

CALIFORNIA FREIGHT INVESTMENT PROGRAM GUIDELINE DEVELOPMENT WORKSHOP

Thursday, December 8, 2016

9:00 a.m. to 12:30 p.m.

Riverside County Administration Center Boardroom

4080 Lemon Street, Riverside, CA 92501

Meeting Summary

1	Welcome	Introductions and Agenda Overview
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- Approximately 63 stakeholders participated in the meeting in person or via teleconference.
- Handouts distributed at the meeting included Agenda, FAST Act Freight Funding Flowchart, Draft Timelines for the CFIP guidelines and programming, the Critical Freight Corridors Designation, the California Freight Mobility Plan update, and the November 10th meeting summary.
- Moving forward, this effort will be referred to as the California Freight Investment Program (CFIP).

2	November 10th Workshop Summary	Status of Action items and Meeting Summary
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- Action items were related to the Financial Investment Plan, which are covered in Agenda Item #4
- Website has been created where schedules, meeting materials and reference links can be found. <http://www.catc.ca.gov/programs/CFIP.html>

3	Guideline Contents	Discuss proposed Table of Contents for Guidelines
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- Included on the second page of the Agenda is a proposed Table of Contents. List to be modified as needed and suggestions are welcome.
- Suggestion was made that State may want to look into how the BATIC could be used to make appropriate use of the right federal funding for the right project. Consider reaching out to BATIC – Build America Bureau: <https://www.transportation.gov/buildamerica>

4	Financial Investment Plan	Review Information received from FHWA and USDOT
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- Reviewed responses received from USDOT and FHWA on several Financial Investment Plan questions from the November 10, 2017 workshop. The full list of Questions and Answers can be found in the November 10, 2016 Workshop meeting summary at: http://www.catc.ca.gov/programs/CFIP/Nov_10_2016/111016_NHFP_Kickoff_Mtg_Summary.pdf
- Caltrans provided an overview of their FAST Act Freight Funding Flowcharts. These Flowcharts show how the federal Fastlane Grants and the National Highway Freight Program funds will be administered.

5	Subject Areas for Discussion	<ul style="list-style-type: none"> a. Program Schedule b. Eligible Project Components c. Eligible Applicants d. Matching Requirements e. Reimbursement f. Deadlines/Timely Use of Funds
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a. Program Schedule

- Draft Timeline - provides dates for the CFIP guidelines/programming action along with Caltrans’ Critical Freight Corridors Designation and Caltrans’ California Freight Mobility Plan update. These timelines are based on meeting the December 4, 2017 deadline to receive Federal approval of the Freight Investment Plan.
- Caltrans will be hosting a Critical Freight Corridors TAC meeting on December 19th in Sacramento. For additional information please contact Jose Marquez at jose.marquez@dot.ca.gov or (916) 653-3175
- Discussion among stakeholders included:
 - Ensure the Critical Freight Corridors designation and CFIP program of projects are streamlined so designations can be approved prior to Commission’s deadline for applications.
 - Concerns regarding a single call for projects. This would prohibit a project not initially designated on a Critical Freight Corridor to be excluded from future funding if there was not a future call for projects.
 - Project submittal timeframe may not provide sufficient time for applicants to receive Board approval. Tentatively, stakeholders were encouraged to seek Board approvals in June 2017.
 - Allow project applications to move forward even though project is not located on a designated Critical Freight corridor with the condition the Critical Freight Corridor is approved prior allocation.

b. Eligible Project components

- Eligibility of project components - TCIF allowed for construction only. Under FAST Act, funds may be used for any phase of the project including pre-construction activities (design, right of way, etc.) FHWA has recommended, but not mandated, programming all five years up front.
- Discussion among Stakeholders included:
 - An opportunity to fund pre-construction phases to advance needed freight projects is needed. However, some stakeholders voiced a concern about funding “construction ready” projects and not aspirational or exploratory projects given the limited funding in CFIP.
 - Delineating a percentage of total funds (such as 10%) for pre-construction projects and using rest for construction projects. Federal statute already limits port and rail project to 10% of the funds.
 - Even if funding only construction phase, project selection should be tied to a performance metric for deliverability. (i.e.: scoring projects that can be delivered by advancement).
 - Need to assess a “claw-back” of funding if project scope (irrespective of phase) was not delivered. A time constraint should be implemented so that if funds are not used within a certain time frame, the Commission could rescind the allocation (i.e.: Feds have this for ROW).
 - Question asked regarding how the CTC would address additional funding. CTC staff proposed an additional call for projects if additional funds were dedicated to the CFIP.

c. Eligible applicants

- State, public entities can apply. Private sector entities need a public agency sponsor. The applicant need not be the implementing agency.
- Eligible applicants could be the same as TCIF.

d. Matching requirements

- Discussed consideration for a 1 to 1 match using other funding. If applications were scored, additional points would be afforded for a 2 to 1 or 3 to 1 match.
- Stakeholders proposed a tiered approach for matching of funds similar to the Active Transportation Program (ATP) guidelines. Match could also be tiered by project size.
- Discussed the requirement that the matching of funds be applicable to the project in its entirety and not solely for the project phase that is requesting funding.
- Question raised as to the use of toll credits to be used to match the CFIP Funds. Commission staff will work with Caltrans to research the question and provide a response at the next CFIP Workshop meeting.

e. Reimbursement

- Concerns raised about adopting the TCIF model of reimbursement where the reimbursement ratio included eligible and ineligible percentage and is calculated using the Baseline Agreement.
- Recommendation is to follow the federal reimbursement model where reimbursements are processed through Caltrans where ineligible and contingencies are removed from the percentage calculated for the reimbursement ratio. Similar to the Finance Letter which is used by Caltrans Local Assistance.

f. Deadlines/timely use of funds

- Stakeholders agreed there should be deadlines for award and project completion.
- Requested that additional time be added especially for construction (Feds have 12 months for this timeframe). Similar timelines (like STIP) for other phases of the project were acceptable.
- Provide the ability to request extension at time of allocation, similar to STIP.

g. Savings/cost increases

- CTC would require pro-rata savings to be shared between the applicant and the CTC.
- Cost increases are borne by the agencies/state, respectively.
- Contingency set aside similar to SR 99 Bond Program.

h. Screening/evaluation criteria

- Using the baseline as the TCIF requirements open discussion followed regarding the screening/evaluation criteria.
 - Criteria needs to ensure the right freight projects are funded. So criteria will need to ensure that the right projects are included.
 - Proposed projects should be consistent with existing state and regional plans (i.e.: CFMP, CSFAP, etc.)
 - Transparency in how the projects are scored and selected.
 - Projects should be evaluated to “scale” and criteria should be different for pre-construction vs. construction projects. Additional points for projects with completed environmental phase.
 - Projects with public support.

- Public funds shouldn't be the majority on private projects.
- Priority would be to projects that tie into the State climate change goals and AB 32.
- Priority should include consideration for wildlife habitats.
- Look how the project will have a larger impact in the region.
- Consideration for projects that were in STIP that were delayed.
- Discussed importance of including a role for the freight coalition groups and Caltrans.
- Discussed consideration for projects that can begin construction in the same year of allocation.
- Project agreements cannot tie up technological improvements contractually.
- Stakeholders raised the impact/benefit to disadvantaged communities (DAC). Priority to include mitigation impact or benefit for disadvantaged communities (using a federal definition). Feds include mitigation of impacts which include goals of the original program. Under TCIF this was an environmental justice consideration and not a DAC issue.
- Some stakeholders proposed consideration for a broader definition of DACs - similar to the ATP.

6	Next Steps and Closing	Identify action items and next workshop
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- Can toll credits be used to match the CFIP Fund? Commission staff will work with Caltrans to research the question.