



## Board Report

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### EXECUTIVE MANAGEMENT COMMITTEE SEPTEMBER 21, 2017

**SUBJECT: INFRASTRUCTURE FOR REBUILDING AMERICA (INFRA) FEDERAL  
COMPETITIVE GRANT PROGRAM**

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

RECEIVE AND FILE report on the candidate projects to be submitted for the FY 2018 INFRA competitive grant program.

#### **ISSUE**

On July 5, 2017 the United States Department of Transportation (USDOT) issued a Notice of Funding Opportunity (NOFO) announcing that the competitive federal freight grant program initiated through the Fixing America's Surface Transportation (FAST) Act - the Fostering Advancements in Shipping and Transportation for the Long-term Achievement of National Efficiencies (FASTLANE) - would be rebranded as the INFRA program. Additionally, USDOT announced that approximately \$700 million available in the FY 17 FASTLANE competition would be rolled over into the FY 18 INFRA cycle to create a one-time \$1.5 billion-plus funding opportunity.

While many program features from FASTLANE were retained in INFRA, the major evaluation criteria were reconstituted to reflect new USDOT priorities for the program. These changes have required staff to employ an Evaluative Criteria Framework-as identified in Attachment A-that would include (1) a re-evaluation of projects previously submitted for FASTLANE and (2) a review of other Measure M Expenditure Plan projects-as provided in Attachment B-to determine if they were now considered eligible and competitive for the new INFRA competition. This process will ultimately lead to applications submitted to USDOT by the November 2, 2017 deadline.

This report serves to provide an update to the Board on the projects that staff will be submitting for the FY 18 INFRA cycle, as well as a review of the Evaluative Criteria Framework used to select candidate projects for this federal grant competition.

#### **DISCUSSION**

Since the last INFRA application cycle-then the FY 17 FASTLANE program-was announced, several major funding breakthroughs have occurred that require Metro to develop and implement a comprehensive Evaluative Criteria Framework to guide investment decisions in a transparent, measured manner when submitting applications for state and federal funding programs:

- Los Angeles County voters overwhelmingly passed Measure M, providing Metro the task of implementing a \$120 billion expenditure plan of capital, operating, and maintenance projects over the next 40 years throughout the County. Measure M provides a major opportunity for Metro to leverage local sales tax dollars with state and federal dollars for investment in Los Angeles County's transportation infrastructure.
- The State of California approved Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017, which is estimated to provide approximately \$5 billion annually statewide in new and expanded funding programs that will feature a combination of competitive and formula funding opportunities.
- USDOT announced that the FASTLANE program would be rebranded and reconstituted as the INFRA program, carrying forward \$700 million from the FY17 FASTLANE cycle to provide over \$1.5 billion in federal competitive grant funding for the FY18 application cycle. Future years of INFRA are authorized at \$950 million (FY19) and \$1.0 billion (FY20).

As the lead agency, Metro is allowed to submit no more than three distinct applications for the INFRA grant program per funding cycle. Last year during the FY17 FASTLANE application cycle, staff successfully worked with Caltrans District 7 staff to secure one of the State of California's three application slots, putting forth two projects for inclusion in a highway-oriented bundle of projects entitled *America's Global Freight Gateway: Highway Strategy*.

#### FY18 INFRA Applications

For the FY18 INFRA application cycle, staff plans to submit a total of four projects based upon the results of the Evaluative Criteria Framework. Metro will submit three projects as the lead agency, with an additional project submitted through the State of California as follows:

#### **Metro**

- Application #1: I-105 Express Lanes from I-405 to I-605  
Application #2: I-5 North Capacity Enhancements (SR-14 to Lake Hughes)  
Application #3: *America's Global Freight Gateway: Rail Project*
- Rail capacity projects - Port of Los Angeles
  - Rail capacity projects - Port of Long Beach
  - Rail/Highway grade separation projects - Alameda Corridor-East

#### **State of California**

Application (1 of 3 Statewide): *America's Global Freight Gateway: Highway Strategy*

- SR-57/SR-60 Interchange Improvements

#### FY17 FASTLANE vs. FY18 INFRA Grant Applications

Staff has made two changes in the projects planned for grant applications under the FY18 INFRA program compared to FY17 FASTLANE program as a result of the new criteria posed by INFRA and using the Evaluative Criteria Framework. These changes include:

- Removing SR-71 Gap from I-10 to Rio Rancho Road from the State of California *America's Global Freight Gateway: Highway Strategy* application to increase application's overall competitiveness. This project will be deferred to the SB 1 application process.
- Selecting the I-105 Express Lanes (from I-405 to I-605) project as a third application for Metro to submit alongside the same two applications submitted last year based upon the new INFRA criteria that emphasizes managed lanes.

#### I-710 South Corridor Project (Phase I)/Early Action Projects

Given the significant importance of the I-710 South corridor to regional and national freight movement to and from the Ports of Los Angeles and Long Beach, staff made every effort to develop a competitive INFRA grant application for the Early Action Projects portion of this project. This project will not be ready for inclusion in the FY 18 INFRA cycle as it still requires more community input and more project definition at this time. Staff will work with project stakeholders to develop a competitive application for the SB 1 grant application process.

#### **FINANCIAL IMPACT**

Staff is currently working to refine individual project scopes, costs, schedules, and funding plans with partner agencies. This work is focused on increasing the competitiveness of projects while ensuring the consistency with project specific schedules for Measure M funding availability as well as the scalability of project scope to address lower funding awards than requests. As many of the INFRA candidate projects are also anticipated as candidates for SB 1 funding, staff is developing funding strategies that maximize the leveraging of both state and federal discretionary funds with Measure M and other Metro-controlled revenues. This work includes coordination with Caltrans, the California State Transportation Agency, and the California Transportation Commission on how to appropriately incorporate assumptions of state funding in the INFRA grant applications. Financial impacts of actual awards of INFRA funds will be reported to the Board following notification by USDOT.

#### **NEXT STEPS**

Staff will continue to develop the INFRA applications identified in this report to ensure submission of all applications by the November 2, 2017 deadline.


#### **ATTACHMENTS**

Attachment A - Use of the Evaluative Criteria Framework to Guide INFRA Project Candidate Selection

Attachment B - Measure M Expenditure Plan Evaluation Methodology

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### **Evaluative Criteria Framework to Guide INFRA Project Candidate Selection**

To guide Metro's decision-making process in selecting projects for consideration in the FY 18 INFRA federal competitive grant program, staff employed the Evaluative Criteria Framework as follows:

#### **1. *Sustain Measure M and other Pre-Measure M/LRTP Priorities and Schedules***

Metro's Goods Movement Planning staff reviewed the Measure M Expenditure Plan and prior LRTP priorities and first evaluated each project based on the following two requirements, in the following order:

- Is the Project eligible for INFRA consideration?
- Can the Project meet the March 2023 construction start date deadline?

To accomplish this evaluation as identified in Attachment B, staff met and discussed candidate projects with staff from various Metro departments—including Highways, Regional Rail, Congestion Reduction, Planning and the Office of Extraordinary Innovation—to determine which projects would be considered eligible for INFRA based on the NOFO requirements, and of those projects, which ones would be able to go to construction by the NOFO's March 2023 deadline.

Only six projects (listed in priority order from the Measure M Expenditure Plan) met both requirements:

- I-5 North Capacity Enhancements (SR-14 to Lake Hughes)
- SR-71 Gap from I-10 to Rio Rancho Road
- SR-57/SR-60 Interchange Improvements
- I-710 South Corridor Project (Phase 1)/Early Action Projects
- I-105 Express Lane from I-405 to I-605
- I-710 South Corridor Project (Phase 2)

This review of the Measure M Expenditure Plan yielded three additional projects for consideration in comparison to those considered in the FY17 FASTLANE application cycle – both I-710 South Corridor Project phases were eligible due to the additional year allowed for construction start date, while the I-105 Express Lane from I-405 to I-605 benefitted from the extended construction start date and INFRA's new evaluation criteria which provides strong support for managed lane projects in congested urban corridors.

These six projects were then assessed for competitiveness under the updated evaluation criteria set forth in the NOFO.

## **2. Match Competitiveness of Projects to New/Expanded Programs Criteria**

In light of the particular criteria set forth in the INFRA NOFO, staff determined that the following types of projects would be most competitive for this application cycle:

- Highway projects that provide freight-related benefits for the national freight highway system
- Highway projects that address congestion in major urban corridors through the use of managed lanes
- Projects that could leverage significant amounts of local, state, and private funding to lower the rate of expected federal participation
- Projects that could meet high standards for accountability and performance in delivering project milestones and overall project implementation

After reviewing these six projects through the program evaluative criteria, staff made the following decisions:

- Considered the I-710 South Corridor Project (Phase 1)/Early Action Projects for inclusion in the State of California highway bundle application but due to the need for greater community input and project definition, this project was not deemed ready for submission for the FY 18 INFRA cycle. Staff will seek funding through SB 1 grant program opportunities and future INFRA grant cycles.
- Removed the SR-71 Gap from I-10 to Rio Rancho Road from the State of California highway bundle application to increase competitiveness of overall bundle. Staff feels strongly that the SR-71 Gap from I-10 to Rio Rancho Road project, as a state highway gap closure project, will be competitive at the state level for SB 1 grant program opportunities.
- Removed the I-710 South Corridor Project (Phase 2) from consideration due to the large federal grant request needed to cover the project's expected funding gap, making this project non-competitive based on the limited non-federal funding to be leveraged at this time.

## **3. Certainty (Formula) vs. Risk (Competitive/Discretionary)**

The projects selected for INFRA applications will all be competitive in the State (SB1) and Federal (INFRA) grant application processes. Accordingly, these projects bear an appropriate level of risk to secure external funding to leverage Measure M funding to support the timely delivery of each individual project without compromising each project's respective overall implementation schedule.

#### **4. *Geographic Balance***

With these candidate projects, Metro has an opportunity to put forth competitive projects for the FY 18 INFRA cycle while also striking a strong geographic balance:

- North County:
  - I-5 North Capacity Enhancements (SR-14 to Lake Hughes) (Metro Application #2)
- San Gabriel Valley:
  - SR-57/SR-60 Interchange Improvements (Caltrans Application)
- South Bay:
  - I-105 Express Lane from I-405 to I-605 (Metro Application #1)
  - Port of Los Angeles – Alameda Corridor Track Gap Closure (Metro Application #3)
  - Port of Los Angeles – Terminal Island Railyard Enhancement (Metro Application #3)
- Gateway Cities:
  - I-105 Express Lane from I-405 to I-605 (Metro Application #1)
  - Port of Long Beach – Terminal Island Wye (Metro Application #3)
  - Port of Long Beach – Pier B Street and Railyard (Metro Application #3)
  - Alameda Corridor-East – Durfee Avenue Grade Separation (Metro Application #3)
  - Alameda Corridor-East – Montebello Boulevard Grade Separation (Metro Application #3)

#### **5. *Consistency with Board Policies and Directives***

The projects selected for INFRA applications are consistent with board policies and directives, particularly those to maintain the priority of the Measure M Expenditure Plan and to leverage local sales tax to bring in a competitive share of state and federal funding into Los Angeles County for transportation infrastructure priority projects.

All Metro projects submitted for INFRA are from the Measure M Expenditure Plan. Furthermore, the I-105 Express Lane from I-405 to I-605 project is also consistent with the implementation goals of the board-adopted ExpressLanes Strategic Plan.

#### **6. *Consistency with Metro Long Range Transportation Plan (LRTP) and SCAG Regional Transportation Plan (RTP)***

All of the projects selected by Metro for INFRA applications—as Measure M Expenditure Plan projects—are included in and consistent with the priorities set forth in Metro’s LRTP and SCAG’s RTP. The projects put forth by the Port of Los Angeles, Port

of Long Beach, and Alameda Corridor-East as part of the *Rail Project* application are all found in the RTP, as required by INFRA.



### **Measure M Expenditure Plan Evaluation Methodology**

The Measure M Expenditure Plan was screened with an initial two-step process for project eligibility based on the following criteria:

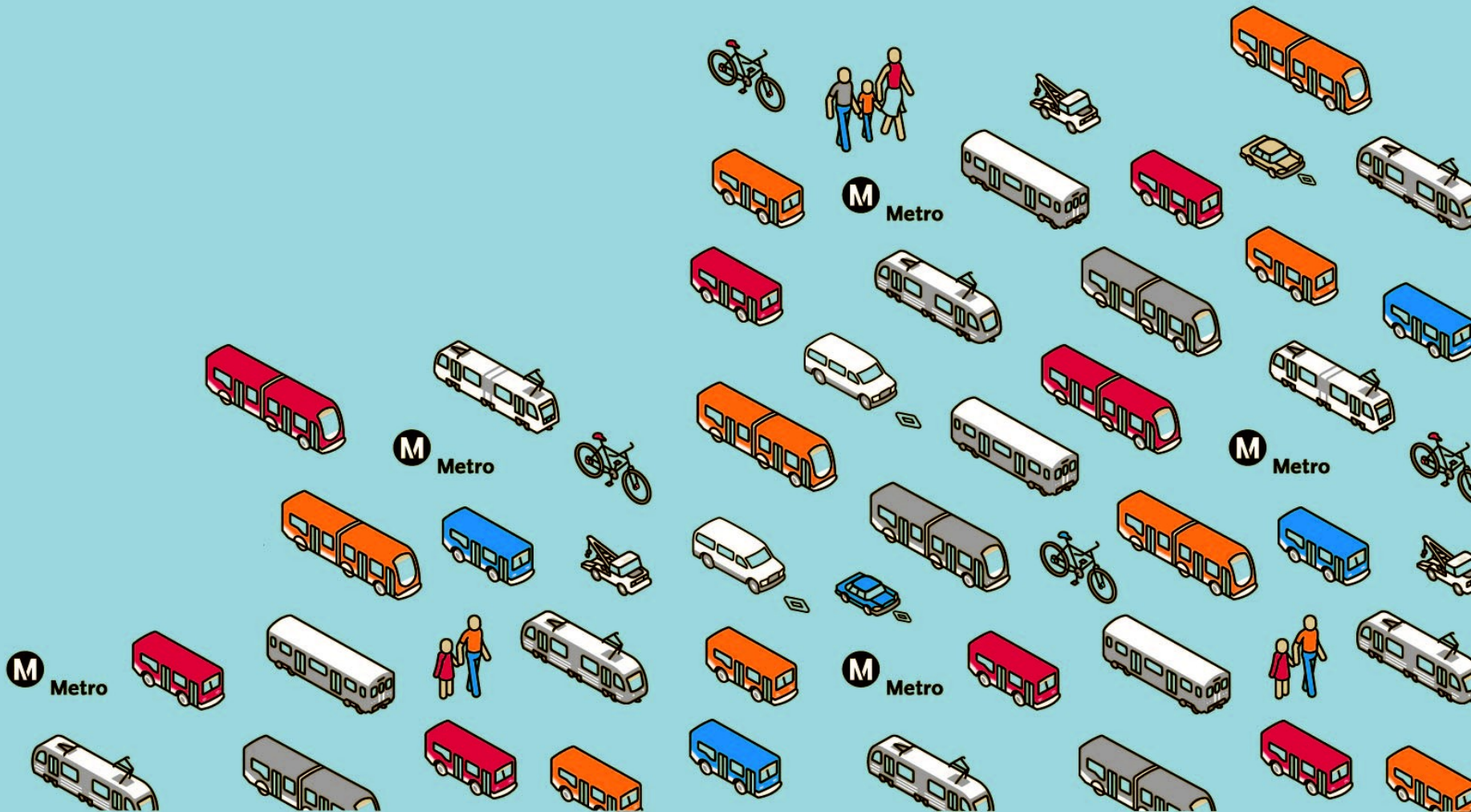
- **Step 1:** Does the project definition meet the eligibility requirements for INFRA? If yes, then proceed to Step 2. If no, eliminate from consideration
- **Step 2:** Does the project have a reasonable path forward to go to construction by INFRA's March 2023 construction start date requirement?

| Measure M Expenditure Plan Projects   |  | Is the Project Definition Eligible for Consideration for INFRA? | Can Meet the March 2023 Construction Start Date? |  |
|---|--|---|--|--|
| 1   | Airport Metro Connector 96 <sup>th</sup> St. Station/Green Line Extension to LAX | No  |  |  |
| 2   | Westside Purple Line Extension Section 3   | No  |  |  |
| 3   | High Desert Multi-Purpose Corridor (HDMC)  | Yes – Highway component only                                    | No   |  |
| 4   | I-5 North Capacity Enhancements (SR-14 to Lake Hughes)                           | Yes   | Yes*   |  |
| 5   | Gold Line Foothill Extension to Claremont  | No  |  |  |
| 6   | Orange Line BRT Improvements   | No  |  |  |
| 7   | BRT Connector Orange/Red Line to Gold Line (av/sf)                               | No  |  |  |
| 8   |  |   |  |  |
| 9   | East SF Valley Transit Corridor Project  | No  |  |  |
| 10  | West Santa Ana Transit Corridor Project  | No  |  |  |
| 11  | Crenshaw/LAX Track Enhancement Project   | No  |  |  |
| 12  | SR-71 Gap from I-10 to Rio Rancho Rd.  | Yes   | Yes*   |  |
| 13  | LA River Waterway & System Bikepath  | No  |  |  |
| 14  | Complete LA River Bikepath   | No  |  |  |
| 15  | Sepulveda Pass Transit Corridor (Phase 1) (sf/w)                                 | Yes – ExpressLanes component only                               | No   |  |
| 16  |  |   |  |  |
| 17  | Vermont Transit Corridor   | No  |  |  |
| 18  | SR-57/SR-60 Interchange Improvements   | Yes   | Yes*   |  |
| 19  | Green Line Extension to Crenshaw Blvd. in Torrance                               | No  |  |  |
| 20  | I-710 South Corridor Project (Phase 1) <i>*includes Measure R EAP</i>            | Yes   | Yes*   |  |
| 21  | I-105 Express Lane from I-405 to I-605   | Yes   | Yes*   |  |
| 22  | Sepulveda Pass Transit Corridor (Phase 2) (sf/w)                                 | No  |  |  |
| 23  |  |   |  |  |
| 24  | Gold Line Eastside Extension (one alignment) (gc/sg)                             | No  |  |  |
| 25  |  |   |  |  |
| 26  | West Santa Ana Transit Corridor LRT (cc/gc)                                      | No  |  |  |
| 27  |  |   |  |  |
| 28  | I-710 South Corridor Project (Phase 2)   | Yes   | Yes*   |  |
| 29  | I-5 Corridor Improvements (I-605 to I-710)                                       | Yes   | No   |  |
| 30-45: These projects were determined unable to meet the March 2023 construction start deadline |  |   |  |  |

\*Projects highlighted in green brought forth to Step 3 of evaluation criteria framework

# Infrastructure for Rebuilding America (INFRA)

## *Metro's Candidate Projects*



# INFRA FY 18 – Highlights

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- Rebranding of FASTLANE includes some major changes to evaluative criteria – new merit criteria are:
  - National and regional economic vitality
  - Potential for innovation
  - Leveraging of federal funding
  - Performance and accountability
- \$1.5+ billion available for national competition
- Projects must start construction no later than March 2023
- Maximum of three applications per agency
- Applications due November 2, 2017



# INFRA Criteria: What are Competitive Projects?

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New INFRA criteria favor the following types of projects:

- Highway projects that provide **freight-related benefits** for the National Freight Highway System
- **Port intermodal** and **freight rail** projects
- Highway projects that address congestion in major urban corridors through the use of **managed lanes**
- Projects that could leverage significant amounts of local, state, and private funding to **lower the rate of expected federal participation**
- Projects that could meet high standards for **accountability and performance** in delivering project milestones and overall project implementation



# Use of Evaluative Criteria Framework – Methodology

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To guide Metro's decision-making process to select candidate projects, staff employed the **Evaluative Criteria Framework**.

## Methodology

Measure M Expenditure Plan priorities were first screened to identify projects that could meet the following two requirements:

- **Is the Project eligible for INFRA consideration?**
- **Can the Project meet the March 2023 construction start date deadline?**

Six projects were identified through this screening process and referred for further evaluation for competitiveness and readiness.



# Use of Evaluative Criteria Framework – Outcome

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## Outcome

Of the six remaining projects, the following three were deemed competitive and in a state of readiness to include in an INFRA application this cycle:

- **I-5 North Truck and HOV Lanes Project**
- **SR-57/SR-60 Confluence Project**
- **I-105 ExpressLanes Project**

The following three were removed from further consideration for an INFRA grant application this cycle due to issues of competitiveness or readiness:

- **SR-71 Gap Closure** – (*competitiveness*)
- **I-710 South Corridor (Phase 1)/Early Action Projects** – (*readiness*)
- **I-710 South Corridor (Phase 2)** – (*readiness*)

N.B. These three projects will receive strong consideration for Senate Bill 1 funding opportunities



# Metro Applications for INFRA

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Metro will submit its maximum of three applications for this INFRA cycle:

**Application #1: I-105 ExpressLanes Project**

**Application #2: I-5 North Truck & HOV Lane Project**

**Application #3: *America's Global Freight Gateway: Rail Project***

A regional, integrated, and corridor-based bundle of freight rail capacity and mitigation projects put forth by Metro partners:

- Port of Los Angeles
- Port of Long Beach
- Alameda Corridor-East





# Caltrans INFRA Application on behalf of Metro

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Metro will also submit an additional Measure M project  
– **the SR-57/SR-60 Confluence project** – through a Caltrans-led application created in partnership with:

- SCAG
- San Bernardino County Transportation Agency
- Riverside County Transportation Commission
- Orange County Transportation Authority





# Thank you

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