



**Metro**

REVISED  
**PLANNING AND PROGRAMMING COMMITTEE**  
**JANUARY 17, 2007**

**SUBJECT: EXISTING CALL FOR PROJECTS SUPPLEMENTAL FUNDING**

**ACTION: APPROVE RECOMMENDATIONS**

RECOMMENDATIONS

- A. Approve \$58.37 million in supplemental funding for 40 projects that met all the requirements (Attachment A including footnoted special conditions) and program federal, state and local dollars to meet these projects funding shortfalls;
- B. Due to some confusion about the lapsing criteria, approve \$27.6 million in supplemental funding for six projects (Attachment B) that did not meet the 18-month criterion for the expenditure of funds, but will start construction within the next six months and program federal, state and local dollars to meet these projects funding shortfalls;
- C. Authorize the Chief Executive Officer to execute ~~amendments to the existing the~~ **necessary** funding agreements with project sponsors ~~to include for the~~ supplemental funding;
- D. Allow project sponsors until August 31, 2007 to continue to down-scope, cancel and/or keep audited savings to meet previously approved Call for Projects funding shortfalls; and
- E. Approve the joint City of Los Angeles/Metro implementation process for the Los Angeles River/Taylor Yard Pedestrian Bridge and Bikeway Access project wherein the City of Los Angeles **will** environmentally clears and completes conceptual design of the project. ~~and Metro is responsible for final design and construction within the revised project funding.~~ **At that point, Metro in cooperation with the City will assess the best course forward.**

ISSUE

The Metro Board, at their May 3, 2006 meeting, authorized one-time changes to the Call for Projects to allow sponsors of previously approved projects to meet funding shortfalls by authorizing a special Call for Projects wherein sponsors could request additional dollars to meet their needs and by allowing sponsors to move funds among existing Call projects, keep audited savings and/or down-scope projects. These one-

time changes were made in response to increasing construction costs being experienced by local jurisdictions for approved scopes of work. On July 20, 2006, Metro released the applications for supplemental funding which were due on September 27, 2006. Applications have been evaluated and funding recommendations are being put forward for the Metro Board's consideration.

With regard to allowing sponsors to move funds among previously approved projects, downscoping or keeping audited savings, this was to be a one-time opportunity. In order for this program not to continue indefinitely, staff recommends that the closing date for these opportunities be set at August 31, 2007.

### **POLICY IMPLICATIONS**

The one-time change to the Call for Projects was intended to provide supplemental funding for projects that were ready for delivery, but potentially stalled due to escalating construction costs. For the special one-time Call for Projects, the Metro Board approved three quantitative criteria upon which to evaluate applications. These included: (1) project readiness; (2) the amount of additional local match the sponsor was willing to contribute above the original grant commitment; and (3) relative ranking received in the Call for Projects in which the project was funded (Attachment C). The submitted applications have been reviewed based on these Board adopted criteria and recommendations are now being presented for consideration.

With regard to moving funds among projects, downscoping projects and/or keeping auditing savings, this was to be a one-time opportunity with a closing deadline. In consultation with Metro's Technical Advisory Committee (TAC), August 31, 2007 is the recommended closing date for these opportunities. This date will have provided ample time for sponsors to evaluate their projects' funding situations and to make appropriate requests to Metro. Further, sponsors will know the disposition of their 2007 Call for Projects application(s) including request(s) for additional funding for those project(s) whose first year of funding is FY 2008 or 2009.

The recommended actions implements the Metro Board's one time changes to the Call for Projects.

### **OPTIONS**

The Metro Board could elect to fund all or a smaller number of applications that met all of the criteria. Further, the Metro Board could elect to not fund the projects that did not meet all of the criteria, but will be ready for construction by the end of July 2007. Neither of these options is recommended. The Metro Board adopted the one-time changes to the Call for Projects to provide supplemental funding for projects that were ready for delivery, but potentially stalled due to escalating construction costs. By approving these two actions, projects will be able to move forward into construction within the next six months, potentially saving future dollars that could be incurred should the projects be further delayed.

The Metro Board could give sponsors more than seven additional months to move funds among existing Call for Projects, downscope and/or keep audited savings. This option is recommended. To allow sponsors more time, would not meet the intent of the one-time opportunity to provide additional funding for projects which are nearing or are in construction.

### **FINANCIAL IMPACT**

Funds available for cost increases and the 2007 Call for Projects come from four principal sources:

- Local Proposition C 25% and Proposition C 10% funds;
- State Traffic Congestion Relief Program allocations and repayments;
- State Proposition 1B funds; and,
- Federal Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users (SAFTEA-LU) funds.

The draft 2006 Long Range Transportation Plan (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) 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 Metro Orange Line Busway project, Metro would be able to indirectly provide funding from those repayments to the 2007 Call for Projects.

Passage of Proposition 1B on November 7, 2006 has also made available new Regional Improvement Program funds from the 2006 State Transportation Improvement Program. Some of the supplemental Call for Projects needs can be met with these newly available State revenues. Finally, through the enactment of SAFETEA-LU, Congress has provided additional federal transportation funds that could be programmed in this Call for Projects supplemental funding or for 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, but the commitment of these funds for Supplemental Call for Project uses must be accounted during that process. This funding update information will be identified as part of the ongoing development of the LRTP update.

### **BACKGROUND**

In May 2006, the Metro Board authorized a one-time change to the Call for Projects to allow sponsors of previously approved Call projects to address funding shortfalls in several ways. Sponsors were allowed to downscope projects, keep audited savings,

move funds among previously approved Call for Projects and/or apply for additional funding through a special one-time call for applications to meet construction funding shortages on Metro previously approved scopes of work. Attachment C contains the Metro Board approved one-time changes to the Call for Projects including the three evaluation criteria.

One of the three criteria was that project sponsors receiving additional Metro dollars were given 18 months from the Metro Board approval date to encumber (federal and state) or expend (local Proposition C) funds. This criterion caused a little confusion. A few sponsors thought this meant that they only had to spend the additional grant funds within the 18 months, but not complete the project within this time frame.

The Metro Board approved lapsing policy, however, for Proposition C 10% and 25% funds require that local match be spent in direct proportion to grant funds and that projects be completed by the funds lapsing period. Those receiving federal or state funds are required to meet the funding source guidelines which require that grant funds be “obligated” by receiving an allocation vote by the CTC by the lapsing deadline (state and federal Transportation Enhancement Act-TEA funds) or authorization to proceed from Caltrans (other types of federal funds). These requirements are contained in the funding agreements with these project sponsors.

Local jurisdictions were notified in late May of the approved one-time changes. In July 2006, applications were released with 56 applications totaling \$100.5 million being received by the September 27, 2006 deadline.

Of the 56 applications received, one application was withdrawn by the sponsor and three were deemed ineligible (Attachment D) for the following reasons:

- One was submitted by an ineligible applicant, the Southern California Regional Rail Authority (SCRRA), who by Metro Board action was eliminated from competing in the Call for Projects as their funding needs are reserved through the LRTP and approved through annual budget appropriation.
- Two were deemed ineligible as the projects are or will be completed prior to the January Board supplemental funding approval date.

Over the past several months, the remaining 52 applications have been reviewed utilizing the Metro Board approved evaluation criteria. Forty applications totaling \$58.37 million (Attachment A), will be able to meet the Metro Board deadline to complete the project in 18-months **and** are being recommended for funding.

Of these 40, two are being recommended with special conditions. These are: (1) The Los Angeles River/Taylor Yard Pedestrian Bridge and Bikeway Access Project (Call for Projects # 738/2077) and the City of Los Angeles’ Golden State ATSAC project (Call for Projects # 6301).

The Los Angeles River/Taylor Yard Pedestrian Bridge and Bikeway Access Project is funded under three separate Metro Board actions. The first action occurred in 1993 when the former Los Angeles County Transportation Commission (LACTC) as the

sponsor, granted itself \$2.184 million to construct a pedestrian bridge. This improvement was required as part of the Taylor Yard construction agreement with the City of Los Angeles. Through the 1995 Call for Projects, the City of Los Angeles was awarded \$677,000 to construct a short bike path along the Los Angeles River adjacent to Taylor Yard. The third Metro Board action occurred in 2002 when the two projects were combined, with the City of Los Angeles agreeing to provide a combined 15% 5.5% local match. The City of Los Angeles has now submitted an application in the Supplemental Call. The City will environmentally clear, complete conceptual design and will resolve any outstanding right-of-way issues. ~~The City has requested that Metro have the responsibility for final design and construction.~~ **At that point, Metro in cooperation with the City of Los Angeles will assess the best course forward.** In addition, Metro will request permission from the Public Utilities Commission (PUC) to ~~construct an~~ **allow the existing** at-grade crossing of the Union Pacific Storage track **to be used as a public access facility.** The supplemental funds are being recommended with the conditions that the City of Los Angeles ~~maintain its 15%~~ **increase its local match contribution for the supplemental funding from 0% to 16.9% or \$334,000 to cover their share of the increased cost of the bikeway access portion of the project. The City's local share of the overall project will increase from 5% to 10% or \$500,000.** Additionally, the City will ~~and~~ limit the cost of environmental, design and right-of-way work to typical percentages of the total cost of the project.

The City of Los Angeles requested a supplemental funding request of \$5.3 million for the Golden State ATSAC project to address a funding shortfall for 111 intersections. The executed Memorandum of Understanding for this project identified 98 intersections to be upgraded to the City's ATSAC system. The Metro Board policy with regard to supplemental dollars was to address funding shortages for existing scopes of work. Therefore, the City's funding request is being reduced by \$1.2 million, for a total amount of \$4.1 million. The reduced dollar recommendation will address the cost increase for the scope of work contained in the approved Memorandum of Understanding.

There were six projects (Attachment B) totaling \$27.6 million that did not meet the completion deadline, but will start construction by July 31, 2007. These projects are also being recommended for supplemental dollars as staff feels there was confusion about the deadline and these projects meet the intent of the Metro Board's direction to fund ready-to-go projects.

Six applications showed that they would not be able to start construction before September 2007 and could not complete the project within the Metro deadlines. These projects, shown in Attachment E are not being recommended for funding.

With regard to the closing the opportunity for moving funds among projects, downscoping projects and/or keeping audited savings to address project funding shortfalls, it is felt that with an August 31, 2007 date, project sponsors will have been given ample opportunity to address their project needs. Since this was to be a one-time opportunity a cut-off date needs to be set. To date, four project sponsors (Agoura Hills, Los Angeles County, City of Los Angeles and South Gate) have taken

advantage of this opportunity affecting five projects. Metro's TAC was consulted with regard to an appropriate deadline. They recommended and Metro is concurring that the deadline for these opportunities should be set at August 31, 2007. They felt that with sponsors knowing the outcome of the 2007 Call for Projects appropriate actions should be able to be taken by this date.

### NEXT STEPS

Upon Metro Board approval of the supplemental funding recommendations, project sponsors will be notified and ~~the necessary amendments to their existing~~ agreements executed. For those sponsors whose applications are not being recommended, early notification will allow them the opportunity to submit applications through the 2007 Call for Projects for entirely new projects. These projects will be evaluated based on their current cost estimates with no priority given to their previous Call standing. Finally, all jurisdictions will be notified of the August 31, 2007 deadline for downscoping, keeping audited savings and/or moving dollars among previously approved Call for Projects to address shortfall.

### ATTACHMENTS

- A. Recommended Projects Meeting All Criteria
- B. Recommended Projects with July 2007 or Earlier Construction Start Dates
- C. May 3, 2006 Metro Board approved changes to the Call for Projects
- D. Ineligible Project List
- E. Not Recommended Project List

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PROJECT ID	PROJECT TITLE	PROJECT SPONSOR	ORIGINAL COST			INCREMENTAL COST			REVISD TOTAL COST	Score		
			METRO SHARE \$ and (%)	LOCAL SHARE \$ and (%)	METRO SHARE \$ and (%)	METRO SHARE \$ and (%)	LOCAL SHARE \$ and (%)					
<b>Bikeway Mode</b>												
1	6239	Exposition Corridor Commuter Bike Path	\$1,986,000	75%	\$662,000	25%	\$385,000	67%	\$195,000	33%	\$3,228,000	60
2	7335	Santa Clara River Regional Trail I-5 to Discovery Park	\$297,000	61%	\$193,000	39%	\$113,000	54%	\$97,000	46%	\$700,000	59
3	7330	San Fernando Road Right of Way Bike Path - Phase 2	\$2,302,000	80%	\$575,000	20%	\$3,523,648	80%	\$880,912	20%	\$7,281,560	30
4	738/ 2077 *	Los Angeles River/Taylor Yard Pedestrian Bridge and Bikeway Access Project	\$2,861,000	94.5%	\$166,000	5.5%	\$1,639,000	83.1%	\$334,000	16.9%	\$5,000,000	25
5	8147	Sierra Bikeway Railroad Crossing	\$3,034,000	85%	\$542,000	15%	\$1,210,400	85%	\$213,600	15%	\$5,000,000	
			\$606,000	65%	\$326,000	35%	\$1,405,000	65%	\$756,538	35%	\$3,093,538	25
					Subtotal:		\$7,065,648					
							\$5,637,048					
<b>Pedestrian Mode</b>												
1	7270	Pasadena Blue Line Pedestrian Enhancement	\$399,000	80%	\$100,000	20%	\$175,270	78%	\$50,000	22%	\$724,270	83
2	6238	Pedestrian Extension to Downtown Transit Mall	\$2,169,000	78%	\$600,000	22%	\$762,000	38%	\$1,258,000	62%	\$4,789,000	78
3	2074	Broadway Bus Blvd. Sidewalk Reconstruction Phase II	\$1,617,000	80%	\$404,000	20%	\$2,000,000	34%	\$3,800,000	66%	\$7,821,000	68

\* The additional funding is granted only if the Sponsor commits 16.9% local share to the increased project cost, and limit the cost of environmental and design work to typical percentage of the total cost of the project.

PROJECT ID	PROJECT TITLE	PROJECT SPONSOR	ORIGINAL COST			INCREMENTAL COST			REVISD TOTAL COST	Score
			METRO SHARE \$ and (%)	LOCAL SHARE \$ and (%)	LOCAL SHARE \$ and (%)	METRO SHARE \$ and (%)	LOCAL SHARE \$ and (%)	LOCAL SHARE \$ and (%)		
4 6263	Huntington Drive Transit Bump Out	LA DOT	\$219,000 80%	\$55,000 20%	\$20,000 80%	\$80,000 80%	\$20,000 20%	\$374,000	53	
5 6268	Business District Pedestrian Improvements	South Pasadena	\$887,000 80%	\$220,000 20%	\$300,000 38%	\$300,000 38%	\$496,204 62%	\$1,903,204	43	
6 6385	101 Freeway Overcrossing Pedestrian Ramp	LA BOE	\$1,295,000 80%	\$324,000 20%	\$1,200,000 80%	\$300,000 20%	\$3,119,000	\$3,119,000	40	
7 8197	Broadway/Figueroa Transit Corridor Enhancements	LA BOSS	\$1,134,000 80%	\$286,000 20%	\$640,000 80%	\$160,000 20%	\$2,220,000	\$2,220,000	34	
				<u>Subtotal</u>	<u>\$5,157,270</u>					
<b>RSTI Mode</b>										
1 6390	Sepulveda Blvd. Widening from Centinela Ave. to Lincoln Ave.	LA DOT	\$2,219,000 65%	\$3,595,000 35%	\$3,686,900 64%	\$2,120,000 36%	\$11,620,900	\$11,620,900	80	
2 4318	Arbor Vitae Street Widening Project	Inglewood	\$1,701,450 49%	\$1,750,000 51%	\$195,000 43%	\$255,000 57%	\$3,901,450	\$3,901,450	78	
3 4300	I-710/Atlantic/Bandini Interchange Improvement, Phase I	Vernon	\$9,800,000 65%	\$5,383,000 35%	\$941,000 41%	\$1,365,000 59%	\$17,489,000	\$17,489,000	74	
4 8054	Skirball Center Drive Widening	LA DOT	\$593,000 65%	\$319,000 35%	\$437,000 34%	\$851,000 66%	\$2,200,000	\$2,200,000	74	
5 4293	Alameda N. Spring Street Arterial Redesign	LA BOE	\$3,600,000 62%	\$2,185,700 38%	\$2,945,661 51%	\$2,808,619 49%	\$11,540,000	\$11,540,000	70	

PROJECT ID	PROJECT TITLE	PROJECT SPONSOR	ORIGINAL COST			INCREMENTAL COST			REVISID TOTAL COST	Score
			METRO SHARE \$ and (%)	LOCAL SHARE \$ and (%)	LOCAL SHARE \$ and (%)	METRO SHARE \$ and (%)	METRO SHARE \$ and (%)	LOCAL SHARE \$ and (%)		
6 6363	I-5/Magic Mountain Pkwy (SR-126) Interchange Reconstruction	Santa Clarita	\$10,435,000; 35%	\$19,361,000; 65%	\$12,897,000; 72%	\$5,000,000; 28%	\$12,897,000; 72%	\$47,693,000	69	
7 6415	Upper Second Street Completion	LA CRA	\$2,022,000; 60%	\$1,328,000; 40%	\$1,800,000; 82%	\$400,000; 18%	\$1,800,000; 82%	\$5,550,000	68	
8 444179	Rosecrans/Aviation Intersection Project	Hawthorne	\$7,669,320; 40%	\$11,705,788; 60%	\$1,932,800; 60%	\$1,267,200; 40%	\$1,932,800; 60%	\$22,575,108	66	
9 6348	I-710 Firestone Blvd over Rio Hondo Channel Bridge Widening Phase III	South Gate	\$664,000; 9%	\$6,536,000; 91%	\$2,337,900; 91%	\$237,447; 9%	\$2,337,900; 91%	\$9,775,347	57	
10 4304	Highland Ave. Improvements at Franklin Ave.	LA BOE	\$1,154,250; 49%	\$1,197,726; 51%	\$1,653,790; 51%	\$1,588,936; 49%	\$1,653,790; 51%	\$5,594,702	53	
11 7207	Los Angeles Street Realignment near El Pueblo	LA BOE	\$1,468,000; 65%	\$791,000; 35%	\$431,940; 35%	\$802,175; 65%	\$431,940; 35%	\$3,493,115	43	
12 6330	Douglas Street Gap Closure Project	El Segundo	\$9,733,000; 63%	\$5,652,000; 37%	\$3,119,500; 37%	\$5,380,500; 63%	\$3,119,500; 37%	\$23,885,000	43	
13 8079	Nash Street/Douglas Street One-Way to Two-Way Street Conversion	El Segundo	\$1,207,000; 65%	\$649,900; 35%	\$1,100,100; 35%	\$2,043,000; 65%	\$1,100,100; 35%	\$5,000,000	42	
				Subtotal:		\$24,924,839				

