

Trade Corridor Enhancement Program Cycle 3 Guidelines Development Workshop



Thursday, September 23, 2021

Meeting Expectations



- No introductions, so please introduce yourself if you have a comment.
- Use the “raise hand” function or unmute yourself if you want to speak.
- Recognize the presenter may not always be able to see the chat.
- Wait until the current speaker has finished talking before starting your comments.

Agenda



- Lessons learned from previous programming cycles
- Proposed 2022 Program Schedule and Deadlines
- Matching funds
- Expenditure extensions
- Independent utility
- Cost savings and cost increases
- Nomination form
- Project Approval and Environmental phase

Lessons Learned from Previous Programming Cycles



- During the workshops, the preference is to make decisions as we move along, to the extent possible, to avoid a bulk of decision-making at the end of the process.
- On some topics we may never get to a place where everyone agrees, but my goal is to get to a place where most are comfortable with the decision.
- The process is most efficient when everyone speaks their opinion in the workshop.
- I won't share all the detailed changes with you, just substantive changes.
- What are some of your takeaways as participants in past processes?

Proposed 2022 Program Schedule



1. Guidelines adoption/call for projects TBD summer 2022
2. Applications due Fall 2022/Winter 2023
3. Currently we're aiming to have adoption of all three programs before June 30, 2023.

Matching Funds



This is not new. It is clarification only.

- The 30% match is calculated separately for each phase where regional TCEP funds are requested.
- When calculating the 30% local match, local funds that occur in fiscal years prior to the first year of the requested TCEP funds will not be counted.
- If you break your initial allocation request into two or more separate allocations later on because of segmenting or multiple contracts, the local match will be re-calculated, and the 30% match must be shown separately for each allocation request and each phase.

Matching Funds – Potential New Language



- We are considering adding an option of a reduced 25% match for projects from the Other and Central Coast regions or for projects that can justify why they do not have as many local funds available to support necessary freight projects.

Expenditure Extensions



- Allocation extension – 12 additional months maximum (no change)
- Contract award extension – 6 additional months maximum (no change)
- Expenditure extension – 12 additional months (no change)
- Project delivery extension at the time of allocation – no cap (no change)
- Project delivery extension after allocation – 20 additional months (changed from cycle 2)
- Project delivery extensions include extended expenditures.
- Added clarity about changes that don't require CTC action (when the programming year doesn't change or no impacts to funded project)

Independent Utility



- This is not new. It is clarification only.

14. Project Segmenting

Scaling a project in segments because of its size, funding or delivery schedule may be necessary for certain large corridor projects. When segmenting a project into separate independent segments, the nomination should discuss the total corridor and the reasons for segmenting the project. **Each construction phase segment must have independent utility, meaning that each segment must have stand-alone benefits specific to that segment.** The nomination should address how each segment of the corridor project will **have independent utility, and how it will** be delivered. The nomination should

Cost Savings



- Defined the word “proportionally.”

27. Project Cost Savings

Project cost savings will be evaluated taking each phase into account.

When the word “proportionally” is used in reference to project cost savings, it includes the following meanings.

- If there is a savings that affects more than one funding source, for example, there is savings in the right-of-way phase and the right-of-way phase was funded with two different types of state funds, then the savings will be returned to each funding program proportionally based on the amount of funds that were originally programmed to the phase from each fund source. The only exception is if an agency wishes to use the savings to fund a cost increase on the project as allowed in this section.
- If the project is funded with both the 40 percent of Caltrans statewide Trade Corridor Enhancement Program funds and the 60 percent of regional Trade Corridor Enhancement Program funds, the savings will go back to each “pot” of funds based on the amount originally programmed from each funding type.

Savings at construction contract award may be used to expand the scope of the project only if the expanded scope provides additional quantifiable benefits. The expanded scope must be approved by Commission staff prior to contract award. All other contract award savings will be returned proportionally and made available for redistribution in subsequent programming cycles.

Cost Savings/Cost Increases



- Savings can be used to fund cost increases in any phase before project completion.

Savings at construction contract award may be used to expand the scope of the project only if the expanded scope provides additional quantifiable benefits. The expanded scope must be approved by Commission staff prior to contract award. All other contract award savings will be returned proportionally and made available for redistribution in subsequent programming cycles.

Trade Corridor Enhancement Program savings may be **used to fund cost increases in any project phase** until the proportions match those at programming. Any additional savings must be returned proportionally **at project completion**, through a Commission action, and made available for programming in subsequent programming cycles.

Nomination Form – General Information & Screening Criteria



- Shortened the information required to take out redundancy.
- Included estimated length of info needed (for example, one to two paragraphs).

C. General Information

1. **Overview:** Include a brief, one to three paragraph, non-technical description of the project. The description should focus on why the project is a good freight project. It should include a brief project background, the project purpose, and the need for the project.
2. **Map:** A map (or maps) of the project location
3. **Priority:** Project priority (if submitting multiple nominations)
4. **Scope:** A relatively brief (no longer than two or three paragraphs) description of the project scope, including a list of outputs for the project. Make sure the outputs included here match the outputs submitted in the Project Programming Request (PPR).
5. **Independent Utility:** A project requesting construction funds must have independent utility. When proposing a segment of a corridor, discuss the total corridor, why the project is being segmented, and why the segment proposed for funding has independent utility. Please limit this discussion to no more than two or three paragraphs.
6. **Consistency with RTP/SCS:** Confirmation that the proposed nomination is consistent with the current approved Regional Transportation Plan and Sustainable Communities Strategies. This can be a single sentence stating this fact.

D. Screening Criteria

1. **Eligible Projects:** Explain how the project is consistent with the projects described in Section 11 (the eligible projects section) of the guidelines. To explain this, choose one or more of the types of eligible projects listed in section 11 of the guidelines and explain

Nomination Form – Project Delivery & CEQA



Requested more specific information for project delivery and CEQA/NEPA.

Project Delivery

- Specify delivery method.
- Talk about schedule risks and mitigation.
- Discuss any rail company involvement and what is needed. If rail company involvement is needed, discuss the timeline for involvement.

CEQA/NEPA

- Impacts and mitigations
- Link to the documents

Evaluation Criteria/Funding & Delivery/Community Impacts



- Listed out the criteria from guidelines instead of referencing them.
- Added a sample table to fill out for funding and deliverability section.
- The newer metrics may be covered in the Community Impacts section.

G. Funding and Deliverability

1. **Funding Table:** Fill out the table below for all phases of the project. This should align with the PPR submitted with the application.

- **Cost estimates:** Costs should be escalated to the year of proposed implementation and be approved by the Chief Executive Officer or other authorized officer of the implementing agency.
- **Required Match:** Make sure it is clear the project funding includes the required 30% funding match for each programmed component as outlined in section 6 of the guidelines. Please note that when calculating the required match, Commission staff cannot count funds programmed in years prior to the first year in which TCEP funds are requested. Also, the match is calculated separately for each phase where TCEP funds are requested.

Include a few sentences explaining why local funds can be reasonably assumed to be available and why state funds will not result in stranded investments.

Phase	Fiscal Year of Allocation	Amount	Funding Source	Committed or Uncommitted

Project Approval & Environmental Documentation Phase



- The plan right now is not to include the Project Approval and Environmental Documentation (PA&ED) phase in the TCEP program.
 - There are many issues that need to be worked out during the environmental phase.
 - It is difficult to know if the investment in PA&ED will result in a buildable project, so there is a lot of risk in funding this phase.

Thank You



More Information

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