
Administration and Projects Committee **STAFF REPORT**

Meeting Date: November 07, 2024

Subject	Senate Bill 1 – Formulaic Local Partnership Program (LPP) Funds Programming for the Countywide Smart Signals Project (Project)
Summary of Issues	<p>The Authority’s revised share of formulaic LPP funds for Fiscal Year (FY) 2023-24 and FY 2024-25 is \$4.919 million, of which \$2 million was committed in February 2023 through Fund Exchange Agreement No. 628 with the City of Orinda, and \$2.732 million was committed in March 2023 through Resolutions 23-10-P and 23-34-P to the Project, leaving \$187,000 uncommitted.</p> <p>Staff proposes to program the Authority’s remaining share of formulaic LPP funds of \$187,000 to the Project. In return, \$119,000 in local funding contributed to the Project is proposed to be deposited in the Authority’s Fund Exchange Reserve (FER) for future cost increases.</p>
Recommendations	<p>Staff seeks approval of Resolution 24-56-P, which will authorize the programming of \$187,000 in remaining Cycle 4 formulaic LPP funds to the Project and will authorize staff to deposit \$119,000 in secured local contributions in the Authority’s Fund Exchange Reserve for future cost increases on the Project and other projects administered by the Authority, if needed.</p>
Staff Contact	Andy Dillard
Financial Implications	<p>The Authority’s revised share of Cycle 4 formulaic LPP funds for FY 2023-24 and FY 2024-25 is \$4.919 million, of which \$187,000 is currently uncommitted.</p>

Options	The Authority Board could decide not to approve this request at this time.
Attachments (See APC Packet dated 11/7/24)	A. Resolution 24-56-P
Changes from Committee	<i>None</i>

Background

Senate Bill 1 (SB1) created the LPP with \$200 million annually to be allocated by the California Transportation Commission (CTC) to qualified local or regional transportation agencies that have voter-approved taxes or imposed fees, dedicated solely to transportation improvements. The LPP is comprised of two parts: 1) formulaic; and 2) competitive, with sixty percent (60%) of the \$200 million to be distributed by formula to eligible jurisdictions.

In March 2018, the Authority Board approved Resolution 18-08-P, which programmed Contra Costa County's share of formulaic LPP funds – Cycle 1 (FY 2017-18 and FY 2018-19) of \$5.199 million as follows: \$400,000 to the cities of El Cerrito and Martinez (\$200,000 each), and \$4.799 million to complete the construction on the Interstate 680 (I-680)/State Route 4 Improvements, Phase 3 (Project 6001a).

In July 2018, the Authority Board approved Resolution 18-38-P, which programmed formulaic LPP funds – Cycle 2 (FY 2019-20) of \$2.486 million as follows:

- \$2.286 million to complete the environmental clearance phase of the Innovate 680 – I-680 Northbound Express Lane (Project 8009.02).
- \$100,000 each to the cities of El Cerrito and Martinez.

In June 2020, the Authority Board approved Resolution 20-25-P, which programmed formulaic LPP funds – Cycle 3 (FY 2020-21, FY 2021-22, and FY 2022-23) of \$6.546 million to the Innovate 680 – Automated Driving System (ADS) (Project 8009.07). Unlike previous cycles, the CTC began providing separate funding shares for the cities of Martinez and El Cerrito. Since both cities have voter-approved transportation sales taxes, each of these two cities received \$200,000 per year.

On August 19, 2021, the CTC approved the redistribution of FY 2020-21 unused incentive funding. The redistribution added \$6 million to the Statewide 2020 formulaic program in FY 2021-22, of which \$108,000 became available to the Authority for programming.

Consequently, in October 2021, the Authority Board approved Resolution 21-43-P, which programmed \$108,000 in additional formulaic LPP funds to the Authority's ADS demonstration program. The additional funds were needed to cover hardware cost increases resulting from the COVID-19 pandemic-related supply shortages.

In August 2022, the CTC adopted the LPP guidelines for Cycle 4 of formulaic LPP, covering FY 2023-24 and FY 2024-25, indicating the Authority's share of \$4.498 million.

In February 2023, the Authority Board approved execution of Fund Exchange Agreement No. 628 with the City of Orinda authorizing the programming of \$2 million in formulaic LPP funds – Cycle 4 to the City's Citywide Street Maintenance project in exchange for retaining \$1.8 million in future City of Orinda return-to-source Measure J funds.

In March 2023, the Authority Board approved Resolution 23-10-P, which programmed the remaining share of formulaic LPP funds – Cycle 4 of \$2.498 million to the Project.

In August 2023, the CTC approved the redistribution of FY 2022-23 unused incentive funding, adding \$234,000 to the Authority's formulaic LPP share.

On September 23, 2023, the Authority Board approved Resolution 23-34-P programming the additional \$234,000 in formulaic LPP funds to the Project, for a total of \$2.732 million.

In August 2024, the CTC approved the redistribution of FY 2023-24 unused incentive funding, adding \$187,000 to the Authority's formulaic LPP share for Cycle 4 of the program. The additional formulaic LPP funds must be programmed in FY 2024-25.

Countywide Smart Signals Project

The Project will upgrade existing traffic signal legacy systems, provide interconnectivity throughout Contra Costa County signal systems, and enhance the sharing of real-time information between agencies and the public. A unified signal technology and communications system throughout Contra Costa County will enable the region to prepare for emerging transportation technologies and future Smart Cities initiatives. The Project

includes providing cloud-based Transit Signal Priority technologies to promote transit usage reducing delay and travel times for transit vehicles, as well as video analytics to provide ability to identify "near miss" situations and take a proactive approach to prevent future occurrences.

In 2023, the Metropolitan Transportation Commission announced the award of \$26.555 million in One Bay Area Grant Cycle 3 funds to the Project. Contra Costa County and the cities/towns are contributing an additional \$3.529 million in matching funds for the Project, of which \$2.732 million was set aside in the Authority's FER for future cost increases or approved scope changes on the Project or other projects administered by the Authority.

Project development activities are well underway on the Project. A Concept of Operations report for the Project was completed earlier this year and the project design phase commenced in summer 2024. The construction phase is anticipated to start in Fall 2025 and be completed by Fall 2026.

Staff proposes to program the Authority's remaining share of Cycle 4 formulaic LPP funds of \$187,000 to the Project. In return, \$119,000 in local funding contributed by Contra Costa County and cities/towns for the Project is proposed to be deposited in the Authority's FER for future cost increases.

Staff recommends approval of Resolution 24-56-P, which will authorize the programming of \$187,000 in remaining Cycle 4 formulaic LPP funds to the Project and will authorize staff to deposit \$119,000 in secured local contributions in the Authority's FER for future cost increases on the Project and other projects administered by the Authority, if needed.