

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: January 23, 2008

To: Frank T. Martinez, City Clerk  
Office of the City Clerk  
200 N Spring St., Room 360

Attention: Adam Lid

From: Gary Lee Moore, P.E. *Gary Lee Moore*  
City Engineer

Subject: **PROPOSED COMMENTS ON TRANSPORTATION FUNDING**

Attached is a copy of the Bureau of Engineering's proposed comments on transportation funding as requested by Councilmember Garcetti and Greuel's correspondence dated December 21, 2007. These comments will be made at the Council's single topic meeting on transportation scheduled for January 29, 2008. Please contact Phil Richardson at 213-485-4523 if you have any questions.

GLM/PLR/Proposed Comments on Transportation Funding:kj  
Enclosure

Cc: Maria Souza-Rountree, CLA's Office

## **Bureau of Engineering Comments on Transportation Funding Issues**

Prepared for Council Meeting of January 29, 2008

### **Background**

The Bureau of Engineering has played a significant role in transportation projects, primarily as implementer of capital improvement projects. These projects include widening streets and bridges to provide for additional traffic flow lanes, as well as widening intersections to install turn lanes. We also develop projects to rehabilitate and strengthen bridges. According to our 3-year master schedules for the street and bridge programs, we see a continued emphasis in these same types of projects in the future.

In the last five years we have completed 37 street and 16 bridge projects for a total construction value of \$95 million (Street) and \$23 million (Bridge). These projects range in size from several hundred thousand dollars to the \$55 million Santa Monica Transit Parkway Project.

### **Funding Sources and Prioritization**

#### **Metro Call**

A major source of funding for street and bridge projects is the Metro Call for Projects (Call), which is held every odd numbered year. Another Call is scheduled to be announced for 2009, assuming the State budget is not a significant problem. The City received grant approvals in the 2001 Call, but Calls in 2003 and 2005 were cancelled with the State budget deficit given as the reason. The Call distributes Federal grant money and Regional Prop C money to projects in the region. We currently have 25 street and 14 bridge projects that have been approved in previous Calls and are in various stages of implementation.

The City develops an inventory of potential projects and ranks them, using criteria such as congestion relief, intermodal integration, cost effectiveness, and land use and environmental compatibility. Then the City's top ranking projects are submitted to Metro for funding consideration. Metro then does their own ranking and selects projects for funding.

The BOE Street and Bridge Improvement Programs have experienced significant shortfalls for the projects funded in the previous Metro Call for Projects. In 2007, Metro approved \$32 million in additional funds through an unprecedented Supplemental Call process to address street project shortfalls alone. The MTA also allowed a one-time opportunity to down scope projects with existing MOU's. As a result the City has requested authority to down scope 5 street projects and has currently received approval to do so on 3 of the requests. We expect to hear about the other two projects any day now. Also, the La Tijera bridge over the 405 Freeway project is short by \$2.5 million.

There still remain a large number of identified projects without funding. These projects include the 24 projects valued at \$620M which were unsuccessful in the 2007 MTA Call process due to their relative lack of competitiveness for the limited amount of funds. The

City had requested \$211 million in grant funding for these projects. The BOE and DOT are also in the process of compiling and prioritizing a comprehensive list of additional street projects that have been proposed in the past but have not received funding. This list will be developed with close input from all the Council Districts and the Mayor's office.

### **Highway Bridge Program**

Another major source of funding, exclusively for bridge projects is the Highway Bridge Program, a program operated under the Federal legislation for transportation funding currently known as SAFETEA-LU. This program provides up to 88% grants for eligible bridge projects. The city has 39 bridge projects totaling over \$370 million that are funded in part by this program as well as the \$245 million Sixth Street Bridge Project.

The criteria for funding bridge projects under the HBP is primarily based on an official score describing the structural and functional adequacy of the bridge that is given by Caltrans after an inspection every two years. Scores below 80 are eligible for HBP funding.

At a recent Council meeting on the status of bridges, it was reported that there are 25 unfunded bridges with deficiencies that require up to \$250 million to upgrade. The local match amount needed is \$26 million. In addition another 7 bridges are proposed to be deleted from the program because of shortfalls in local match funding.

### **CIEP**

The City's Capital Improvement Expenditure Program or CIEP funds approximately \$10 million worth of street projects a year and had a one time allocation of \$9.62 million for bridges in FY2006-2007. Primary sources of funds include gas tax, as well as local Proposition C. BOE projects in this category are smaller than the Metro Call projects and are more focused on enhancing safety for motorists and pedestrians than on increasing transportation capacity. Projects in the CIEP include the construction and/or rehabilitation of retaining walls and bulkheads in hillside areas. The criteria used to prioritize these projects include: benefit to public safety, project readiness, implementation complexity, and congestion relief.

### **SAFETEA-LU**

SAFETEA-LU is the umbrella Federal legislation which provides funding for highways, highway safety, and public transportation and focuses on reducing traffic congestion and addressing safety. The City received \$16.5 million for 10 specific projects from earmarks in the SAFETEA-LU legislation. These projects are primarily street widening and intersection improvements to increase traffic capacity and enhance safety.

These projects which received funding under the SAFETEA-LU legislation were developed with limited City input. As a result, at least 7 of the 10 street improvement projects which received funding have budget shortfalls, with the total amounting to \$9.1 million. The remaining 3 projects are still in the scope development phase and a significant budget shortfall is also anticipated for these projects.

**Cash flow**

Adequate cash flow is significant challenge in delivering these transportation projects. The MTA Call, HBP, and SAFETEA-LU funds are only available on a reimbursable basis and therefore require a considerable amount of front funding. For Metro Call projects, typically the front funding comes from City's Prop C budget which is extremely limited. In the case of the HBP, the Seismic Bond funds have provided much of the front funding to date. However, very little Seismic Bond money remains, so Prop C funds have recently been sought to carry the some of the newer projects into construction.