



Metro

Metropolitan Transportation Authority

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AUGUST 1, 2007

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE *Carolyn Inge for*
CHIEF EXECUTIVE OFFICER

FROM: CAROL INGE *CI*
CHIEF PLANNING OFFICER

SUBJECT: SOUTHERN CALIFORNIA CONSENSUS TRADE CORRIDORS
IMPROVEMENT FUND (TCIF) WORKING GROUP ACTIVITIES

ISSUE

In an important effort to address trade corridor impacts on Southern California, the staffs of the following agencies have reached a consensus position for use in seeking an appropriate share of the \$2.0 billion in State bond funds available from the Trade Corridor Investment portion of Proposition 1B:

- Alameda Corridor East;
- Alameda Corridor Transportation Authority;
- Los Angeles County Metropolitan Transportation Authority;
- Orange County Transportation Authority;
- Port of Long Beach;
- Port of Los Angeles;
- Riverside County Transportation Commission;
- San Bernardino County Association of Governments;
- Southern California Regional Rail Authority; and,
- Ventura County Transportation Commission

Working together, the staffs convened a task force to ensure that Southern California receives its fair share of funding through the Prop 1B Trade Corridor Improvement Fund (TCIF) and other State and Federal funding allocations. On July 23, 2007 the attached letter (Attachment A) was sent to the Secretary of Business, Transportation and Housing to reiterate Southern California's consensus position regarding the TCIF funds. The working group also submitted criteria and various recommendations (Attachment B) concerning specific aspects of the program (i.e. project eligibility, phasing, etc.).

BACKGROUND

As part of the passage of proposition 1B, the voters approved \$2 billion statewide to fund infrastructure projects to address goods movement issues. The California Transportation Commission (CTC) has been convening meetings around the state to further discuss criteria to be used in allocating funds while various pieces of legislation have also been introduced to better define the method by which the funds will be allocated. The Southern California regional transportation commissions, in cooperation with key trade corridor stakeholders have convened the Southern California Consensus TCIF Working Group to assure that the region receives its fair share of the funds.

To date, the group has held three meetings with the focus of collaboratively developing recommended criteria to be used by the CTC and incorporated into legislation relative to TCIF funding. In order to assure that the region's position on TCIF is considered, the working group drafted a letter along with an outline of the criteria and their consensus position for submittal to the Secretary of Business, Transportation and Housing and the CTC.

One of the basic thrusts of the criteria is to encourage allocation of funds among four trade regions as outlined in the State Goods Movement Action Plan. This would enable more direct regional stakeholder control over the projects that would be recommended for funding. Additionally, the consensus position of the group is to nominate projects from a collaboratively developed Goods Movement System Plan such as the Multi-County Goods Movement Action Plan and discourage a legislative mandate for the creation of a Joint Powers Authority (JPA). There is also unanimity among the working group that the funds be allocated in one phase rather than the two phases being considered by the CTC through consultation with members of the legislature.

As part of the recent budget negotiations, the Assembly adopted SB 88, a measure that includes implementation language for various categories of Proposition 1B. The measure is currently on call in the Senate. SB 88, as adopted by the Assembly, establishes the Goods Movement Emission Reduction Program and allocates \$1 billion in bond proceeds for emission reduction programs and projects. The measure includes allocating the money among the four trade regions identified in the State Goods Movement Action Plan. The bond proceeds must be matched by federal, local or private funding sources. The program requires that California Air Resources Board (CARB) give priority to emission reduction programs that achieve the earliest possible reduction of health risk in communities with the highest risks from goods movement facilities. CARB is also required to establish guidelines on the application process by December 31, 2007.

NEXT STEPS

The TCIF Working Group will be developing a preliminary list of projects to be submitted for TCIF funding. Metro will work closely with the subregional Councils of Government (COGS), the City of Los Angeles as well as Los Angeles County to seek their input concerning the project list. Metro staff will be sharing this Multi-County project list with the Metro Board once it is further refined. Additionally, staff will be working with legislators to ensure that the criteria outlined will be incorporated into legislation relative to the TCIF funds.

Attachments

ATTACHMENT A

July 23, 2007

Honorable Dale Bonner
Secretary, Business, Transportation and Housing
State of California
980 9th Street, Suite 2450
Sacramento, CA 95814

Dear Secretary Bonner:

With the passage of Proposition 1B, we have a unique opportunity to make significant improvements to the quality of life for Californians. Teamwork is critical to the success of this opportunity. The staffs of several transportation agencies in Southern California are working to reach a consensus on a recommended process for allocating \$2 billion in state General Obligation bonds from the Trade Corridors Improvement Fund (TCIF). The following agencies have participated in this discussion:

- Port of Los Angeles (POLA)
- Port of Long Beach (POLB)
- Alameda Corridor Transportation Authority (ACTA)
- Alameda Corridor-East Construction Authority (ACECA)
- Riverside County Transportation Commission (RCTC)
- San Bernardino Associated Governments (SANBAG)
- Orange County Transportation Authority (OCTA)
- Los Angeles County Metropolitan Transportation Authority (METRO)
- Ventura County Transportation Commission (VCTC)
- Southern California Regional Rail Authority (SCRRA)

The governing Boards of these agencies will be addressing the attached proposed consensus regional program in the very near future. This is similar to the approach taken for the Southern California National Freight Gateway Cooperation Agreement. We believe that a collaborative effort by the multiple agencies in each corridor can best deliver the required program of projects within each corridor. The involved agencies will have the best understanding of the specific needs for the region, especially considering that the various corridors may have different needs. This approach will provide a systemic foundation for long term solutions.

The fundamentals that are driving this effort include:

- Funds should be allocated to reflect current and future trade volumes that use all modes of transportation, plus the mitigation of the impact on communities.
- Project priorities should include: reducing freight movement emissions, reducing freight delay, increasing freight reliability and decreasing the congestion impact on communities.

With these thoughts in mind, the Southern California agencies believe that a priority list that meets the needs of the region and the original intent of the bond is the best approach. We are

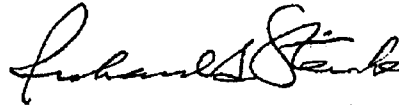
all committed to working together to solve the region's freight challenges. We believe collaborative development of a regional strategy, coupled with bipartisan legislative support from each of the sub-regions will deliver a clear message about the significant efforts we are undertaking.

We invite you to embrace and participate in this collaboration.

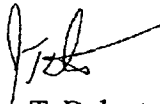
Sincerely,



Geraldine Knatz, Ph.D.
Executive Director
Port of Los Angeles



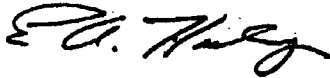
Richard D. Steinke
Executive Director
Port of Long Beach



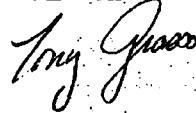
John T. Doherty
Chief Executive Officer
Alameda Corridor Transportation Authority



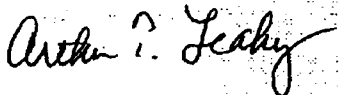
Rick Richmond
Chief Executive Officer
ACE Construction Authority



Eric Haley
Executive Director
Riverside County Transportation Commission



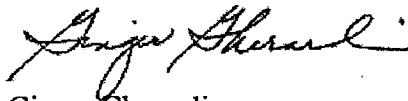
Tony Grasso
Executive Director
San Bernardino Associated Governments



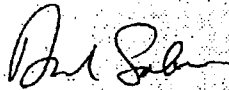
Arthur T. Leahy
Chief Executive Officer
Orange County Transportation Authority



Roger Snoble
Chief Executive Officer
Los Angeles County METRO



Ginger Gherardi
Executive Director
Ventura County Transportation Commission



David Solow
Chief Executive Officer
Southern California Regional Rail Authority

Attachment: Southern California Consensus Position on TCIF Allocation Process (7/19/07)

Cc: California Transportation Commission

ATTACHMENT B

Southern California Consensus Position on TCIF Allocation Process July 19, 2007

Preamble

The staffs of several transportation agencies in Southern California have reached a consensus on a recommended process for allocating \$2 billion in state General Obligation bonds from the Trade Corridors Improvement Fund (TCIF). This is part of \$19.925 billion available through Proposition 1B, which was approved by California voters on November 7, 2006. The following agencies have participated in this discussion.

- Port of Los Angeles (POLA)
- Port of Long Beach (POLB)
- Alameda Corridor Transportation Authority (ACTA)
- Alameda Corridor-East Construction Authority (ACECA)
- Riverside County Transportation Commission (RCTC)
- San Bernardino Associated Governments (SANBAG)
- Orange County Transportation Authority (OCTA)
- Los Angeles County Metropolitan Transportation Authority (METRO)
- Ventura County Transportation Commission (VCTC)
- Southern California Regional Rail Authority (SCRRA)

The governing Boards of these agencies have not yet acted on the consensus position.

Consensus Position

1) There should be an initial allocation of the \$2 billion among the four different regions (called "corridors" in the state Goods Movement Action Plan) based on a weighted average of each region's share of goods movement activity or impact for calendar year 2006 or the most recent year for which data are available. Suggested measures include:

- Annual waterborne containerized cargo in Twenty-Foot Equivalent Units (TEUs)
- Annual waterborne non-containerized, non-liquid bulk cargo in metric tons
- Vehicle Hours of Delay per Day (VHDD) for all vehicles on state highways (measure of roadway congestion)
- Annual Heavy duty truck miles of travel on state highways
- Freight train miles/day (including Class I and short line railroads)
- Vehicle Hours of Delay per Day (VHDD) for all vehicles at railroad grade crossings
- Population exposed to DPM/NOx health risk (methodology prescribed by CARB)

For each measure, the share that each region bears to the total for the four regions would be calculated. The shares would then be weighted to develop an overall weighted average share that would be applied to the \$2 billion available from the TCIF. This

allocation would yield a guaranteed minimum for each of the four regions. This process would ensure geographical nexus and equity, based on objective measurable criteria, in the programming of TCIF funds.

2) Projects would be nominated for funding from a system plan developed by the regional stakeholders based on regionally determined criteria consistent with Proposition 1B. Project priorities and phasing would be determined by the regional stakeholders, and the amount of TCIF recommended for award to each project would be negotiated. Once the candidate list is approved by the regional stakeholders, the list would be forwarded to the California Transportation Commission (CTC) for programming. Projects would have to provide a minimum of 1:1 non-Prop 1B bond match. Construction-related¹ expenditures made after November 7, 2006 shall be credited toward the non-Prop 1B bond match.

3) With respect to project eligibility and selection and the ultimate programming of funds, regions (and the CTC) should not deviate from the six types of goods movement projects approved by the voters in Proposition 1B. The types of projects are clearly identified in Proposition 1B and repeated under the "Programming Objectives" section on pages 5 and 6 of CTC's June 4th draft on Programming Framework Alternatives. As approved by the voters, the TCIF was never intended for all types of goods movement projects. The six types of projects specifically approved by the voters are listed below:

- (i) Highway capacity improvements and operational improvements to more efficiently accommodate the movement of freight, particularly for ingress and egress to and from the state's seaports, including navigable inland waterways used to transport freight between seaports, land ports of entry, and airports, and to relieve traffic congestion along major trade or goods movement corridors.
- (ii) Freight rail system improvements to enhance the ability to move goods from seaports, land ports of entry, and airports to warehousing and distribution centers throughout California, including projects that separate rail lines from highway or local road traffic, improve freight rail mobility through mountainous regions, relocate rail switching yards, and other projects that improve the efficiency and capacity of the rail freight system.
- (iii) Projects to enhance the capacity and efficiency of ports.
- (iv) Truck corridor improvements, including dedicated truck facilities or truck toll facilities.
- (v) Border access improvements that enhance goods movement between California and Mexico and that maximize the state's ability to access coordinated border infrastructure funds made available to the state by federal law.
- (vi) Surface transportation improvements to facilitate the movement of goods to and from the state's airports.

4) CTC staff and Senator Lowenthal's office are considering splitting the program into two phases. It is the consensus position of the above-mentioned Southern California

¹ Construction-related expenditures include: ROW acquisition, utility relocation, site remediation, project mitigation, construction, and construction management.

agencies that there is no point in separating the allocations into two phases. It is clear that there will be more than enough candidate projects for the \$2 billion fund

5) It is the consensus of these regional stakeholders that a legislative mandate for a Joint Powers Authority (JPA) is unnecessary given the cooperative approach that now exists to Trade Corridor issues. Furthermore, should it become necessary to form a JPA at a later time, the regional stakeholders believe that existing law already permits it.