

South Bay Cities Council of Governments

January 23, 2020

To: SBCCOG Board of Directors

Previous version also provided to:

SBCCOG Infrastructure Working Group
SBCCOG Transit Operators Working Group
SBCCOG Transportation Committee

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

Subject: Evaluation of Applications To Be Submitted for FY 20-21 Metro Budget Request

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 conducted a Call for Projects for future Measure R and Measure M sub-regional funds. Projects were submitted in October and it is now clear that there is not sufficient Measure R SBHP or Measure M MSP revenue to fully fund the \$271.5 million needed to complete active SBHP and MSP projects plus \$410 million requested in new transit applications and \$920 million in new highway project applications submitted by Caltrans, Metro and local jurisdictions within the next five years. Measure R continues through 2039 and the Measure M sales tax rate rises from a half-cent to one cent in 2039 and continues indefinitely making it possible to eventually fund at least a share of project costs from projected South Bay sub-regional sales tax revenues.

Based on anticipated cashflow reimbursements needed to fund annual project progress, it is possible that a limited number of current projects can progress toward completion and new projects can be initiated within L. A. Metro's annual SBHP and MSP budgets during the upcoming five years. SBCCOG staff is working with current project applicants to clarify the amount of funding needed each year during FY 2020-21 and the subsequent four years to not delay project delivery. Cost-to-complete estimates for active projects and new project requests have been provided by lead agencies for FY 2020-21 and through FY 2024-25 (see Exhibits 1 and 2).

Metro Highway Staff provided updated estimates of available Measure R SBHP and Measure M MSP funding on January 7, 2020 that, if not revised, will delay some current SBHP projects and/or significantly limit the SBCCOG's ability to fund new projects over the next five years. SBCCOG staff also provided the Transportation Committee a chronology of Metro's financial forecast allocations for the South Bay SBHP that shows a significant drop in available Measure R funding during the upcoming five years (see Exhibit 3).

In response to the new funding projections, Inglewood Mayor James Butts, who is also Metro Chair, will meet with Metro CEO, Phillip Washington, to understand what happened to the funds that we thought that we had and to request that Metro staff restore Measure R funding to the levels made available for the South Bay in prior Metro financial forecasts.

The BCCOG Transportation Committee Chair on January 13, 2020 appointed a task force of public works directors and transit operators to develop recommendations on project selection, including possible match requirements, that will be reviewed by the SBCCOG Infrastructure Working Group and Transit Operators Working Group and forwarded to the SBCCOG Transportation Committee and SBCCOG Board of Directors in February. Based on the funding available, the task force was asked to:

1. Consider the SBHP and MSP funding to be allocated to continue delivery of current projects without delay in FY 2020-21 and through FY 2025.

Staff estimates that approximately \$271.5 million in additional SBHP funding is needed through FY 2025 to all complete active SBHP projects. Staff estimates that approximately \$2.5 million in additional MSP funding is needed through FY 2025 to complete all active MSP projects.

2. Reconsider the local match requirement for new Measure R SBHP and Measure M MSP projects.

SBCCOG policy guidelines currently limit the amount of SBHP funding allocated to a project using a sliding scale as follows:

<u>SBHP Project costs</u>	<u>SBHP share</u>
Under \$2 million	100%
\$2 million to \$10 million	80%
Over \$10 million	50% (SBCCOG/Metro Boards may approve up to 80%)

Metro’s Measure M policy and administrative guidelines do not limit the MSP share of project costs and do not require matching funds from other sources.

Project allocations for any single project have not exceeded \$25 million to date. However, current applications are seeking allocations as high as \$250 million for total projects up to \$1 billion. SBCCOG could decide to limit the proportion of Measure R SBHP or Measure M MSP funds and/or cap the amount of Measure R and Measure M MSP funds allocated to a single project.

3. Recommend the project selection criteria for Measure R SBHP and Measure M MSP funding allocations to be included in the FY 2020-21 Metro Budget Request

The SBCCOG Board needs to approve any FY 2020-21 Metro Budget Requests by its February 2020 meeting for Metro staff to include the requests in the Metro FY 2020-21 Metro Budget item to be considered by the Metro Board in April 2020. Metro’s fiscal year begins July 1, 2020.

Additionally, the Metro Board is expected to undertake a Measure R Transfer Policy process between January and May 2020 that will potentially make transit and highway projects eligible for Measure R sub-regional programs countywide beginning in FY 2021-22.

In anticipation of a new Metro Measure R SBHP Transfer Policy, the SBCCOG Transit Operators Working Group has recommended draft transit project eligibility and selection criteria for transit projects. The need for separate highway and transit project eligibility and selection criteria will be addressed after Metro adopts the Measure R SBHP Transfer Policy. Consequently, funding commitments for South Bay transit and highway projects after FY 2020-21 to be funded under the new transfer policy may be delayed until the Metro Board amends its FY 2020-21 budget in January 2021.

RECOMMENDATIONS

Receive and file and await the recommendations of the Transportation Committee next month after they have heard from the Infrastructure Working Group and Transit Operators Working Group deliberations resulting from the work of the appointed task force of public works directors and transit operators.

Exhibit 1 – Cost to Complete Active SBHP Projects

Exhibit 2 – New Project Applications

Exhibit 3 – Chronology of LA Metro’s Financial Forecasts for the South Bay Highway Program

REVISED (1.13.20) Attachment C, Exhibit 1: Estimated cost to complete active projects (non-funded phases)

Phase: PAED Design Right of Way Construction	Project Title/Description	Funds Requested	20-21 Total	FY20-25 Total
Measure R SBHP				
C	Caltrans I-405/Crenshaw on/off ramps project (EA 29360) (CONSTRUCTION FUNDS)	\$60,000,000	\$25,000,000	\$60,000,000
C	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	\$4,400,000	\$8,400,000
PAED	Caltrans Construct Transition Lanes along N/B and S/B on Route 405 between Artesia Blvd and El Segundo Blvd.(EA 35310)	\$3,200,000	\$3,200,000	\$3,200,000
D		\$10,000,000	\$7,000,000	\$10,000,000
ROW		\$2,100,000	\$2,070,000	\$2,100,000
C		\$130,500,000	\$0	\$103,500,000
MR312.57 D, ROW	City of El Segundo Park Place from Nash St. to Allied Way, Roadway gap closure and railroad grade separation	<i>\$5,000,000</i>	<i>\$600,000</i>	<i>\$5,000,000</i>
MR312.57 C		<i>\$60,000,000</i>	<i>\$0</i>	<i>\$24,000,000</i>
MR312.69 C	City of Hawthorne El Segundo Blvd. Phase 2	<i>\$3,000,000</i>	<i>\$0</i>	<i>\$3,000,000</i>
MR312.48 C	City of Los Angeles Alameda St. (South) Widening from Anaheim St. to Harry Bridges Blvd.	<i>\$15,000,000</i>	<i>\$0</i>	<i>\$15,000,000</i>
MR312.74 C	City of Los Angeles Alameda St. (East) Widening Project	<i>\$10,000,000</i>	<i>\$0</i>	<i>\$10,000,000</i>
MR312.32 C	Port of Los Angeles State Route 47/Vincent Thomas Bridge & Front St./Harbor Blvd. Interchange Reconfiguration	\$25,170,760	\$500,000	\$25,170,760
MR312.38 C	City of Redondo Beach PCH at Anita St Improvements (left and right turn lanes)	\$2,100,000	\$0	\$2,100,000
		\$334,470,760	\$42,770,000	\$271,470,760
Measure M HEOP/TSMIP				
MM5502.05 C	SBCCOG South Bay Fiber Network	\$2,500,000	\$2,500,000	\$2,500,000
		\$160,570,760	\$ 2,500,000	\$ 2,500,000

REVISED (1.10.20) Attachment C, Exhibit 2: New Highway Project Requests

Phase: PAED Design Right of Way Construction	Project Title/Description	Funds Requested to Complete Project	20-21 Total	FY20-25 Total
PAED	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)	\$1,850,000	\$1,850,000	\$1,850,000
D		\$3,931,000	\$0	\$3,931,000
ROW		\$6,445,000	\$0	\$6,445,000
C		\$30,774,000	\$0	\$10,550,000
PAED	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)	\$2,000,000	\$2,000,000	\$2,000,000
D		\$12,000,000	\$8,000,000	\$12,000,000
ROW		\$2,200,000	\$1,150,000	\$2,200,000
C		\$138,000,000	\$0	\$103,400,000
PAED	Caltrans At 405/110 Separation, add auxiliary lanes and widen connectors from Northbound and Southbound 405 to Route 110. (EA 35710)	\$6,500,000	\$3,000,000	\$6,500,000
D		\$15,000,000	\$0	\$15,000,000
ROW		\$12,500,000	\$0	\$12,500,000
C		\$166,000,000	\$0	\$22,000,000
PAED	Caltrans Construct Eastbound and Westbound Auxiliary Lanes between I-110/ Main Street and Wilmington Ave on I-405. (EA 35940)	\$3,200,000	\$3,200,000	\$3,200,000
D		\$10,000,000	\$3,800,000	\$10,000,000
ROW		\$2,100,000	\$800,000	\$2,100,000
C		\$130,500,000	\$0	\$130,500,000

Phase: PAED Design Right of Way Construction		Funds Requested to Complete Project	20-21 Total	FY20-25 Total
	Project Title/Description			
D	Metro I-105 Integrated Corridor Management	\$5,200,000	\$650,000	\$5,200,000
C		\$18,109,750	\$0	\$14,309,750
D, C	City of Carson Carson Street ITS Project	\$700,000	\$700,000	\$700,000
D, C	City of Carson Avalon Blvd. TSSP Project	\$1,530,000	\$1,530,000	\$1,530,000
D, C	City of Carson Sepulveda Blvd. Widening from Alameda Street to ICTF	\$7,360,000	\$1,072,000	\$7,360,000
PAED, D, C	City of Gardena Redondo Beach Blvd Arterial Improvements	\$4,853,600	\$815,000	\$4,853,600
PAED, D, ROW, C	City of Hawthorne Rosecrans Avenue Moillity Improvement Project Phase II from Prairie Ave to Crenshaw Blvd.	\$4,500,000	\$20,000	\$640,000
PAED, D, ROW, C	City of Hawthorne Crenshaw Blvd. Signal Improvement and intersection capacity enhancements from 120th St. to Rosecrans Ave.	\$9,000,000	\$20,000	\$580,000
PAED, D, C	City of Hermosa Beach Pacific Coast Highway Mobility and Accessibility Improvement Project	\$11,600,000	\$500,000	\$11,600,000
D, C	City of Inglewood Downtown ITS	\$11,100,000	\$0	\$11,100,000
D, C	City of Inglewood Manchester Blvd. Improvements	\$17,000,000	\$0	\$17,000,000
D, C	City of Inglewood First/Last Mile Improvements	\$6,500,000	\$4,500,000	\$6,500,000
D, C	City of Inglewood Prairie Ave. Improvements	\$9,000,000	\$0	\$8,000,000
D, C	City of Inglewood CMS and CCTV Project	\$7,000,000	\$0	\$7,000,000

Phase: PAED Design Right of Way Construction		Funds Requested to Complete Project	20-21 Total	FY20-25 Total
	Project Title/Description			
PAED, D, C	Los Angeles County Westmont/West Athens Community Pedestrian Plan Implementation (Phase 2)	\$1,165,000	\$84,000	\$1,165,000
PAED	City of Palos Verdes Estates Palos Verdes Drive West Corridor Expansion Project	\$676,500	\$520,000	\$676,500
D		\$960,000	\$0	\$960,000
C		\$10,150,000	\$0	\$10,150,000
PAED, D, C	City of Rancho Palos Verdes Western Avenue Congestion Improvement Project from 25th Street to Palos Verdes Drive North	\$3,330,000	\$90,000	\$3,330,000
PAED, D, C	City of Redondo Beach Pacific Coast Highway (PCH) Improvements at Palos Verdes Boulevard	\$4,700,000	\$500,000	\$4,700,000
C	City of Redondo Beach North Redondo Beach Bikeway (NRBB) Extension – Felton Lane to Inglewood Avenue	\$1,000,000	\$500,000	\$1,000,000
D	City of Redondo Beach North Redondo Beach Bikeway (NRBB) Extension – Inglewood Avenue	\$200,000	\$60,000	\$200,000
PAED, D, C	City of Redondo Beach Traffic Signal Communications and Network System	\$2,000,000	\$200,000	\$2,000,000
		\$680,634,850	\$ 35,561,000	\$464,730,850

South Bay Funding allocation changes in three versions of the LA Metro Financial Forecast for South Bay Ramp and Metering and Interchange Improvements: I-405, I-110, I-105, SR-91 (South Bay Highway Program)

POLICY QUESTIONS RELATED TO THE MEASURE R SBHP FUNDING PROJECTIONS:

1. When Measure R has hovered between \$860 million and \$902.5 million for the past decade, why is it now \$577.2 million?

2. What other sources of funding does the 2019 Draft Financial Forecast include to fund the SBHP at the \$1.5 billion (escalated) level allocated in the FY 2014 SRTP?

3. Why did Metro staff drastically reduce the amount of Measure R funding available in the next five years in the December 2019 Financial Forecast?

FROM METRO 30/10 Metro Plan (5/31/2012)

Funding Source	FY 2013-19	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY2026-29	FY 2030 -39	FY 2040-57	Total
Measure R	207.3	3.2	35	35	40.5	35	35	210	280		881
Proposition C 25%					5.5	11.6	20.7	51.6	426.2		515.6
Federal CMAQ									64.8		64.8
RSTP									26		26
Total	207.3	3.2	35	35	46	46.6	55.7	261.6	797		1487.4

FROM METRO SRTP (3-13-2014)

Funding Source	FY 2013-19	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY2026-29	FY 2030 -39	FY 2040-57	Total
Measure R	139.1	15	55	78.5	35	35	35	207.3	302.6		902.5
Proposition C 25%					5.5	11.6	0.6	51.7	452.2		521.6
Federal CMAQ									64.8		64.8
RIP - Reg. Imp. Prog.	13.2	6.8									20
Total	152.3	21.8	55	78.5	40.5	46.6	35.6	259	819.6	0	1508.9

FROM METRO L. A. County Traffic Improvement Plan (6-9-2016)

Funding Source	FY 2013-19	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY2026-29	FY 2030 -39	FY 2040-57	Total
Measure R	150.2	20.4	55.3	63.7	59.5	35	45	185.8	246.5		861.4
Proposition C 25%					5.5	11.6	0.6	51.7	294.3		363.7
RIP - Reg. Imp. Prog.						20			149.9		169.9
Total	150.2	20.4	55.3	63.7	65	66.6	45.6	237.5	690.7		1395

FROM METRO 2019 "Draft" Financial Forecast (1-7-2020)

Funding Source	FY 2013-19	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY2026-29	FY 2030 -34	2025-39	Total
"Local Revenue"	150.2	20.5	31.5			1.2		127.3	246.5		577.2
Other funding sources			Specific local (e.g.: R SBHP, M MSPs?) and other revenue sources not released yet by Metro								
Total	150.2	20.5	31.5	0	0	1.2	0	127.3	246.5		577.2