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MEMORANDUM

January 18, 2018

TO: Ms. Pilar Hoyos
Carson Logistics Coalition

Mr. Ken Farsing
City of Carson

FROM: Mr. Norman Emerson
Emerson & Associates

SUBJECT: Program Status Report: Carson Area Truck Corridor Funding Program

The objective of this memo is to provide the City of Carson and Carson Logistics Coalition with program status report associated with funding of improvements to identified truck freight corridors located in the Carson area of Los Angeles County.

Background

Earlier last year, the City of Carson (City) and the Carson Logistics Coalition (Coalition) forged a partnership to explore funding opportunities created by enactment by of Senate Bill 1 (Beall)-*"The Road Repair and Accountability Act."* Specifically, the City and Coalition agreed on an objective pursue funds from the State *"Trade Corridor Enhancement Program"* (TCEP), a key provision of the new Senate Bill 1, to support specific Carson area truck corridor improvements. (See Appendix) An important element of the approach to pursuing the new State funds was to partner with Metro

incorporating the truck-related corridor improvements in the TCEP grant application Metro would be submitting to the California Transportation Commission (CTC).

For the last few months, City management and Coalition members have held a series of meetings to review the draft CTC Trade Corridor Enhancement Program (TCEP) guidelines along with identifying the specific Carson area truck corridor improvements that would be considered for incorporation into the grant application to the State. Additionally, the City and Coalition held meetings with Metro staff responsible for the agency's freight and goods movement program. In meetings with the Metro staff we explored the range of truck corridor funding needs and how best to "package or bundle" specific projects in order to demonstrate the regional significance of the corridor projects in order to enhance the competitiveness of the grant funding request to the CTC. City of Carson staff shared with Metro information about the truck corridor project needs ranging from the following: a) 290 segments associated with designated truck routes, and requiring repairs over the next 3 years totaling \$43.0 m; b) 74 segments associated with truck oriented routes and requiring repairs over 3 years totaling \$10.0 m; and c) 24 segments associated with overweight corridors, and requiring repairs during the next 3 years totaling \$6.0 m.

Because of the proximity of the Carson truck corridors to the I-710, the City and Coalition explored with Metro the incorporation of the Carson projects with the grant application Metro anticipated transmitting to the CTC focusing on the "I-710 South Corridor Project (Phase I) Early Action Program." At the September 2017 Metro Board meeting a staff recommendation was adopted associated with Metro pursuing new federal funding from a competitive program known as the "Infrastructure for Building America" (INFRA). The May Metro staff report contained the following:

"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 the 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." (Emphasis added)

Based on the Metro Board action, adoption by the California Transportation Commission of the final TCEP guidelines, and further discussions with Metro staff the City and Carson Logistics Coalition sent a letter (dated November 15, 2017) to Metro which stated in part:

"During our recent meeting with you and Ms. Yamagami, we mutually agreed that passage of SB 1 and the related "Trade Corridor Enhancement Program" (TCEP) presents a unique opportunity to provide funding support for improvements to the freight

and logistics system in Los Angeles County. We understand that with adoption by the California Transportation Commission of the final TCEP program guidelines, the programming and grant allocation process has begun. We want to reconfirm that the City of Carson and Carson Logistics Coalition are very interested in partnering with Metro to jointly pursue TCEP grant funds during the first funding cycle, to support improvements to the Carson "Near-Dock Logistics Zone", including the state designated "over-weight" truck corridors." (See Attachment A)

In late November we were informed by Metro staff that after assessing the schedule for implementing the anticipated I-710 South early action program, it was concluded that Metro would be unable to meet the deadline contained in the CTC adopted guidelines for the TCEP. Therefore, concluded that the I-710 South element would not be submitted to the CTC for funding from the TCEP. The decision by Metro to not submit the I-710 project to the CTC removed the ability for the City and Coalition to partner with Metro on a joint application to the State and pursue the new SB1/TCEP freight funding.

In response to this unfortunate development at Metro, an additional contact was made with representatives of the Ports of Los Angeles and Long Beach to explore conditions for joining the Ports in their respective actions to access funding from the State TCEP funding opportunity. During a meeting in early December with representatives from both Ports, the priority Carson truck corridor projects were highlighted and the benefits of these projects being incorporated into a joint grant submittal to the California Transportation Commission. After an extensive discussion the Port representatives concluded that it would be more appropriate for the City and Coalition to explore other potential transportation funding opportunities and sources managed by the South Bay Cities Council of Governments (COG) and Metro.

These specific transportation funding programs include:

- ✓ South Bay Cities COG Measure R Highway Program: \$1.5 billion/escalated.
- ✓ Measure M Multi-Year Subregional Program (MSP): \$1.143 billion COG subregional share, administered by the SBCCOG in cooperation with Metro.
- ✓ Measure M Subregional Equity Program: \$130.0 million COG subregional share.

Potential Transportation Funding Programs

South Bay Cities Council of Government Measure R Highway Program (\$1.5 billion)

The goal of the South Bay Measure R Highway Program (SBHP) is to improve the operation and safety of the South Bay freeways and highways by reducing vehicular

delays and improving the safety. This 30-year program is partially funded with the Measure R sales tax approved by L. A. County voters in 2008. The SBHP is included in the Measure R Expenditure Plan that was adopted by Metro when the sales tax measure was approved.

The South Bay sub-region is expected to receive approximately \$906 million (in 2008 dollars or an estimated \$1.5 billion escalated to year of expenditure dollars) over the 30-year life of Measure R. Measure R is expected to provide approximately half of the funding for South Bay improvements identified over the 30 year Measure R allocation period.

SBHP projects using Measure R funds must demonstrate a nexus to freeway or state highway operational improvements. Project funding allocations for the SBHP are recommended by the SBCCOG Board for approval by the Metro Board annually. The SBCCOG is partnering with Metro, the California Department of Transportation (Caltrans), and South Bay jurisdictions to develop and deliver the SBHP projects. The SBCCOG serves as the program administrator. The SBCCOG Infrastructure Working Group provides technical support for this program to the SBCCOG Transportation Committee and the SBCCOG Board of Directors.

SBHP projects are developed and delivered by South Bay local jurisdictions. SBCCOG provides SBHP program management and project development technical and funding assistance to the lead agencies. Once a project is defined and funding is secured, the lead agencies deliver each of the projects subject to terms within a funding agreement for each project between the lead agency and Metro. The SBCCOG provides technical assistance to lead agencies, if requested, and assists Metro to track the progress of funded projects, mitigate schedule and budget risks, and oversee the progress of the South Bay Highway Program.

As of FY 2016-17, the SBCCOG and Metro will have committed \$144 million in Measure R South Bay Highway Program funds to deliver 62 Measure R highway projects and 20 project development studies by FY 2021-22. The Metro Measure R Expenditure plan estimates that there will be a total of \$310 million in Measure R available over the same period. However, the cumulative cost of the projects being studied and delivered totals more than \$500 million by the end of FY 2021-22. While there is sufficient funding to complete the delivery of current projects and studies, the cost to complete new projects being studied would greatly exceed funding capacity over the same timeframe. Metro and the SBCCOG are working with South Bay lead agencies to identify additional matching funds, to refine project scopes, and to identify innovative delivery strategies.

Measure M Multi-Year Subregional Programs (\$1.143 billion)

Multi-Year Subregional Programs (MSP) are included in Measure M on page 3 of Attachment A, known as the *Metro Measure Expenditure Plan*. Measure M requires Guidelines for the Multi-Year Subregional Programs (MSP), including definitions for specific types of these projects, pursuant to Section 7c of the Measure M Ordinance.

The MSP Expenditure Plan breakdown for the South Bay Cities Council of Governments (SBCCOG) is as follows:

√ *South Bay Highway Operational Improvements: \$500 million.*

√ *Transportation System and Mobility Improvements: \$293.0 million.*

√ *Transportation System and Mobility Improvements: \$350.0 million.*

Currently, Metro is developing specific guidelines for the implementation of the Subregional Program. The current draft guidelines are being prepared in direct consultation with each of the subregional COGs along with other stakeholders and are anticipated to be adopted by the Metro Board of Directors, early in 2018. (See **Attachment B**) In fact, the Executive Director for the SBCCOG serves on a Metro Policy Advisory Committee which is responsible for developing these new guidelines along with other elements associated with the implementation of Measure M. Further it is our understanding that SBCCOG staff is developing a work plan for managing the implementation of the Multi-Year Subregional Program, which is likely to include a good movement component focusing on "strategic truck arterials."

Sub Regional Equity Funds (\$130.0 million)

At the June 2016, Board Meeting Director John Fasana introduced an amendment to the proposed *Measure M Expenditure Plan* to provide funding to all subregions equivalent to the allocation approved by the Board for the San Fernando Valley Transit project. The San Fernando Valley project was identified as \$180.0 million. The Fasana amendment reads as follows:

"To provide equivalent funding based on the original allocation of funding (i.e. \$180 million is 13% of such funding based on the San Fernando Valley's share) to each of the other subregions to assure and maintain equitable funding (i.e., Subregional Equity Program)."

The funding for programs in other sub-regions outside of San Fernando Valley are now collectively referred to as the Subregional Equity Program. Footnote "s" from the Measure M Ordinance provides guidance as identified below:

“ This project will increase system connectivity in the North San Fernando Valley and the Metro Transit System. Environmental plan work shall begin no later than six months after passage of Measure M. To provide equivalent funding to each subregion other than the San Fernando Valley, the subregional equity program will be provided as early as possible to the following subregions in the amounts (in thousands) specified here: AV* \$96,000; W* \$160,000; CC* \$235,000; NC* \$115,000; LVM* \$17,000; GC* \$244,000; SG* \$199,000; and SB* \$130,000.”

Funding for this program will be identified as part of the Cashflow Management evaluation for implementation of the Measure M program. The funds identified may be any combination of federal, state, or Metro controlled funds including, but not limited to, Measure M. Prior to each 5 year review Countywide Planning will provide a forecast of the amount of funding, if any, that is forecasted to be available for this program over the subsequent 5 years. Once funding is identified each subregion will be afforded an opportunity to submit their project to Metro staff for evaluation based on project readiness provisions outlined in these Guidelines. Additional details regarding the evaluation process for this program will be developed within one year of the adoption of the Measure M guidelines.

Conclusion

In the coming months both Metro and the South Bay Cities Council of Government (COG) will be making a number of key administrative decisions relating to the allocation of revenues to address Subregional transportation needs and priorities. As a member of COG Board of Directors, the City of Carson has a direct decision-making role associated with the allocation of new Measure M revenues. As noted above, the COG's work plan for the allocation of the over \$1.0 billion of Measure M Multi-Year Subregional Program revenues contains a "strategic truck arterials" element. The City's active engagement, in cooperation with members of the Carson Logistics Coalition, with the COG at both the Committee and Board levels will greatly enhance the opportunity to access the new Subregional Measure M revenues.

Additionally, the COG along with members of the Carson Logistics Coalition are an active member of Metro's Freight Working Group. In future months the Working Group will be an important forum for guiding Metro's role in the development of key freight related plans and policies targeted to addressing Subregional transportation needs.

Thank you.

APPENDIX

SUMMARY OF THE CALIFORNIA TRANSPORTATION COMMISSION GUIDELINES FOR THE TRADE CORRIDOR ENHANCEMENT PROGRAM (TCEP)

SB 1 provides an ongoing source of state funding dedicated to freight-related projects by establishing the new Trade Corridor Enhancement Account (TCEA). The TCEA will provide approximately \$300 million per year in state funding for projects which more efficiently enhance the movement of goods along corridors that have a high freight volume. Subsequent legislation, SB 103 (Committee on Budget and Fiscal Review, Chapter 95, Statutes of 2017), combines the funds in this account with existing federal freight funding for the California Transportation Commission (CTC) to fund trade corridor improvements consistent with various statutory requirements.

California Freight Investment Program

The Fixing America's Surface Transportation (FAST) Act was signed into law on December 4, 2015, by President Obama and authorized federal transportation funding for a five-year period beginning in 2016.

The FAST Act established a new formula freight program known as the National Highway Freight Program (NHFP) to invest in projects which support the efficient movement of freight and the economy. The program provides approximately \$571 million to California over the five-year period of the Act. This equates to about \$110 million per year beginning with federal fiscal year 2015-16.

In November 2016, the CTC began the guideline development process for the California Freight Investment Program (CFIP) based on SB 826 (Leno, 2016), which directs the CTC to allocate the NHFP funding to corridor-based projects selected by local agencies and the state.

After a number of workshops throughout the state and input from stakeholders representing state, regional, and local governments, advocacy groups and private industry, the final CFIP Guidelines were adopted the CTC at their May 2017 meeting.

Key provisions of the Guidelines include the following:

- Eligible applicants: Local, regional, and public agencies including cities-counties, MPOs (e.g., SCAG), Regional Transportation Planning Agencies (e.g., Metro), port authorities, and Caltrans.
- Projects eligible for funding under the program include in part:
 - *Surface transportation, local road, and connector road improvements to effectively facilitate the movement of goods.*
 - *Environmental/community mitigation or efforts to reduce environmental impacts.*
- Project funding commitment: Projects must demonstrate a 30% funding match.
- Project evaluation criteria:

Freight Factors

- Throughput – Project provides for increased volume of freight traffic through capacity expansion or operational efficiency.
- Velocity – Project increases the speed of freight traffic moving through the distribution system.
- Reliability-Project reduces the variability and unpredictability of travel time.

Transportation System Factors

- Safety-Project reduces the safety of the public, industry workers and traffic.
- Congestion Reduction/Mitigation - Project reduces daily hours of delay on the system and improves access to freight facilities.
- Key Transportation Bottleneck Relief - Project relieves key freight system bottlenecks where forecasts of freight traffic growth rates indicate infrastructure or system needs are inadequate to meet demand.
- Multi-Modal Strategy - Project employs or supports multi-modal strategies to increase port and transportation system throughput while reducing truck vehicle miles/hour traveled (VMT/VHT) or truck idling times.
- Interregional Benefits - Project links regions/corridors to serve statewide or national trade corridor needs.

-Advanced Technology – Project employs advanced and innovative technology, such as Intelligent Transportation Systems (ITS), or includes supporting infrastructure for deployment of current and future technologies, such as zero and near-zero emission equipment or vehicles or ITS elements.

Community Impact Factors

-Air Quality Impact - Project reduces local and regional emissions of diesel particulate (PM 10 and PM 2.5), carbon monoxide, nitrogen oxides, greenhouse gases, and other pollutants.

-Community Impact Mitigation - Project reduces negative impacts on communities (noise, localized congestions, safety, public health, etc.).

-Economic/Jobs Growth – Project stimulates local economic activity, enhances trade value, and preserves/creates jobs."

PROJECT FINANCIAL PLAN

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

1. PROJECT FINANCIAL EXPENSES

NOTE: INDICATE ALL AMOUNTS IN WHOLE DOLLARS FROM CURRENT FISCAL YEAR.

PROJECT EXPENSES *		Prior Years	FY	FY	FY	FY	FY	FY	TOTAL
CAPITAL EXPENSES:									
1	Design and PS&E								
2	Right-of-Way Acquisition or Lease								
3	Utilities Relocation								
4	Equipment Purchase or Lease (e.g., computers)								
5	Vehicle Purchase or Lease								
6	Construction								
7	Construction Engineering								
OPERATING EXPENSES:									
8	Administration/Management								
9	Operating Costs								
10	Maintenance								
11	Marketing								
OTHER EXPENSES (Specify):									
12								
13								
14								
15								
16								
17								
18 TOTAL PROJECT EXPENSES									

* List only expenses to be incurred in the completion of the Scope of Services of the project for which you are applying for funding. Expense categories are not applicable for all projects

PROJECT FINANCIAL PLAN

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

2. PROJECT FUNDING SOURCES

NOTE: INDICATE ALL AMOUNTS IN WHOLE DOLLARS FROM CURRENT FISCAL YEAR.

ALL EXISTING PROJECT FUNDING SOURCES *	Indicate if Committed or Uncommitted	Prior Years	FY	FY	FY	FY	FY	TOTAL
19 Federal Monetary (Specify):								
20 Local Match to Federal Monetary								
21 Federal Monetary (Specify):								
22 Local Match to Federal Monetary								
23 State Monetary (Specify):								
24 Local Match to State Monetary								
25 State Monetary (Specify):								
26 Local Match to State Monetary								
27 Local Monetary (Specify):								
28 In-Kind (Specify):								
29 Other (Specify):								
30								
31 TOTAL EXISTING FUNDING SOURCES								