

## South Bay Cities Council of Governments

September 11, 2023

TO: SBCCOG Transportation Committee

FROM: Jacki Bacharach, Executive Director  
David Leger, Senior Project Manager

SUBJECT: FY24-25 Measure R and Measure M Call for Projects Process Update

### **BACKGROUND**

Each year around September, SBCCOG staff initiates an annual program update process for the Measure R South Bay Highway Program (SBHP) and South Bay Transit Investment Program (SBTIP), as well as three Measure M Multi-Year Subregional Programs (MSPs). The process begins with one-on-one meetings with Measure R and M lead agencies which provides an opportunity to check in on current project progress/status as well as potential issues and delays. This process also includes an opportunity for lead agencies to request additional funding for existing projects as well as a call for new projects seeking funding beginning the upcoming fiscal year.

The Measure R ordinance provided \$906M in funding to the SBHP through 2039, of which \$400M was diverted to the SBTIP as part of the decennial transfer process in 2019/2020. Upon the creation of the SBTIP, SBCCOG staff recommended no new Measure R projects be funded as limited funding remained in the program. The remaining funds in each program were reserved as contingency funds and were to be used for “costs to complete” existing projects. To date, the SBHP has approximately \$56M remaining of the total \$506M, and the SBTIP has approximately \$49M of the total \$400M.

In 2022, as part of the FY23-24 Annual Program Update, SBCCOG staff solicited new Measure M project applications. Due to the phased funding process implemented by Metro and SBCCOG where funds are allocated to projects based on construction phases, SBCCOG staff was able to recommend funding for all submitted eligible applications. This program update is anticipated to be approved by the Metro Board at their September meeting. If approved, this would bring the SBCCOG’s Measure M MSPs to a total of 76 projects in varying stages of completion, with approximately \$295M programmed.

### **ANALYSIS**

Through FY26-27, South Bay MSPs have an unallocated balance of around \$74M. SBCCOG staff is aware of approximately \$50-60M in “costs to complete” for existing Measure M projects over the same general period of time. Due to the fact that there are 76 projects in the works and recent construction bids have been coming in higher than expected (in many cases 10-30% higher), it is SBCCOG staff’s recommendation that no new Measure M project applications be

sought as part of this year's annual program update. If the SBCCOG was to over-program funding, lead agencies would have to slow down implementation of their project(s) until new funding is available and/or fund "costs to complete" out of other funding sources. Lead agencies will still be able to submit requests for additional funding for existing projects and they can also indicate any future projects that they may be considering so the SBCCOG staff can assess future needs and capacity.

**RECOMMENDATION**

Recommend the SBCCOG Board not solicit new project applications for Measure R SBHP/SBTIP or Measure M MSP funds for FY24-25.

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