii-notice-funding-opportunity>

## **BACKGROUND**

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 – projects that meet this cost threshold are considered “large projects”. Also, the minimum grant award is \$5 million for projects that do not satisfy the minimum threshold – i.e., “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.

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 the 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 November 2, 2016 we requested input through an interoffice memo from all departments to identify projects that could be eligible and competitive for FASTLANE grants. As part of this outreach we also asked departments to complete a checklist so that their candidate projects may be evaluated for further consideration. We received a total of six candidate projects at that time.

Building off of the lessons learned from the results of the FY16 FASTLANE grant cycle (Item #35, October 2016 Executive Management Committee), including information gained through our debrief with USDOT staff, we held follow-up discussions and meetings with department staff who had proposed projects and assessed the extent to which each project meets the requirements and evaluation criteria included in the NOFO. Our goal was to provide Metro with the best chance of success in gaining a FASTLANE award for Los Angeles County after being shut out in the FY 17 cycle.

Attachment A lists the three Metro projects that were deemed eligible and competitive for the FY17 FASTLANE grant cycle.

## Collaboration with Freight Stakeholders in Los Angeles County

In addition to Metro's three projects, we also have agreed to serve as lead applicant for a creative bundling of projects from the Port of Los Angeles, Port of Long Beach and Alameda Corridor-East Construction Authority (ACE) entitled *America's Global Freight Gateway: Southern California Rail Project*. This regional slate of projects was drawn from each respective agency through a conversation that started at the October 2016 Metro Freight Working Group meeting hosted by Metro, as commissioned by the Metro Board through Motion 52 from the August 2016 Board meeting. It was our goal to ensure this rail-focused bundle of projects would mirror the highway-focused bundle sponsored by Caltrans to promote the need for a multimodal approach to moving freight through Los Angeles County and support a complementary, not competitive, review of both applications.

These five projects in the bundle, comprising two rail/highway grade separations in the Gateway Cities area and three rail capacity and efficiency enhancements at the two ports, will serve the greater international freight rail corridor in Los Angeles County that links the ports to national markets and manufacturing hubs in support of international trade. As a unified program, these projects provide greater opportunity to move freight through Los Angeles County by rail instead of by truck, while also mitigating the impacts of greater volumes of freight rail movement through local communities adjacent to the freight rail corridor.

Of note is that all five of these projects were submitted individually (and unsuccessfully) for the FY16 FASTLANE cycle by their respective agencies. By combining these projects into one regional application that demonstrates how they are all connected in support of a greater regional strategy to move freight to and from the ports via rail, it is Metro's goal to make these projects more competitive and successful in receiving a FASTLANE grant this cycle than each application would have been if submitted individually, all while strengthening our partnership with key freight stakeholders in the County.

## Importance of Measure M in Leveraging Federal/State Freight Funding Opportunities

The passage of Measure M provides vital financial funding and demonstrates strong local support for Metro's applications for this competitive federal grant program. Metro's three highway projects being supported for a FY17 FASTLANE grant award are all competitive based on the combined \$693.5 million afforded to these projects through Measure M. These projects are listed in the expenditure plan as follows:

- I-5 North Capacity Enhancements
- SR-71 Gap from I-10 to Rio Rancho Road
- SR-57/SR-60 Interchange Improvements

Additional Measure M projects, such as the I-710 South Corridor Project, the I-5 Corridor Improvements (I-605 to I-710), and I-605 Corridor "Hot Spot" Interchange

Improvements will also be much more competitive for future federal or state freight funding opportunities given the high level of local funding and support associated with these projects by the passage of Measure M.

### Projects Metro did not recommend for FASTLANE this cycle

Attachment B lists the three Metro projects that we are not recommending be submitted to USDOT because they were determined not to meet eligibility requirements and to be less competitive for the current FASTLANE cycle. It is Metro's intention to continue developing these near-term projects so that they will be competitive in a future FASTLANE cycle.

In addition to these projects listed in Attachment B, Metro also reviewed other Measure M projects with major freight-related components (i.e., I-5 Corridor Improvements [I-605 to I-710]) and found that they were not ready for the strict FY 17 FASTLANE NOFO requirements for construction readiness. Metro will continue to develop these projects to be ready for future funding opportunities, and will work with project stakeholders through the Metro Freight Working Group to create strategies for advancing these projects.

### NEXT STEPS

We will develop and submit grant applications for the I-5 Truck and HOV Lanes Project and the *America's Global Freight Gateway: Southern California Rail Project* (as identified in Attachment A) by USDOT's December 15, 2016 deadline. We also will continue to work with Caltrans on the *America's Global Freight Gateway: Southern California Highway Strategy* application. We will inform the Board of Directors of any further developments on our applications, as information becomes available. With uncertainty surrounding the transition between Administrations and when the FY17 FASTLANE grant awards will be made, we will work with each Administration in support of these applications receiving FASTLANE grant awards.

### ATTACHMENTS

Attachment A: Projects Recommended for FY 17 FASTLANE Grant Applications  
Attachment B: Projects Not Recommended for FY 17 FASTLANE Grant Applications

## PROJECTS RECOMMENDED FOR FY17 FASTLANE GRANT APPLICATIONS

(Projects listed in alphabetical order / \$ in millions / % based on Future Eligible Project Cost)

TITLE	DESCRIPTION	FUNDING
<p>➤ <b>America's Global Freight Gateway: Southern California Rail Project</b></p>	<p>The Project comprises two rail/highway grade separations (Alameda Corridor-East) and three on-dock rail capacity improvement projects (Port of Los Angeles and Port of Long Beach) bundled into a regional freight rail improvement and mitigation project to facilitate the movement of containers to and from the Ports of Los Angeles and Long Beach by rail instead of by truck. <b><u>Metro serves as lead applicant (with Caltrans as co-applicant)</u></b> on behalf of the regional goods movement stakeholder agencies that will implement the Project components.</p> <p>Total Cost: \$277.1</p>	<p><b>FASTLANE Request: <u>\$81.3</u> (29.3%)</b></p> <p>Non-Federal Match: \$180.0 (65.0%)</p> <p>Other Federal Funds: \$15.8 M (5.7%)</p> <p>Future Eligible Project Cost: \$277.1</p>
<p>➤ <b>Interstate 5 Truck and HOV Lanes Project</b></p> <p><u>Note:</u> Being considered by California Department of Transportation to be selected as one of its three FASTLANE applications</p>	<p>The Project includes highway capacity, operational, and safety enhancements including construction of truck lanes, improvements to an existing truck weigh station, High Occupancy Vehicle (HOV) lanes, widening/replacement of 8 freeway bridges and other pertinent work along a 14-mile segment of the I-5 between State Route 14 (SR 14) in Santa Clarita and Parker Road in Castaic in north Los Angeles County. <b><u>Metro serves as the lead applicant with Caltrans serving as co-applicant.</u></b></p> <p>Total Cost: \$440.0</p>	<p><b>FASTLANE Request: <u>\$50.0</u> (11.7%)</b></p> <p>Local/State Match: \$379.0 (88.3%)</p> <p>Future Eligible Project Cost: \$429.0</p>
<p>➤ <b>State Route 57/60 Confluence Freight Bottleneck Project</b></p> <p><u>Note:</u> Selected by California Department of Transportation to be part of its <i>America's Global Freight Gateway: Southern California Highway Strategy</i> FASTLANE grant application on behalf of Metro</p>	<p>The Project includes freeway improvements to the Eastbound SR 57/SR60 Confluence at the Grand Avenue interchange by separating traffic with bypass connectors that will reduce the weaving conflict with SR 57 and SR 60 traffic, particularly for truck traffic through the Confluence area. <b><u>Caltrans is the lead applicant on behalf of Metro.</u></b></p> <p>Total Cost: \$229.6</p>	<p><b>FASTLANE Request: <u>\$35.0</u> (16.3%)</b></p> <p>Local/State Match: \$180.2 (83.7%)</p> <p>Future Eligible Project Cost: \$215.2</p>

<p>➤ <b>State Route 71 Freeway Conversion Project</b></p> <p><u>Note:</u> Selected by California Department of Transportation to be part of its <i>America's Global Freight Gateway: Southern California Highway Strategy</i> FASTLANE grant application on behalf of Metro</p>	<p>The Project will upgrade SR 71 from a 4-lane expressway to an 8-lane freeway with high occupancy lanes from Mission Blvd. to SR- 60, creating an additional 6.4 lane miles of mixed flow and 6.4 lane miles of concurrent flow High Occupancy Vehicle (HOV) lanes. Will also close two at-grade signalized intersections and one un-signalized intersection permanently. Improvements will facilitate freeway speeds for passenger and freight through entire corridor. <b><u>Caltrans is the lead applicant on behalf of Metro.</u></b></p> <p>Total Cost: \$181.5</p>	<p><b>FASTLANE Request: \$40.0 (22.9%)</b></p> <p>Local/State Match: \$88.0 M (50.3%)</p> <p>Other Federal Funds: \$47.0 M (26.9%)</p> <p>Future Eligible Project Cost: \$175.0 M</p> <p><i>N.B. percentages do not add up to 100.0% due to rounding</i></p>
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**PROJECTS NOT RECOMMENDED FOR FY17 FASTLANE GRANT APPLICATIONS**

(\$ in millions and % based on Total Cost)

TITLE	DESCRIPTION	FUNDING
<p>➤ I-710 South Interchange Improvements at Anaheim Street and Pacific Coast Highway</p> <p><u>Proposed By:</u> Highway Programs</p> <p><u>Lead Agency:</u> Metro</p> <p><u>Type of Project:</u> Large</p>	<p>The Project will reconfigure interchanges (by replacing ramps, freeway undercrossing and the Los Angeles River bridges) and implement various street improvements along Anaheim Street and Pacific Coast Highway in the vicinity of the interchanges.</p> <p><u>Comments:</u> Local match still needs to be confirmed. Schedule assumes the preferred alternative to be approved by the Metro Board of Directors in Fall 2017. Very unlikely USDOT will allow the risk involved with starting construction before March 31, 2022. Funding request is not likely to be awarded fully by USDOT -- and the project is not scalable.</p> <p>NEPA anticipated to be completed in August 2018. Final design is scheduled to be completed in March 2021.</p>	<p><b>FASTLANE Request: <u>\$180.0 M</u></b></p> <p>Local/State Match: \$120.0 M (40 %)</p> <p>Other Federal Funds: \$0</p> <p>Total Cost: \$300.0 M</p>
<p>➤ I-710 South Interchange Improvements at Del Amo Boulevard</p> <p><u>Proposed By:</u> Highway Programs</p> <p><u>Lead Agency:</u> Metro</p> <p><u>Type of Project:</u> Large</p>	<p>The Project will reconfigure this interchange (by replacing ramps, freeway undercrossing and the Los Angeles River bridge) and implement various street improvements along Del Amo Boulevard in the vicinity of the interchange.</p> <p><u>Comments:</u> Local match still needs to be confirmed. Schedule assumes the preferred alternative to be approved by the Metro Board of Directors in Fall 2017, but a delay in this timeline pushes the project's construction start date beyond the March 31, 2022 start date required for the FY17 FASTLANE NOFO, creating risk for USDOT at time of award.</p> <p>NEPA anticipated to be completed in August 2018. Final design is scheduled to be completed in March 2021.</p>	<p><b>FASTLANE Request: <u>\$74.4 M (60.0%)</u></b></p> <p>Local/State Match: \$49.6 M (40 %)</p> <p>Other Federal Funds: \$0</p> <p>Total Cost: \$124.0 M</p>

<p>➤ I-710 South Interchange Improvements at Firestone Boulevard</p> <p><u>Proposed By:</u> Highway Programs</p> <p><u>Lead Agency:</u> Metro</p> <p><u>Type of Project:</u> Small</p>	<p>The Project will reconfigure this interchange (by replacing ramps, freeway undercrossing and the Los Angeles River bridge) and implement various street improvements along Firestone Boulevard in the vicinity of the interchange.</p> <p><u>Comments:</u> Local match still needs to be confirmed. Schedule assumes the preferred alternative to be approved by the Metro Board of Directors in Fall 2017, but a delay in this timeline pushes the project's construction start date beyond the March 31, 2022 start date required for the FY17 FASTLANE NOFO, creating risk for USDOT at time of award.</p> <p>NEPA anticipated to be completed in August 2018. Final design is scheduled to be completed in March 2021.</p>	<p><b>FASTLANE Request: <u>\$24.6 M</u> (60.0%)</b></p> <p>Local/State Match: \$16.4 M (40.0%)</p> <p>Other Federal Funds: \$0</p> <p>Total Cost: \$41.0 M</p>
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