

South Bay Cities Council of Governments

March 9, 2020

To: SBCCOG Transportation Committee
SBCCOG Steering Committee

From: Jacki Bacharach, Executive Director
Steve Lantz, Transportation Director

Re: FY 21-25 Measure M Metro Budget Request Recommended Projects and Funding Commitments

Adherence to Strategic Plan:

Goal A: Environment, Transportation, and Economic Development. Facilitate, implement, and/or educate members and others about environmental, transportation, and economic development programs that benefit the South Bay. Strategy 5 – Actively pursue opportunities for infrastructure funding for member agencies.

BACKGROUND

Measure M includes four South Bay sub-regional programs funded within the Highway Sub-fund: the Highway Operational Improvements Program (HOIP), two Transportation System Mobility Improvement Programs (TSMIP I and TSMIP II), and the Sub-Regional Equity Program (SREP). The ordinance restricts use of funding available within each category to the annual amounts programmed in the Measure M Expenditure Plan.

The SBCCOG has previously requested that the entire \$130 million in Measure M SREP funding be committed to a grade separation project of the Crenshaw/LAX line crossing through Centinela Boulevard and in the initial 5-year program, Metro Highway staff over committed the TSMIP I revenues available over the upcoming five years and expects to borrow funds from the TSMIP II program should TSMIP cashflow be exhausted during the period.

As a consequence, the SBCCOG's Measure M Metro Budget Request (Exhibit A) includes recommended cashflow reimbursements from the HOIP and TSMIP II programs for each project for each fiscal year over the upcoming five fiscal years (FY 2021-2025). The programming is based on funding requests provided by lead agencies by October 31, 2019 for FY 2020-21 through FY 2024-25.

Lead agencies submit their new project cash flow plans for their entire project. SBCCOG's Metro Budget Request includes an estimate of the annual funding needed to reimburse project expenses over the upcoming five years. Most projects can be completed within five years, but some complex projects with complex environmental or right of way phases may take longer. The funding needed beyond five years for these more complex projects is added in subsequent annual Metro Budget Requests.

Once Metro approves the SBCCOG's funding requests, Metro and the lead agency execute a funding agreement for some or all of the project phases. Metro structures its funding agreement

cashflow plans based on anticipated reimbursements tied to anticipated progress on major project phases (e.g.: environmental clearance, design, right-of-way acquisition, and construction). Metro requires lead agencies to document full funding of each implementation phase that is included in a funding agreement. Consequently, SBCCOG must request funding for each implementation phase for which the lead agency expects to be reimbursed during the upcoming five years. Since a project phase can require reimbursements over multiple years and multiple phases may be completed during the five year period, the SBCCOG five-year Measure M Metro Budget Request provides Metro and the project lead agencies a planning basis for establishing reasonable funding reimbursement schedules over the next five years.

Exhibit 1 also includes a column reflecting the estimated “cost to complete” the projects beyond FY 2025. This column, for information only, provides early estimates of project reimbursements that will need to be programmed in subsequent Metro Budget requests based on project schedule adherence and the need to reimburse expenses incurred after FY 2025.

Some projects in the 5-year Metro Budget Request will not be completed or fully reimbursed within the upcoming five years. These projects include those that will not be initiated until year 3-5, larger projects that will require a significant match from non-subregional funding sources, or those projects that will require full environmental impact evaluation process or acquisition of right-of way. Funding for the post-2025 phases will be included in subsequent Measure M MSP Metro Budget Requests when reimbursement schedules and amounts are able to be more accurately projected.

The Measure M MSP reimbursement amounts and schedules in Exhibit 1 are based on:

1. Updated schedules and funding requests for Active project phases in current funding agreements;
2. “Cost to complete” estimates provided by lead agencies for projects that have a current funding agreement but will need additional funding amended into an active funding agreement for project implementation phases that are not currently in the active funding agreements; and,
3. New project requests that were submitted by October 31, 2019 by lead agency applicants for which new funding agreements will be needed.

Project Application Evaluation and Scoring

A 5-member subcommittee of the Infrastructure Working Group and Transit Operators Working Group evaluated and scored the applications. One of the significant subcommittee tasks was to determine the proportion of cost for each project to be recommended from Measure M MSP subregional revenues over the five-year period. The Subcommittee considered several formula options and ultimately recommended that the subregional funding share of each project be calculated based on an incremental formula, as follows:

<u>MSP Increment of Project Cost</u>	<u>MSP Funding Share</u>
Under \$20 million	100%
\$20 million to \$35 million	90%
\$35 million to \$75 million	30%

\$75 million + 20%

The subcommittee also recommended that the maximum cumulative subregional funding share for each project, whether from Measure R SBHP, Measure MSPs or both, be capped at \$250 million.

The formula is designed so that as the project cost rises, the proportionate subregional share of incremental costs declines. As an example, a \$50 million project would be eligible for a subregional share of \$38 million (76%), as follows:

\$20 million (100% of the first \$20 million in project costs) +
\$13.5 million (90% of the \$15 million incremental project cost between \$20 and \$35 million) +
\$4.5 million (30% of the \$15 million incremental project cost between \$35 and \$50 million) =
\$38 million total

In another example, a \$500 million project would be eligible for a subregional share of \$130.5 million (26 %), as follows:

\$20 million (100% of the first \$20 million in project costs) +
\$13.5 million (90% of the \$15 million incremental project cost between \$20 and \$35 million) +
\$12 million (30% of the \$40 million incremental project cost between \$35 and \$75 million) +
\$85 million (20% of the \$425 million incremental project cost between \$75 and \$500 million) =
\$130.5 million total

The subcommittee-recommended formula accommodates all anticipated project reimbursement requests within the upcoming five years. For those lead agencies that will need additional funding after FY 2025 to complete their projects, the subcommittee recommended that lead agencies with executed funding agreements be allowed to request an amendment of their project funding agreement to add funds up to the recommended cap of \$250 million based on more definitive “cost to complete” project estimates developed in advance of subsequent annual Metro Budget Request cycles.

The subcommittee recommends that Caltrans projects on freeways be required to obtain a match from state or federal funds. In order to not delay project development, the subcommittee recommends that Measure R SBHP or Measure M MSP allocations for Caltrans applications be restricted to PAED and design phases in the current Metro Budget Request. The subcommittee recommends that Caltrans be required to secure commitments from State funds for right-of-way acquisition and/or construction.

In addition to the recommended MSP funding for active and new projects, the Metro Budget Request item includes a line item for SBCCOG project development and administration.

NEXT STEPS

The subcommittee recommendations will be considered by the Transportation Committee at its March 9, 2020 meeting. Because there is no Board of Directors meeting in March, the Steering Committee is delegated SBCCOG approval authority and will consider the Transportation

Committee recommendations immediately after the March 9th Transportation Committee meeting. The SBCCOG Request should be transmitted to L. A. Metro immediately after SBCCOG Steering Committee approval for inclusion in L. A. Metro's FY 2020-21 budget which begins July 1, 2020.

RECOMMENDATIONS

The SBCCOG Transportation Committee and Steering Committee approve the following actions:

1. The funding share formula recommended by the IWG/TOWG Subcommittee be used to calculate Measure M MSP commitments needed to complete active and new Measure M MSP projects.
2. The annual funding allocations listed in Exhibit 1 for recommended projects.
3. The SBCCOG Measure M MSPs Metro Budget Request be transmitted to the L. A. Metro Chair and Board of Directors by March 13, 2020.

Attachment:

Exhibit 1 – FY 2021-2025 Funding allocations for Measure M MSP active projects and new project applications

FY21-25 South Bay Measure M MSPs Metro Budget Request Exhibit 1

Measure M Highway Efficiency & Operational Improvements (HEOI) Program				FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-29 Funding Needed
Project Number	Lead Agency/Project Description	HEOI Funding Requested	Match Funds							
MM5507.01 PSE, ROW, C	Hawthorne North East Hawthorne Mobility Improvement Project	\$2,950,000	\$0	\$400,000	\$800,000	\$950,000	\$800,000			\$0
NEW	Caltrans Interstate 110 (I-110) southbound off-ramp to Pacific Coast Highway (PCH) by widening the mainline to add one auxiliary lane and widening the off-ramp to provide a two-lane exit. (EA 34810) PAED/PSE FUNDING ONLY	\$5,781,000	\$0		\$1,850,000	\$1,600,000	\$800,000	\$1,531,000		\$0
NEW	Caltrans At 405/110 Separation, add auxiliary lanes and widen connectors from Northbound and Southbound 405 to Route 110. (EA 35710) PAED/PSE FUNDING ONLY	\$21,500,000	\$150,000		\$3,000,000	\$2,000,000	\$6,500,000	\$5,000,000	\$4,850,000	\$0
NEW	Carson Carson Street ITS Project	\$700,000	\$0		\$700,000					\$0
NEW	Carson Avalon Blvd. TSSP Project	\$1,530,000	\$0		\$130,000	\$700,000	\$700,000			\$0
NEW	Carson Sepulveda Blvd. Widening from Alameda Street to ICTF	\$8,700,000	\$0		\$1,072,000	\$2,500,000	\$2,500,000	\$2,628,000		\$0
NEW	Gardena Redondo Beach Blvd. Arterial Improvements	\$5,567,000	\$0		\$815,000	\$4,752,000				\$0
NEW	Inglewood Manchester Blvd. Improvements	\$17,000,000	\$0			\$8,000,000	\$8,000,000	\$1,000,000		\$0
NEW	Inglewood Downtown ITS	\$11,100,000	\$0			\$3,100,000	\$8,000,000			\$0
NEW	Inglewood Prairie Avenue Improvements	\$9,000,000	\$0					\$8,000,000	\$1,000,000	\$0
Total HEOI Funds requested FY20-24:		\$83,828,000								
				FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	
				HEOI - FY Start Balance	\$22,174,570	\$33,318,008	\$36,786,440	\$25,312,652	\$10,475,428	\$5,130,355
				HEOI - New Funding	\$11,579,438	\$11,868,932	\$12,153,776	\$12,495,297	\$12,813,927	\$13,159,903
				FY Total Previously Requested	\$400,000	\$800,000	\$950,000	\$800,000	\$0	\$0
				FY Total New Request	\$0	\$7,567,000	\$22,652,000	\$26,500,000	\$18,159,000	\$5,850,000
				FY Total Request	\$400,000	\$8,367,000	\$23,602,000	\$27,300,000	\$18,159,000	\$5,850,000
				.5% SBCCOG Admin/Proj. Dev.	\$36,000	\$33,500	\$25,564	\$32,521		
				HEOI - End Balance	\$33,318,008	\$36,786,440	\$25,312,652	\$10,475,428	\$5,130,355	\$12,440,258
Measure M Transportation System & Mobility Improvements (TSMI) Program 1				FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-29 Funding Needed
Project Number	Lead Agency/Project Description	TSMI 1 Funding Requested	Match Funds							
MM5502.02 C	Inglewood ITS Improvements	\$13,500,000		\$6,000,000	\$7,500,000					\$0
MM5502.03 PAED, PSE, C	Inglewood Intermodal Transit/Park and Ride Facility	\$9,193,082		\$4,596,541	\$4,596,541					\$0
MM5502.09 PSE, C	Inglewood Prairie Ave Reversible Lane System	\$13,120,000		\$6,560,000	\$6,560,000					\$0
MM4601.01 PAED, PSE, C	LA City San Pedro Pedestrian Improvements and Multimodal Access	\$7,245,710		\$774,500	\$456,155	\$1,759,559	\$4,255,496			\$0
MM4601.02 PAED, PSE, C	LA City Wilmington Neighborhood Friendly Streets	\$3,000,600			\$175,035	\$187,538	\$2,638,027			\$0
MM4601.03 C	LA City Avalon Promenade and Gateway	\$8,050,000					\$8,050,000			\$0
MM5502.04 PAED, PSE, C	LA County 182nd St/Alberston St Traffic Signal Synchronization Program	\$4,228,500					\$4,228,500			\$0
MM5502.07 PAED, PSE, C	LA County Del Amo Blvd (East) Traffic Signal Synchronization Program	\$1,324,500					\$1,324,500			\$0
MM5502.06 PAED, PSE, C	LA County Van Ness Traffic Signal Synchronization Program	\$1,702,000					\$1,702,000			\$0
MM4601.04 PAED, PSE, C	LA County Westmont/West Athens Pedestrian Plan Implementation (Phase 1)	\$6,682,000		\$571,200	\$428,400	\$2,021,066	\$3,661,334			\$0
MM5502.05 C	SBCCOG South Bay Fiber Network	\$4,389,365		\$4,165,114	\$224,251					\$0
MM4601.05 PSE, C	Torrance Torrance Schools Safety and Accessibility Program	\$5,027,800		\$51,600	\$2,406,500	\$1,839,200	\$730,500			\$0
MM5502.08 PAED, PSE, ROW, C	Rolling Hills Estates Palos Verdes Drive North at Dapplegray School intersection enhancements and ADA improvements	\$1,554,300		\$51,300	\$63,000	\$1,440,000				\$0
Total TSMI 1 Funds requested FY20-24:		\$79,017,857								
				FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	
				TSMI 1 - FY Start Balance	\$7,054,200	-\$12,050,089	-\$30,701,897	-\$34,100,644	-\$56,755,490	-\$52,678,331
				TSMI 1 - New Funding	\$3,684,366	\$3,776,474	\$3,867,111	\$3,975,776	\$4,077,159	\$4,187,242
				FY Total Previously Requested	\$22,770,255	\$22,409,882	\$7,247,363	\$26,590,357	\$0	\$0
				FY Total New Request	\$0	\$0	\$0	\$0	\$0	\$0
				FY Total Request	\$22,770,255	\$22,409,882	\$7,247,363	\$26,590,357	\$0	\$0
				.5% SBCCOG Admin/Proj. Dev.	\$18,400	\$18,400	\$18,495	\$40,265		
				TSMI 1 - End Balance	-\$12,050,089	-\$30,701,897	-\$34,100,644	-\$56,755,490	-\$52,678,331	-\$48,491,089

FY21-25 South Bay Measure M MSPs Metro Budget Request Exhibit 1

Measure M Transportation System & Mobility Improvements (TSMI) Program 2				FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY26-29 Funding Needed	
Project Number	Lead Agency/Project Description	TSMI 2 Funding Requested									
MM4602.01 C	Beach Cities Health District Beach Cities Health District Bike Path	\$1,833,877		\$1,833,877						\$0	
MM4602.02 PAED, PSE, C	El Segundo El Segundo Blvd. rehabilitation and improvements, bike lane installation, and pedestrian accessibility improvements	\$4,050,000			\$465,000	\$3,585,000				\$0	
MM4602.03 PSE, ROW, C	Hawthorne Moneta Garden Mobility Improvement Program	\$3,320,000		\$200,000	\$800,000	\$1,220,000	\$1,100,000			\$0	
MM5508.01 PAED, PSE, C	LA City 5 signal modifications and operational improvements	\$2,800,000		\$230,000	\$240,000	\$90,000	\$2,240,000			\$0	
MM4602.04 PAED, PSE, C	LA City Crossing Upgrades: Rapid Rectangular Flashing Beacons and Pedestrian Hybrid Beacons at Uncontrolled Crosswalks	\$3,260,625		\$185,531	\$466,594	\$1,308,770	\$1,299,730			\$0	
MM5508.02 PSE, C	LA City ATSAC Communication System Resiliency Improvement in San Pedro	\$2,500,000		\$250,000	\$750,000	\$1,500,000				\$0	
MM5508.03 PAED, PSE, C	LA City ATSAC Fiber Communications Network Integration with LA County	\$2,000,000		\$40,000	\$160,000	\$400,000	\$1,400,000			\$0	
MM4602.05 PAED, PSE, C	LA County Dominguez Channel Greenway Extension	\$3,600,000			\$408,000	\$259,500	\$2,932,500			\$0	
MM5508.04 PSE, C	Manhattan Beach Advanced Traffic Signal System	\$5,440,000		\$1,100,000	\$2,540,000	\$1,800,000				\$0	
MM5508.05 C	Redondo Beach Redondo Beach Transit Center Construction Project	\$4,500,000		\$4,000,000	\$500,000					\$0	
MM5508.06 PSE, C	Torrance Transportation Management System Improvements	\$390,000		\$30,000	\$360,000					\$0	
NEW	Hawthorne Rosecrans Avenue Mobility Improvement Project Phase II from Prairie Ave to Crenshaw Blvd.	\$4,500,000	\$0		\$20,000	\$20,000	\$40,000	\$180,000	\$380,000	\$3,860,000	
NEW	Hawthorne Crenshaw Blvd. Signal Improvement and intersection capacity enhancements from 120th St. to Rosecrans Ave.	\$9,000,000	\$0		\$20,000	\$40,000	\$40,000	\$80,000	\$400,000	\$8,420,000	
NEW	Hermosa Beach Pacific Coast Highway Mobility and Accessibility Improvement Project	\$16,400,000	\$0		\$500,000	\$1,200,000	\$14,700,000			\$0	
NEW	Inglewood First/Last Mile Improvements	\$6,500,000	\$0		\$4,500,000	\$2,000,000				\$0	
NEW	Inglewood Changeable Message Sign and CCTV Project	\$7,000,000	\$0					\$7,000,000		\$0	
NEW	Los Angeles County Westmont/West Athens Community Pedestrian Plan Implementation (Phase 2)	\$1,165,000	\$0		\$84,000	\$84,000	\$362,000	\$635,000		\$0	
NEW	Palos Verdes Estates Palos Verdes Drive West Corridor Expansion Project	\$11,786,500	\$0		\$520,000	\$156,500	\$960,000	\$8,900,000	\$1,250,000	\$0	
NEW	Rancho Palos Verdes Western Avenue Congestion Improvement Project from 25th Street to Palos Verdes Drive North	\$3,330,000	\$0			\$90,000	\$120,000	\$120,000	\$1,600,000	\$1,400,000	
NEW	Redondo Beach North Redondo Beach Bikeway (NRBB) Extension - Felton Lane to Inglewood Avenue	\$1,000,000	\$0		\$500,000	\$500,000				\$0	
NEW	Redondo Beach North Redondo Beach Bikeway (NRBB) Extension - Inglewood Avenue	\$200,000	\$0		\$60,000	\$140,000				\$0	
NEW	Redondo Beach Traffic Signal Communications and Network System	\$2,000,000	\$0		\$200,000	\$1,800,000				\$0	
MM5502.05 Cost to Complete	SBCCOG South Bay Fiber Network (additional funds)	\$2,500,000	\$0		\$2,500,000					\$0	
Total TSMI 2 Funds requested FY20-24: \$99,076,002				FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25		
				TSMI 2 - FY Start Balance	\$39,436,067	\$52,061,020	\$57,476,721	\$62,799,087	\$59,716,242	\$65,594,500	
				TSMI 2 - New Funding	\$20,597,361	\$21,112,295	\$21,618,990	\$22,336,483	\$22,793,258	\$23,408,676	
				FY Total Previously Requested	\$7,869,408	\$6,689,594	\$10,163,270	\$8,972,230	\$0	\$0	
				FY Total New Request	\$0	\$8,904,000	\$6,030,500	\$16,222,000	\$16,915,000	\$3,630,000	
				FY Total Request	\$7,869,408	\$15,593,594	\$16,193,770	\$25,194,230	\$16,915,000	\$3,630,000	
				.5% SBCCOG Admin/Proj. Dev.	\$103,000	\$103,000	\$102,854	\$225,098			
				TSMI 2 - End Balance	\$52,061,020	\$57,476,721	\$62,799,087	\$59,716,242	\$65,594,500	\$85,373,176	

South Bay Cities Council of Governments

March 9, 2020

To: SBCCOG Transportation Committee
SBCCOG Steering Committee

From: Jacki Bacharach, Executive Director
Steve Lantz, Transportation Director

Subject: FY 21-25 Measure R Metro Budget Request Recommended Projects
and Funding Commitments

Adherence to Strategic Plan:

Goal A: Environment, Transportation, and Economic Development. Facilitate, implement, and/or educate members and others about environmental, transportation, and economic development programs that benefit the South Bay. Strategy 5 – Actively pursue opportunities for infrastructure funding for member agencies.

Background

The SBCCOG’s Measure R South Bay Highway Program (SBHP) Metro Budget Request includes cashflow estimates based on updated schedules identified in active Measure R project funding agreements, “cost to complete” estimates for projects that have current funding agreements but will need additional funding for project implementation phases that are not in the active funding agreements, and new project requests for which new funding agreements will be needed.

SBCCOG received 24 highway project applications and 14 transit project applications by the October 31, 2019 submittal deadline. The transit projects are being considered in anticipation of a new Metro Measure R SBHP Transfer Policy that would make both transit and highway projects eligible for Measure R SBHP funding for the first time. SBCCOG has assigned recommended transit projects SBHP funding consistent with the existing Measure R SBHP matching formula and contingent on Metro Board approval of a Measure R Transfer Policy. The Metro Board is expected to adopt a policy by May 2020.

SBCCOG’s Measure R SBHP Metro Budget Request includes an estimate of the annual funding needed to reimburse project expenses over the upcoming five years. Most projects can be completed within five years, but some complex projects with complex environmental or right of way phases may take longer. The funding needed beyond five years for these more complex projects is added in subsequent annual Metro Budget Requests.

Once Metro approves the SBCCOG’s funding requests, Metro and the lead agency execute a funding agreement for some or all of the project phases. Metro structures its funding agreement cashflow plans based on anticipated reimbursements tied to anticipated progress on major project phases (e.g.: environmental clearance, design, right-of-way acquisition, and construction). Metro requires lead agencies to document full funding of each implementation phase that is included in

a funding agreement. Consequently, SBCCOG must request funding for each implementation phase for which the lead agency expects to be reimbursed during the upcoming five years.

Since a project phase can require reimbursements over multiple years and multiple phases may be completed during the five-year period, the SBCCOG five-year Measure R SBHP Metro Budget Request provides Metro and the project lead agencies a planning basis for establishing reasonable funding reimbursement schedules over the next five years.

Exhibit 1 also includes a column reflecting the estimated “cost to complete” the projects beyond FY 2025. This column, for information only, provides early estimates of project reimbursements that will need to be programmed in subsequent Metro Budget requests based on project schedule adherence and the need to reimburse expenses incurred after FY 2025.

Some projects in the 5-year Metro Budget Request will not be completed or fully reimbursed within the upcoming five years. These projects include those that will not be initiated until year 3-5, larger projects that will require a significant match from non-subregional funding sources, or those projects that will require full environmental impact evaluation process or acquisition of right-of way. Funding for the post-2025 phases will be included in subsequent Measure M MSP Metro Budget Requests when reimbursement schedules and amounts are able to be more accurately projected.

The Measure R SBHP reimbursement amounts and schedules in Exhibit 1 are based on:

1. The assumption that the Metro Board of Directors will adopt a Measure R Decennial Transfer Policy before July 1 that allows Measure R SBHP funds to be used for highway and transit projects;
2. Updated schedules and funding requests for Active project phases in current funding agreements;
3. “Cost to complete” estimates provided by lead agencies for projects that have a current funding agreement but will need additional funding amended into active funding agreement for project implementation phases that are not in the active funding agreements; and,
4. New project requests submitted by October 31, 2019 by lead agency applicants for which new funding agreements will be needed.

Project Application Evaluation And Scoring

A 5-member subcommittee of the Infrastructure Working Group and Transit Operators Working Group evaluated and scored the applications. One of the significant subcommittee tasks was to determine the proportion of cost for each project to be recommended from Measure R SBHP subregional revenues over the five-year period. The Subcommittee considered several formula options and ultimately recommended that the subregional funding share of each project be calculated based on an incremental formula, as follows:

<u>SBHP Increment of Project Cost</u>	<u>MSP Funding Share</u>
Under \$20 million	100%
\$20 million to \$35 million	90%
\$35 million to \$75 million	30%
\$75 million +	20%

The subcommittee also recommended that the maximum cumulative subregional funding share for each project, whether from Measure R SBHP, Measure MSPs or both, be capped at \$250 million.

The formula is designed so that as the project cost rises, the proportionate subregional share of incremental costs declines. As an example, a \$50 million project would be eligible for a subregional share of \$38 million (76%), as follows:

\$20 million (100% of the first \$20 million in project costs) +
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 \$38 million total

In another example, a \$500 million project would be eligible for a subregional share of \$130.5 million (26 %), as follows:

\$20 million (100% of the first \$20 million in project costs) +
 \$13.5 million (90% of the \$15 million incremental project cost between \$20 and \$35 million) +
 \$12 million (30% of the \$40 million incremental project cost between \$35 and \$75 million) +
\$85 million (20% of the \$425 million incremental project cost between \$75 and \$500 million) =
 \$130.5 million total

In applying the recommended formula to specific funding requests, SBCCOG staff realized that the formula worked well for project requests under \$100 million, but was somewhat too low to cover requested amounts for projects larger than \$100 million. However, the subcommittee-recommended formula accommodates all anticipated project reimbursements within the upcoming five years. For those lead agencies that will need funding after FY 2025 to complete their projects, the subcommittee recommended that lead agencies with executed funding agreements be allowed to request an amendment of their project funding agreement to add funds up to the recommended cap of \$250 million based on more definitive “cost to complete” project estimates developed in advance of subsequent annual Metro Budget Request cycles.

The subcommittee also recognized the regional, state and national significance of the estimated \$1 billion Inglewood Transit Connector and the city’s \$250 million request for subregional funds. However, initial five-year funding for the project was recommended to conform to the sub-regional formula that would make available \$230.5 million within the upcoming five years. The city develops more accurate cost estimates and reimbursement schedules, it can request the balance of its formula share up to the \$250 million cap in future Metro Budget Request cycles from funding available after FY 2025.

The subcommittee recommends that Caltrans projects on freeways be required to obtain a match from state or federal funds. In order to not delay project development, the subcommittee recommends that Measure R SBHP or Measure M MSP allocations for Caltrans applications be restricted to PAED and design phases in the current Metro Budget Request. The subcommittee recommends that Caltrans be required to secure commitments from State funds for right-of-way acquisition and/or construction.

In addition to the recommended SBHP and MSP funding for active and new projects, the Metro Budget Request item includes a line item for SBCCOG project development and administration. Exhibit 1 also includes a list of Measure R SBHP applications that the subcommittee recommends be deferred or denied.

NEXT STEPS

Staff recommendations will be considered by the Transportation Committee at its March 9, 2020 meeting. Because there is no Board of Directors meeting in March, the Steering Committee is delegated SBCCOG approval authority and will consider the Transportation Committee recommendations immediately after the March 9th Transportation Committee meeting. The SBCCOG Request should be transmitted to L. A. Metro immediately after SBCCOG approval for inclusion in L. A. Metro's FY 2020-21 budget which begins July 1, 2020.

RECOMMENDATIONS

The SBCCOG Transportation Committee and Steering Committee approve the following policies and actions:

1. Included transit projects be approved contingent on approval of the Metro Measure R Transfer Policy;
2. The projects on the list that are noted as defer or deny be removed from the list and further consideration this year;
3. The funding share formula recommended by the IWG/TOWG Subcommittee be used to calculate Measure R SBHP commitments needed to complete active and new Measure R SBHP projects;
4. The annual funding allocations listed in Exhibit 1 for recommended Measure R SBHP projects; and
5. The SBCCOG Measure R SBHP Metro Budget Request be transmitted to the L. A. Metro Chair and Board of Directors by March 13, 2020.

Attachment:

Exhibit 1 – FY 2021-2025 Funding allocations for Measure R SBHP active projects and new project applications

FY21-25 South Bay Measure R Metro Budget Request

Exhibit 1

Phase: PAED PSE ROW Construction	Project Title/Description	Total Phase(s) Cost	Match Funds	Total Funds Requested	FY21-24 Funds Requested	20-21 Total	21-22 Total	22-23 Total	23-24 Total	24-25 Total	FY26-29 Funding Needed
Measure R SBHP											
MR312.01	SBCCOG Program Development/Oversight	\$1,061,827	\$0	\$1,061,827	\$1,061,827	\$200,000	\$206,000	\$212,180	\$218,545	\$225,102	\$0
MR312.25 Construction	Caltrans I-405/Crenshaw on/off ramps project (EA 29360)	\$62,000,000	\$0	\$62,000,000	\$62,000,000	\$25,000,000	\$20,000,000	\$11,000,000	\$6,000,000	\$0	\$0
PAED PSE	Caltrans On I-405 N/B construct auxiliary lanes from El Segundo to Imperial Highway (Route 105). Widen the northbound off-ramp to two lanes at the exit to provide two left-turn lanes and a separate right-turn lane. (EA 36570)	\$14,000,000	\$0	\$14,000,000	\$14,000,000	\$10,000,000	\$4,000,000	\$0	\$0	\$0	\$0
PAED PSE	Caltrans Construct Transition Lanes along N/B and S/B on Route 405 between Artesia Blvd and El Segundo Blvd.(EA 35310)	\$13,200,000	\$0	\$13,200,000	\$13,200,000	\$10,200,000	\$3,000,000	\$0	\$0	\$0	\$0
PAED PSE	Caltrans Construct Eastbound and Westbound Auxiliary Lanes between I-110/ Main Street and Wilmington Ave on I-405. (EA 35940)	\$13,200,000	\$0	\$13,200,000	\$13,200,000	\$7,000,000	\$3,600,000	\$2,600,000	\$0	\$0	\$0
Construction	Caltrans PCH (I-105 to I-110) Overlay Asphalt Concrete, add turn lanes and pockets at various location. (City Projects) (EA 32580)	\$8,400,000	\$0	\$8,400,000	\$8,400,000	\$4,400,000	\$4,000,000	\$0	\$0	\$0	\$0
PSE Construction	Metro I-105 Integrated Corridor Management	\$23,309,750	\$330,975	\$22,978,775	\$19,509,750	\$650,000	\$1,550,000	\$2,000,000	\$7,309,750	\$8,000,000	\$3,469,025
MR312.57 PSE ROW Construction	City of El Segundo Park Place from Nash St. to Allied Way, Roadway gap closure and railroad grade separation	\$125,000,000	\$68,500,000	\$56,500,000	\$29,000,000	\$600,000	\$2,400,000	\$1,800,000	\$6,200,000	\$18,000,000	\$27,500,000
MR312.32 Construction	Port of Los Angeles State Route 47/Vincent Thomas Bridge & Front St./Harbor Blvd. Interchange Reconfiguration	\$47,982,252	\$10,587,576	\$37,394,676	\$37,394,676	\$0	\$23,250,001	\$12,678,550	\$1,466,125	\$0	\$0
MR312.38 Cost to Complete	City of Redondo Beach PCH at Anita St Improvements (left and right turn lanes)	\$2,100,000	\$0	\$2,100,000	\$2,100,000	\$0	\$2,100,000	\$0	\$0	\$0	\$0
Measure R Transit Projects (Approval subject to Metro Board approval of the Countywide Decennial Measure R Transfer Policy)											
PAED PSE ROW Construction	Carson Circuit Fashion Outlet Regional Transit Center	\$3,525,000	\$0	\$3,525,000	\$3,525,000	\$1,380,000	\$2,145,000	\$0	\$0	\$0	\$0
Purchase	GTrans Purchase of up to 15 expansion buses	\$12,375,000	\$0	\$12,375,000	\$12,375,000	\$0	\$4,950,000	\$7,425,000	\$0	\$0	\$0
Construction	GTrans Solar Energy Generation/Bus Fueling Infrastructure Project	\$2,000,000	\$0	\$2,000,000	\$2,000,000	\$345,473	\$1,654,527	\$0	\$0	\$0	\$0
PAED PSE Construction	Beach Cities Transit Transit Operations & Maintenance Facility	\$33,433,950	\$1,343,395	\$32,090,555	\$0	\$0	\$0	\$0	\$0	\$0	\$32,090,555
Purchase	Torrance Transit Return of the Red Car Urban Circulator Trolley	\$4,500,000	\$0	\$4,500,000	\$4,500,000	\$2,000,000	\$2,500,000	\$0	\$0	\$0	\$0
Purchase	Torrance Transit Expansion Buses	\$20,000,000	\$0	\$20,000,000	\$20,000,000	\$17,100,000	\$2,900,000	\$0	\$0	\$0	\$0
Construction	Torrance Transit Regional Transit Center Parking Structure	\$40,000,000	\$5,000,000	\$35,000,000	\$35,000,000	\$0	\$35,000,000	\$0	\$0	\$0	\$0
Purchase	Torrance Transit MicroTransit Expansion of the Torrance Community Transit Program	\$240,000	\$0	\$240,000	\$240,000	\$60,000	\$180,000	\$0	\$0	\$0	\$0
Construction	Torrance Transit Construction of Heavy-Duty Electric Vehicle Charging Station	\$3,500,000	\$0	\$3,500,000	\$3,500,000	\$3,000,000	\$500,000	\$0	\$0	\$0	\$0
Design, ROW, Construction	City of Inglewood Inglewood Transit Connector Project	\$1,016,000,000	\$766,000,000	\$250,000,000	\$185,000,000	\$20,000,000	\$65,000,000	\$30,000,000	\$35,000,000	\$35,000,000	\$65,000,000
		\$1,445,827,779	\$851,761,946	\$594,065,833	\$466,006,253	\$101,935,473	\$178,935,528	\$67,715,730	\$56,194,420	\$61,225,102	\$128,059,580

FY21-25 South Bay Measure R Metro Budget Request

Exhibit 1

Projects to be Deferred/Denied		
Defer/Deny	Agency/Project Description	Reason
Defer	Inglewood TMC Expansion Project	Application not complete enough to evaluate. Re-apply in future call.
Deny	Inglewood I-405 Overpass Project	Ineligible scope
Defer	Inglewood Connected Vehicles Project	Application not complete enough to evaluate. Re-apply in future call.
Deny	Redondo Beach PCH at PV Blvd. Improvements	Project scope included in Caltrans PCH project, subsequently withdrawn by City.
Deny	Inglewood Centinela Grade Separation	SBCCOG Board supported use of Measure M Sub-Regional Equity Funds for this project.
Deny	GTrans Replacement Buses	Expansion vehicles purchases only (increases mobility)
Deny	Beach Cities Transit Zero Emission Bus Replacement	Expansion vehicles purchases only (increases mobility)
Deny	Beach Cities Transit CNG Bus Replacement	Expansion vehicles purchases only (increases mobility)