



**San Gabriel Valley Council of Governments\***  
**AGENDA AND NOTICE OF THE REGULAR**  
**MEETING OF THE TRANSPORTATION COMMITTEE**  
**WEDNESDAY, JUNE 5, 2024 – 4:00 PM**  
**SGVCOG Office**  
**1333 S. Mayflower Avenue, Suite 360, Monrovia, CA 91016**

Chair  
**Ed Reece**  
Claremont

Vice Chair  
**Cory Moss**  
Industry

**Members**  
*Alhambra*  
*Azusa*  
*Claremont*  
*Diamond Bar*  
*Duarte*  
*Glendora*  
*Industry*  
*La Cañada*  
*Flintridge*  
*Monrovia*  
*Monterey Park*  
*Pasadena*  
*Pomona*  
*San Gabriel*  
*South El Monte*  
*Temple City*  
*L.A. County*  
*District #1*  
*L.A. County*  
*District #5*

Thank you for participating in tonight's meeting. The SGVCOG encourages public participation and invites you to share your views on agenda items.

**MEETINGS:** *Regular Meetings of the Transportation Committee are held on the first Wednesday of each month at 4:00 PM at the SGVCOG Monrovia Office (1333 South Mayflower Avenue, Suite 360, Monrovia, CA 91016).* The agenda packet is available at the SGVCOG's Office, 1333 S. Mayflower Avenue, Suite 360, Monrovia, CA, and on the website, [www.sgvkog.org](http://www.sgvkog.org). Copies are available via email upon request ([sgv@sgvcog.org](mailto:sgv@sgvcog.org)). A copy of the agenda is also posted for public viewing at the entrance of the SGVCOG Monrovia Office Building. Any additional agenda documents that are distributed to a majority of the Committee after the posting of the agenda will be available for review in the SGVCOG office during normal business hours and on the SGVCOG website noted above.

**PUBLIC PARTICIPATION:** Your participation is welcomed and invited at all Transportation Committee meetings. Time is reserved at each regular meeting for those who wish to address the Committee. SGVCOG requests that persons addressing the meeting refrain from making personal, slanderous, profane, or disruptive remarks. A person who continues to disrupt the orderly conduct of the meeting, after being warned by the Committee Chair or designee to cease the disruption, may be precluded from further participation in the meeting.

**TO ADDRESS THE COMMITTEE:** At a regular meeting, the public may comment: (i) on any matter within the subject matter jurisdiction of the SGVCOG that is not on the agenda during the public comment period at the beginning of the agenda; (ii) on any item(s) that is on the Consent Calendar prior to action taken on the Consent Calendar; and (iii) on any other agenda item prior to the time it is considered by the Committee. At a special meeting, the public may only comment on items that are on the agenda. Members of the public are requested to state their name prior to speaking. Comments are limited to a maximum of three minutes per person. The Committee Chair may impose additional time limits if comments become repetitious, an individual member of the public seeks to speak on numerous items, or a large number of members of the public seek to speak on an item. Except in limited situations, the Committee may not take action on items not appearing on the agenda and/or discuss them at length.

If you would like to provide a public comment during a Committee meeting, please see "Instructions for Public Comments" below.

**AGENDA ITEMS:** The Agenda contains the regular order of business of the Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Committee can be fully informed about a matter before making its decision.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800 or via email to [sgv@sgvcog.org](mailto:sgv@sgvcog.org). Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



**CONSENT CALENDAR:** Items listed on the Consent Calendar are considered to be routine and may be acted upon by one motion. There will be no separate discussion on these items unless a Committee member so requests. In this event, the item will be removed from the Consent Calendar and considered after the Committees takes action on the balance of the Consent Calendar.

**TELECONFERENCE LOCATIONS:** State law allows Committee members to teleconference from remote locations as long as certain conditions are met, including listing the teleconference locations in the agenda. The following locations are hereby noticed as teleconference locations, which are accessible to the public for the purposes of observing this meeting and/or addressing the Committee.

|   |  |  |
|---|--|--|
| 2956 West Shorb Street<br>Alhambra, CA 91803  | <del>410 E Dalton Ave<br/>Glendora, CA 91741</del>     | Industry City Hall<br>15625 Mayor Dave Way<br>Industry, CA 91744 |
| Rose Conference Rm<br>City Hall<br>One Civic Center Dr.<br>La Cañada Flintridge, CA 91011 | 4130 Cahuenga Blvd, Suite 108<br>Toluca Lake, CA 91602 |  |

**Instructions for Public Comments:** For those wishing to make public comments on agenda and non-agenda items, but within the SGVCOG’s subject matter jurisdiction, you may submit written comments via email or provide a verbal comment.

- **Written Comments (Email):** If you wish to submit written public comments to be distributed to the Committee members at the meeting, please submit these materials via email to Steph Wong at [swong@sgvcog.org](mailto:swong@sgvcog.org) at least 1 hour prior to the scheduled meeting time. Please indicate in the “Subject” line of the email “FOR PUBLIC COMMENT” and the agenda item number to which the public comment is addressed. Written public comments may include, but are not limited to letters, reports, and presentations.
- **Verbal Comments (In Person):** If you would like to make a public comment at the Committee meeting location, please fill out a public comment card. Comment cards will be made available to you by staff at the entrance to the meeting room. If you are attending the meeting at a noticed teleconference location and would like to make a public comment, please raise your hand when the item upon which you wish to speak comes up on the agenda.
- **Verbal Comments (Zoom):** If you would like to participate by teleconference from a private location, please email Steph Wong ([swong@sgvcog.org](mailto:swong@sgvcog.org)) to request an attendee Zoom link at least 24 hours before the meeting. Through Zoom, you may provide a verbal comment by using the web interface “Raise Hand” feature when the agenda item upon which you wish to speak is to be considered. You will then be called upon to provide your verbal comments.

For questions related to accessing the available teleconference locations, please contact Steph Wong ([swong@sgvcog.org](mailto:swong@sgvcog.org)) or (626) 457-1800.

## PRELIMINARY BUSINESS

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*If necessary, the Chair may place reasonable time limits on all public comments*)
5. Changes to the Agenda Order

## CONSENT CALENDAR (*It is anticipated that the Committee may take action on the following matters*)

6. Review Transportation Committee Meeting Minutes – [Page 1](#)  
*Recommended Action: Review and approve.*
7. San Gabriel Valley Bus Corridor Transit Improvements Project Agreements – [Page 4](#)  
*Recommended Action: For information only.*

## ACTION ITEM

8. SGVCOG Capital Projects Funding & Advance of Future Measure M Multi-Year Subregional Program (MSP) Funds – [Page 7](#)  
*Recommended Actions: Recommend the Governing Board take the following actions:*
  - 1) *Authorize the Executive Director to negotiate and execute the terms of an agreement with LA Metro to loan or advance \$160.9 million of MSP funds to support the remaining ACE Phase II projects and the I-605/Valley Boulevard Interchange Improvement project with the following stipulations:*
    - *The disbursement of loan funding shall be favorable to allow immediate cashflow needs to be met;*
    - *The interest rate calculated and charged by Metro on the loaned funds shall be fair, reflect only real costs associated with Metro's efforts to secure the funding, and be tied to a public index; and*
    - *Active Transportation and First-Last Mile & Complete Streets funds will not be dedicated towards any repayments and those programs shall remain whole and available to be awarded to SGVCOG member agencies.*
  - 2) *Program future funds from available MSP Bus System Improvement, Highway Demand, and Subregional Equity subfunds through the Highway Efficiency Program and Goods Movement subfunds in accordance with the advance repayments dictated by the agreement with Metro.*
  - 3) *Should negotiations fail to result in an agreement executed by October 1, 2024: 1) Authorize the Executive Director to halt progress on the I-605/Valley Boulevard project until sufficient funds are identified and secured to construct the projects 2) Authorize the Executive Director to implement cost saving measures on the remaining ACE Phase II projects including but not limited to value engineering, changes to project management, project delay, and scope reduction, until the projects are complete or additional funds are secured.*

## PRESENTATION ITEMS

9. Metro Vehicle Miles Traveled (VMT) Mitigation Program Update: David Leyzerovsky, Manager, Transportation Planning, LA Metro – [Page 11](#)  
*Recommended Action: For information only.*

10. California Gas Tax Update: Eric Thronson, Deputy Director, Townsend Public Affairs –  
[Page 14](#)  
*Recommended Action: For information only.*

#### **LIAISON REPORTS**

11. Los Angeles County Metropolitan Transportation Authority Liaison Report
12. [Foothill Transit Liaison Report](#)
13. [Gold Line Foothill Extension Construction Authority Liaison Report](#)

#### **STAFF ANNOUNCEMENTS**

#### **ADJOURN**



**SGVCOG Transportation Committee Special Meeting Minutes**

**Date:** May 8, 2024

**Time:** 4:00 PM

**Location:** 1333 S. Mayflower Ave., Monrovia, CA 91016

**PRELIMINARY BUSINESS**

**1. Call to Order**

SGVCOG Transportation Committee Chairperson, Ed Reece, called the meeting to order at 4:07 PM.

**2. Pledge of Allegiance**

LA County District 1 Deputy District Director, Ryan Serrano, led the pledge of allegiance.

**3. Roll Call**

**A quorum was in attendance.**

**Committee Members Present**

|                    |                          |
|--------------------|--------------------------|
| Alhambra           | Adele Andrade-Stadler    |
| Claremont          | Ed Reece                 |
| Diamond Bar        | David Liu                |
| Glendora           | Steven Mateer            |
| Industry           | Cory Moss                |
| Monrovia           | Larry Spicer             |
| Pasadena           | Jenny Cristales-Cevallos |
| Pomona             | Tim Sandoval             |
| San Gabriel        | Tony Ding                |
| South El Monte     | Gloria Olmos             |
| Temple City        | Ashley Avery             |
| LA County Dist. #1 | Ryan Serrano             |
| LA County Dist. #5 | David Perry              |

**Absent**

Azusa  
Duarte  
La Canada Flintridge  
Monterey Park

**Guests**

|                      |                    |
|----------------------|--------------------|
| Foothill Transit     | Matt Nakano        |
| LA Metro             | Tito Corona        |
| LA Metro             | Chris Gallanes     |
| LA Metro             | Daniel Tran        |
| LA Metro             | Avital Shavit      |
| LA Metro             | Spencer Reese      |
| LA Metro             | Parvaneh Ahmadi    |
| LA Metro             | Hector Gutierrez   |
| LA Metro             | Mehul Malhotra     |
| South Coast AQMD     | Rainbow Yeung      |
| TPA                  | Eric Thronson      |
| TPA                  | Carly Shelby       |
| Glendora             | Vanessa Nalbandian |
| Member of the Public | J. Fowl            |
| Member of the Public | Lisa Levy Buch     |

**SGVCOG Staff**

S. Wong Staff  
T. Lott, Staff  
R. (Roy) Choi, Staff  
R. (Ricky) Choi, Staff  
Y. Harabedian, Staff  
K. Lai, Staff  
J. Talla, Staff  
J. Read, Staff  
M. Bolger, Staff  
V. Guerra, Staff  
V. Urenia, Staff  
M. Creter, SGVCOG Executive Dir.

4. Public Comment  
Rainbow Yeung, South Coast AQMD, provided a public comment.
5. Changes to the Agenda Order  
There were no changes to the agenda order.

#### CONSENT CALENDAR

6. Review Transportation Committee Meeting Minutes  
*Action: Review and approve*
7. FY 2024-2025 Committee Chair & Vice Chair Elections  
*Action: Elect Claremont City Councilmember Ed Reece as the FY 2024-2025 Transportation Committee Chair and Industry City Mayor Cory Moss as the FY 2024-2025 Transportation Committee Vice Chair.*

**There was a motion to approve the consent calendar. (M/S: G. Olmos, L. Spicer)**

**[Motion Passed]**

|                          |  |
|--------------------------|--|
| <b>AYES:</b>             | Alhambra, Claremont, Diamond Bar, Glendora, Industry, Monrovia, Pasadena, Pomona, South El Monte, San Gabriel, Temple City, L.A. County Dist. #1, L.A. County Dist. #5 |
| <b>NOES:</b>             |  |
| <b>ABSTAIN:</b>          |  |
| <b>NO VOTE RECORDED:</b> |  |
| <b>ABSENT:</b>           | Azusa, Duarte, La Canada Flintridge, Monterey Park   |

#### PRESENTATION ITEM

8. Mobility Wallet Pilot Program  
Avital Shavit, Metro Office of Strategic Innovation Senior Director, and Hector Gutierrez, Metro Office of Strategic Innovation Senior Manager, presented on this item.
9. Metro FY 2025 Budget Overview  
Pari Ahmadi, Metro Senior Director of Finance, presented on this item.
10. California Gas Tax Update  
Committee Chair E. Reece postponed Item 10 to the next meeting.

#### UPDATE ITEM

11. Metro I-10 ExpressLanes Extension Project Update  
Daniel Tran, LA Metro Mobility Corridors Project Manager, and Tito Corona, Metro Community Relations Manager, presented on this item.

#### LIAISON REPORTS

12. Los Angeles County Metropolitan Transportation Authority Liaison Report

Metro Community Relations Manager Tito Corona and SGVCOG Metro Board Deputy Young-Gi Harabedian provided a report.

**13. Foothill Transit Report**

Foothill Transit Government Relations Coordinator Matt Nakano provided a report.

**14. Gold Line Foothill Extension Construction Authority Report**

SGVCOG Transportation Committee Chair and Gold Line Foothill Extension Construction Authority Chair, Ed Reece, provided a report.

**STAFF ANNOUNCEMENTS**

**ADJOURN**

SGVCOG Transportation Committee Chairperson, Ed Reece, adjourned the Transportation Committee meeting at 5:25 PM.

# REPORT

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DATE: June 5, 2024

TO: Transportation Committee

FROM: Marisa Creter, Executive Director

RE: **SAN GABRIEL VALLEY BUS CORRIDOR TRANSIT IMPROVEMENTS  
PROJECT AGREEMENTS**

## **RECOMMENDED ACTION**

For information only.

## **BACKGROUND**

In July 2021, the San Gabriel Valley Transit Feasibility Study was initiated in order to identify and develop alternative short- and long-term transit solutions that addressed the mobility challenges within the San Gabriel Valley. Due to the Los Angeles County Metropolitan Transportation Authority (Metro) decision not to pursue the planned extension of the E Line, dedicated funds were set aside for the study and implementation of alternative transit projects. The goal of the Study was to serve the unmet mobility needs in the San Gabriel Valley with accessible all-day transit service enhancements for peak and off-peak trips that would best serve and improve the communities and lives of the residents and workers. The Study focused on the cities and communities along the SR 60 Freeway corridor and on ensuring compatibility with surrounding land-uses and on balancing the needs of transit and goods movement.

On March 6, 2024, the SGVCOG presented the Study's final recommendations to the Transportation Committee, which identified feasible transit enhancement projects. These projects were identified for short-term, mid-term, and long-term implementation in a series of three phases:

- **Jump Starts Projects:** Projects which could be implemented over the next 3-5 years;
- **Mid-Term Plan:** Capital improvements which could be constructed by 2035 with the \$635.5-million committed to the SGV by Metro; and
- **Long-Term Vision Plan:** Projects and improvements that could potentially be achieved by year 2050, subject to additional funding and project development activity.

As the funding designated by Metro may not be available until 2035, the near-term "Jump-Start" improvements and projects were identified for potential implementation over the next three-to-five years, subject to the acquisition of funding. These projects would also support Metro's goal for the LA28 Summer Olympics to enable all ticketed spectators to travel to competition venues by public transit, walking or cycling.



The proposed Jump-Start Projects would include:

- ***Traffic Signal Priority (TSP) enhancements*** along designated Rapid Bus Priority Corridors and Bus Rapid Transit (BRT) corridors which currently have higher-frequency services, e.g., Metro bus lines (Lines 76, 260, and 266) and two existing Foothill Transit bus lines (Lines 280 and 197);
- ***“Jump-Start” bus-only lane demonstration projects*** at one or more of six candidate segments including: Atlantic Boulevard and Garvey Avenue in Monterey Park (Segment 1), Garvey Avenue in Rosemead, El Monte, and South El Monte (Segments 2 to 4), Valley Boulevard in El Monte, Industry and LA County (Segment 5), and Holt Avenue in Pomona (Segment 6);
- ***BRT shelters*** to enhance stops at key station locations; and
- ***“Complete Street” improvements for pedestrians and bicyclists*** in anticipation of future bus transit improvements.

The Mid-Term Plan incorporated capital improvements which could be constructed with the \$635.5 million committed to the SGV by Metro in 2035. Mid-Term Projects include rapid bus priority corridors and Bus Rapid Transit (BRT) corridors in selected locations throughout the San Gabriel Valley.

On March 21, 2024, the Governing Board voted unanimously to approve and submit the Final Study to Metro and directed staff to identify a proposed project definition with any appropriate environmental analysis, and to work with Metro to request funding for this effort in the FY2025 Metro Budget.

## **NEXT STEPS**

In order to deliver the proposed Near-Term and Mid-Term improvements included in the Study’s recommendations, Metro has requested that SGVCOG lead the construction of the proposed projects and continue to serve as the implementing agency. Metro has secured funding in the amount of approximately \$7 million to support the Jump Start Projects.<sup>1</sup> This includes:

- 1) Neighborhood Access and Equity (NAE) Grant: \$6,000,000 (approximate)
- 2) Metro FY 2024-25 Annual Budget: \$1,000,000 (approximate)

The funds will be used to support the following objectives:

- Prepare Preliminary Engineering (PE), Plans, Specifications, and Estimates (PS&E), environmental clearance, and construction of up to 4.5 miles of demonstration bus-only lanes

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<sup>1</sup> In order to fund the remaining unfunded five Jump-Start projects for Segments 1 through 4, and 6, Metro has recently submitted another federal grant application to the Environmental Protection Agency’s Pollution Reduction Grant Program. The awards for this grant will be announced in July of 2024.

and TSP improvements for up to 22 existing traffic signals within the 6.3-mile Jump-Start segment (Segment 5) for Valley Boulevard;

- Implement Jump-Start improvements for Segment 5, along Valley Boulevard from the El Monte Transit Center to Valley Boulevard/Hacienda Boulevard; and
- Environmentally clear many of the recommended Mid-Term projects. It is anticipated that additional funding from Metro may be needed for the SGVCOG for FY 2025-26 to finalize the project definition and environmental clearance tasks for all of the identified Mid-Term BRT projects included in the Final Vision Plan.

Completion of these key project delivery steps will be accomplished through a cooperative effort of local agencies, stakeholders, and consultants. This effort may be led at different stages by LA Metro, SGVCOG, or other local agencies and transit providers according to need and the consent of all involved parties. Extensive outreach efforts will continue with our stakeholders and community members during the next phase of this project.

The SGVCOG will procure professional consultant services where needed to continue efforts for engineering design, environmental clearance, and outreach. Once final design has been completed for the Jump-Start improvements for Segment 5, the SGVCOG will also secure a contractor to construct the improvements, which are anticipated to be completed by the end of 2026.

At the June 20, 2024 Governing Board meeting, staff will be seeking authorization for the Executive Director to negotiate and execute the necessary funding and implementation agreements (including amendments) and procure and execute consultant agreements (including amendments) to move forward with the implementation efforts described above. All consultant agreements would align with and be fully funded by the funding agreement with Metro and reported in the SGVCOG's quarterly procurement report.

### **FISCAL IMPACT**

There is no anticipated fiscal impact to the SGVCOG for these efforts as all project costs, including SGVCOG staff time, will be reimbursed through the pending funding agreements.

Prepared by:   
\_\_\_\_\_  
Roy Choi  
Transportation Manager

Approved by:   
\_\_\_\_\_  
Marisa Creter  
Executive Director

### **ATTACHMENTS**

[Attachment A – Final SGV Transit Feasibility Study Report to the Governing Board](#)



# REPORT

DATE: June 5, 2024

TO: Transportation Committee  
City Managers' Steering Committee  
Governing Board

FROM: Marisa Creter, Executive Director

RE: **SGVCOG CAPITAL PROJECTS FUNDING & ADVANCE OF FUTURE  
MEASURE M MULTI-YEAR SUBREGIONAL PROGRAM (MSP) FUNDS**

## **RECOMMENDED ACTION**

Recommend the Governing Board take the following actions:

- 1) Authorize the Executive Director to negotiate and execute the terms of an agreement with LA Metro to loan or advance \$160.9 million of MSP funds to support the remaining ACE Phase II projects and the I-605/Valley Boulevard Interchange Improvement project with the following stipulations:
  - The disbursement of loan funding shall be favorable to allow immediate cashflow needs to be met;
  - The interest rate calculated and charged by Metro on the loaned funds shall be fair, reflect only real costs associated with Metro's efforts to secure the funding, and be tied to a public index; and
  - Active Transportation and First-Last Mile & Complete Streets funds will not be dedicated towards any repayments and those programs shall remain whole and available to be awarded to SGVCOG member agencies.
- 2) Program future funds from available MSP Bus System Improvement, Highway Demand, and Subregional Equity subfunds through the Highway Efficiency Program and Goods Movement subfunds in accordance with the advance repayments dictated by the agreement with Metro.
- 3) Should negotiations fail to result in an agreement executed by October 1, 2024: 1) Authorize the Executive Director to halt progress on the I-605/Valley Boulevard project until sufficient funds are identified and secured to construct the projects 2) Authorize the Executive Director to implement cost saving measures on the remaining ACE Phase II projects including but not limited to value engineering, changes to project management, project delay, and scope reduction, until the projects are complete or additional funds are secured.

## **BACKGROUND**

### *Measure M MSP Program*

In June 2018, the Los Angeles County Metropolitan Transportation Authority (Metro) adopted the Measure M Guidelines to establish a process by which subregional funds under Measure M would be programmed by the subregions' respective entities. The SGVCOG was subsequently tasked with programming and administering the Measure M Subregional Program (MSP) funds through the development of multi-year subregional fund programming plans in the San Gabriel Valley.

Through previous award cycles, the SGVCOG has awarded over \$75 million in Measure M funds to eligible SGVCOG agencies to fund projects. Depending on project type, funds are allocated from one of the following subfunds: Active Transportation, First/Last Mile, Complete Streets, Highway Efficiency, Highway Demand, Bus System Improvement, and the Subregional Equity Program. These subfunds are portions of the total MSP subregional allocation, which can be used to support a particular type of infrastructure or project each cycle. Funds may be transferred between subfunds using an inter-program borrow when necessary. A list of awarded projects can be found on <https://www.sgvkog.org/msp-projects>.

### *SGVCOG Capital Projects Background*

The SGVCOG leads the Alameda Corridor East (ACE) Project, which is an effort to reduce pedestrian and cyclist fatalities and collisions at rail crossings in the San Gabriel Valley. The ACE Project's purpose is to mitigate vehicle delays and collisions at rail-roadway crossings through grade separation and safety improvement modifications. The Project supports key regional goals related to improving efficiency and safety along the ACE Trade Corridor, with long-term and long-ranging benefits to SGVCOG member cities. The final five projects of the ACE Phase II program require local funding to ensure that construction can begin on schedule and all project objectives can be met. More information about the projects can be found here: <https://www.theaceproject.org/project-area>.

The SGVCOG is also assisting with the implementation of the I-605/Valley Boulevard Interchange Project, which is an LA Metro project in the City of Industry. Metro has asked the SGVCOG to serve as the primary project implementer. When completed, this project will create better traffic flow on area streets, enhance safety and improve access to local destinations. On September 17, 2020, the SGVCOG Governing Board voted to approve an advance/loan of future MSP funding for the I-605/Valley Boulevard Interchange Project. At the time, the funding need was estimated to be at \$36.9 million. However, the project was put on hold due to increasing project costs related to the progressing design and engineering work. In order to secure sufficient funding to complete the project, Metro applied for and was awarded a \$33.57 million grant from the state's Trade Corridor Enhancement Program (TCEP), which was formally allocated at the June 28, 2023 California Transportation Committee meeting. The TCEP award requires a 30% local match of the award (\$14.43 million). In addition, updated cost estimates from Metro, who are leading the project design phase, put total funding need at approximately \$54 million. Therefore, in order to complete the funding package for construction of this project, SGVCOG must secure an additional \$20.53 million.

### *Proposed MSP Advance/Loan Agreement*

SGVCOG staff have been working with Metro to allow the SGVCOG to access MSP funding early to meet current funding needs for the final ACE Phase II projects and the I-605/Valley Boulevard Project. The Metro Board took action to support this concept in August 2022, when it authorized its CEO to negotiate advancement of \$61.1 million specifically to support completion of the Montebello Corridor Project. Since that time, Metro and SGVCOG staff have come to an agreement that it is advantageous to bundle the advancements of MSP funding for the ACE Phase II Projects and the I-605/Valley Boulevard Project under a single agreement between Metro and the SGVCOG. This single agreement would include access to advance MSP funding for the following projects:

1. Alameda Corridor-East Project
  - a) Montebello Corridor Projects
  - b) Fullerton Road Grade Separation Project
  - c) Turnbull Canyon Road Grade Separation Project
  - d) Pomona At-Grade Crossing Safety Improvement Projects
  - e) Fairway Drive Grade Separation Project
2. I-605/Valley Boulevard Interchange Improvements Project

The total borrowed amount is \$160.9 million. Repayments on the loan and interest will begin in FY 2029 using MSP funds in the Bus System Improvement, Highway Demand, and Subregional Equity Program subfunds. The agreement with Metro will specify that these funds will be eligible to support these projects through an interfund borrow with the Highway Efficiency and Goods Movement funds. After escalation, the Highway Efficiency and Goods Movement funds are anticipated to have a combined value of \$1.5 billion, which staff estimate will far exceed the total repayments. Metro holds these funds and programs them at each subregion's direction. The recommended action for this item will constitute the subregion's approval of the programming to fulfill the loan obligations set out by the proposed agreement.

## **NEXT STEPS**

Metro staff is currently working on a draft agreement with the SGVCOG and is scheduling an agenda item for consideration by their Board to advance the SGVCOG's MSP funds. The target date for this agreement to be approved by the Metro Board is currently July 2024. SGVCOG staff have communicated that the agreement must start in October of 2024 in order to meet cashflow needs. Given the limited timing between when the Metro Board may act and the SGVCOG needs access to the funds, SGVCOG staff is seeking Governing Board authorization for the Executive Director to negotiate and execute an agreement that provides for project advancement while adhering to the following general principles:

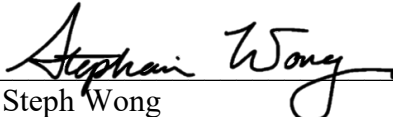
1. The disbursement of loan funding shall be favorable to allow immediate cashflow needs to be met;
2. The interest rate calculate and charged by Metro on the loaned funds shall be fair, reflect only real costs associated with Metro's efforts to secure the funding, and be tied to a public index; and
3. Active Transportation and First-Last Mile & Complete Streets funds will not be dedicated towards any repayments, and those programs shall remain whole and available to be awarded to SGVCOG member agencies.


Furthermore, should additional obstacles delay funding or increase the cost of the projects, staff are seeking authorization for the Executive Director to delay implementation of the I-605/Valley Boulevard project and implement cost savings or delay measures for the ACE Projects. This will ensure that the agency's financial health can be prioritized despite the constantly evolving bidding and funding environment. In compliance with SGVCOG's MSP Outreach and Funding Policy (Attachments A and B), the proposed use and future programming of the advanced MSP funds will be presented for online comment and through public comment opportunities at the City

# REPORT

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Managers' Steering Committee, Transportation Committee, and Governing Board meetings in June 2024.

Prepared by:   
Steph Wong  
Senior Management Analyst

Approved by:   
Marisa Creter  
Executive Director

## **ATTACHMENTS**

[Attachment A – SGVCOG MSP Funding Policy for Awarded Projects \(Resolution 22-38\)](#)

[Attachment B – SGVCOG MSP Public Outreach Policy \(Resolution 18-11\)](#)



# REPORT

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DATE: June 5, 2024

TO: Transportation Committee

FROM: Marisa Creter, Executive Director

RE: **METRO VEHICLE MILES TRAVELED (VMT) MITIGATION PROGRAM UPDATE**

## **RECOMMENDED ACTION**

For information only.

## **BACKGROUND**

The passage of SB 743 (Steinberg, 2013) changed the primary metric that California uses to assess transportation impacts under the California Environmental Quality Act (CEQA) from Level of Service (LOS) to Vehicle Miles Travelled (VMT). This change resulted in the deployment of new analytic approaches to determine the significance of potential transportation impacts and the use of new mitigation measures to address those impacts.

As a result of the law, many California planning and transportation agencies – including local agencies – have initiated programs and studies to measure VMT, establish VMT thresholds for use in the CEQA process, and facilitate mitigation measures. SGVCOG has led two of these efforts for the benefit of our member agencies:

- 1) In 2020, the SGVCOG Governing Board authorized the Executive Director to contract Fehr & Peers to provide professional services for the implementation of the Regional VMT Analysis Model to assist member agencies with complying to SB 743 mandates. A total of 27 member cities participated in the Regional VMT Analysis Model Project. Under the direction of SGVCOG staff, Fehr & Peers analyzed existing traffic conditions in the San Gabriel Valley region, developed a baseline standard and determined significance CEQA thresholds for future land use and transportation projects. Participating member agencies have now adopted these criteria in compliance with SB 743. As part of the process, a web-based tool was developed to allow city staff and developers to determine if a proposed project would require a full VMT analysis based on each city's adopted CEQA criteria. In 2023, SGVCOG and participating cities engaged Fehr & Peers again to update the data and thresholds used as the basis for the web-based tool in order to stay current with SCAG's 2020 RTP/SCS. This work is ongoing.
- 2) Many San Gabriel Valley cities expressed interest in studying mitigation fee structures, which can be used to streamline VMT-related impact analysis and ensure successful implementation of selected mitigations. In response to the collective interest for a regional approach, SGVCOG contracted Fehr & Peers to develop a study of a potential Regional VMT Mitigation Fee Structure Program. In total, 25 cities participated in the study.

The study, completed in May of 2023, incorporated key pieces of economic and legal analysis that could inform a potential VMT Mitigation Bank, which would allow developers to pay a fee-per-VMT to the “bank” and in turn use those fees to fund local transportation projects (mitigations). A critical component of the study considered potential legal and financial risks associated with the proposed VMT Bank. If SGVCOG were to be the first agency in this region and among the first in the state to proceed with a regional VMT mitigation program of this kind, it would not benefit from previous legal challenges and precedent. There were and are significant unknowns given the relatively recent legislation that incorporated VMT into CEQA. The study also discussed a low level of high-VMT-inducing development in our region, which could make the Mitigation Bank unfeasible. In general, many projects in the San Gabriel Valley could screen out because they are located near transit or would not require a bank because they are good candidates for smaller, on-site mitigation actions.

The study concluded that a pilot program was not currently the best course of action, as other regional bodies were moving forward with mitigation programs through which our regional projects may be able to mitigate VMT. The final study is included here in Attachment A.

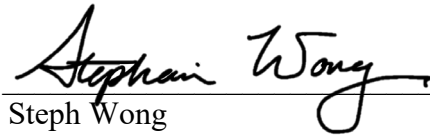
In the year since the SGVCOG study was completed, several regional agencies have continued to study a potential VMT mitigation structure. LA Metro concluded a two-year study in March 2024, which was adopted by the Metro Board in April 2024. Metro’s program, also devised by Fehr & Peers, will feature an internal VMT bank to mitigate induced travel for capacity-increasing Metro projects on the State Highway System. Notably, Metro’s program will primarily assist the implementation of its own highway projects, which are likely to require mitigation measures under CEQA, and will not be available to other agencies for their project mitigation needs. Metro’s internal project managers will be able to “purchase” credits from the VMT bank as mitigation for their VMT-inducing highway projects. The funds will then be invested in select transportation projects which are VMT-reducing. The prioritized mitigation types include bus service frequency improvements, bus-only lanes, joint housing development units, and Metrolink service expansion. Bus rapid transit is also defined as a mitigation measure under this program but is not being prioritized in the initial bank pilot. Mitigation measures can consist of local agency projects and are not limited to projects for which Metro is the lead agency. State Highway System projects that are queued for the San Gabriel Valley and are therefore eligible to use the VMT bank for mitigation credits are the I-10 ExpressLanes Project and the I-605 Corridor Improvement Project.

The VMT bank will more than likely be used to mitigate the impacts of Metro’s highway projects in the San Gabriel Valley. It will also be used to help fund mitigation projects in the region, meant to offset the additional highway travel of the proposed projects. This may include bus service improvements regionwide and joint housing developments such as those proposed in the cities of Glendora, La Verne, and Pomona.

David Leyzerovsky, Manager, Transportation Planning, LA Metro, will provide a presentation on this item.



Prepared by:



Steph Wong  
Senior Management Analyst

Approved by:



Marisa Creter  
Executive Director

**ATTACHMENTS**

[Attachment A – Mitigation Program Feasibility Study Findings](#)

[Attachment B – Metro VMT Mitigation Program Report](#)

# REPORT

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DATE: June 5, 2024

TO: Transportation Committee

FROM: Marisa Creter, Executive Director

RE: **CALIFORNIA GAS TAX UPDATE**

## **RECOMMENDED ACTION**

For information only.

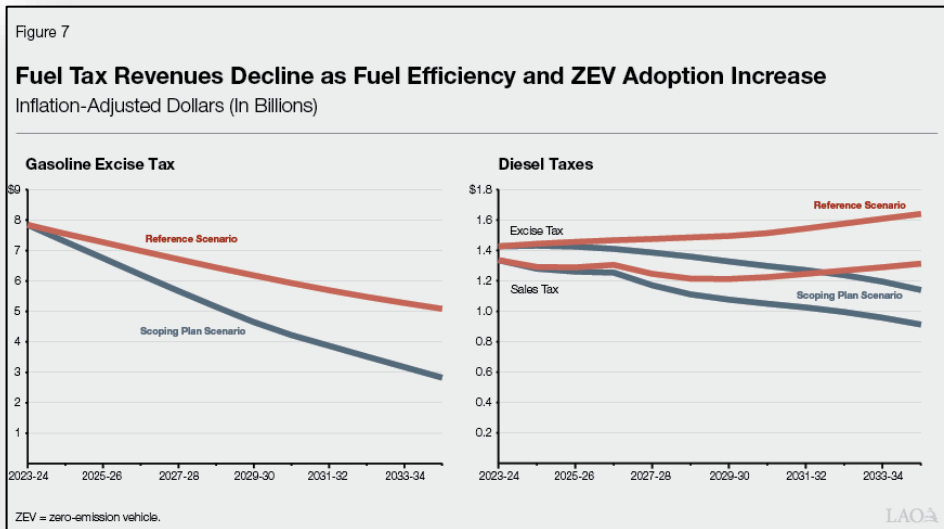
## **BACKGROUND**

For decades, California has been a national leader in fighting climate change, utilizing many different initiatives and programs to reduce greenhouse gas (GHG) emissions in the state. To pursue this effort, the California Air Resources Board (CARB) regularly updates its Scoping Plan to lay out the state's strategy for achieving its goals. Among other things, the Scoping Plan includes specific policies targeted at increasing the adoption of zero-emission vehicles (ZEVs), increasing the use of lower-carbon fuels, and reducing the number of vehicle miles traveled (VMT).

While these efforts should assist in accomplishing CARB's mission of GHG reduction, it will come at a cost. In a recent report titled "Assessing California's Climate Policies – Implications for State Transportation Funding and Programs," the Legislative Analyst's Office (LAO) estimates how much meeting the state's GHG reduction goals could impact existing state transportation revenues and programs. The news is not good.

Specifically, the LAO concludes that CARB's policy directives for GHG emission reduction will have dramatic negative impacts on the state's transportation revenues. This is because the vast majority of transportation funding in California is derived from taxes on motor fuels such as gasoline and diesel. If people are driving more fuel-efficient vehicles (or zero-emission vehicles), and are driving fewer miles in total, then the state is collecting less fuel tax revenues.

Compared to current transportation funding levels, the LAO projects dramatic revenue declines over the next decade from the state's gasoline excise tax (\$5 billion or 64 percent), diesel excise tax (\$290 million or 20 percent), and diesel sales tax (\$420 million or 20 percent). On net, the LAO estimates that if the state follows CARB's Scoping Plan to reduce GHGs, annual state transportation revenues will decline by \$4.4 billion (31 percent) over the next decade as compared to current levels.



Source: Legislative Analyst's Office Report

The projected revenue declines will result in certain state transportation programs having less capacity to support state and local transportation projects and activities. For instance, the LAO projects funding for Caltrans' highway maintenance programs will drop by roughly \$1.5 billion (26 percent) over the next decade, from \$5.7 billion to \$4.2 billion. In addition, the LAO estimates that the State Transit Assistance program, which funds local transit operations, will experience funding declines of about \$300 million by 2034-35, or about one third of its total funding.

In cases where programs distribute funding to local governments, such as for local streets and roads and transit, the magnitude of the impacts will vary across jurisdictions. In general, jurisdictions that historically have been more dependent on state funding for their local efforts will experience greater impacts across their transportation systems, likely resulting in reduced services and/or poorer road conditions for their residents.

In order to maintain our local streets and roads and transit funding, one of two things must happen: either the state needs to reverse its efforts to reduce GHG emissions from the transportation sector (which is highly unlikely), or the state will need to find an alternative funding source for its transportation needs. While the state has several approaches it could pursue to replace the dwindling tax revenues, each comes with various benefits and trade-offs that will need to be considered.

The LAO proposes options for addressing the funding gaps which include:

- Increasing existing fuel taxes to try and maintain funding levels
- Increasing other existing vehicle fees to replace the dwindling fuel tax revenues
- Supplementing with other funding sources like the General Fund or Cap-and-Trade revenues
- Implementing a new mechanism for collecting transportation revenue e.g. a road charge
- Implementing new taxes on alternative fuels and dedicating the revenues to transportation

Beginning to weigh these options now is critical before revenue declines become more significant. However, it appears that this issue is not on the Legislature's radar. There has been no legislation introduced this year to address this concern, and the Governor's budget does not

acknowledge the impending revenue declines. Therefore, it is upon our local municipal leaders to begin presenting our concerns about future local transportation funding to our representatives.

Townsend Public Affairs (TPA) Deputy Director Eric Thronson will present on this item.

*This staff report was prepared by TPA. TPA staff are available to answer any questions.*

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Senior Management Analyst

Approved by: Marisa Creter  
Marisa Creter  
Executive Director

