



Go Local Fixed-Guideway Future Project Delivery Options



Staff Recommendations



- Federal Grant Recipient Relationship: OCTA serve as grantee, cities serve as sub-recipients
- Enter into memorandum of understanding (MOU) with cities of Anaheim and Santa Ana to identify roles/ responsibilities
- Upon formalizing roles, pursue consideration of the Anaheim and Santa Ana/Garden Grove fixed-guideway projects for New Starts funding from the Federal Transit Administration (FTA)
- Return with recommendations on operations and maintenance

- Need to pursue federal funds as a result of:
 - Decline in Measure M2 sales forecasts
 - Capital costs of fixed-guideway program
 - Need to maximize local dollars

- Prior planning work prepared consistent with FTA New Starts planning requirements and consistent communication with FTA to ensure eligibility and competitiveness

- Proven model for assessing merit of a fixed-guideway project
- FTA evaluates project at various stages prior to advancement into next phase of development
- New Starts > \$250 million capital cost
- Small Starts < \$ 250 million capital cost
- Technically rigorous, 6-12 years development
- Demand exceeds availability of funds

Grant Recipient Requirements



- First step of New Starts programs: Establish a grant recipient reporting relationship to FTA
- Grantee responsible for administering and managing federal grant in accordance with federal requirements
- Grantee must demonstrate the legal, financial, and technical capacity to deliver project on time and on budget
- Clear lines of authority/responsibility is critical

Options for Grantee Role



Options	Pros/Benefits	Risks/Challenges
1. OCTA as Grantee	<ul style="list-style-type: none"> • OCTA has proven success with FTA in administering federal funds and delivering highway and transit projects 	<ul style="list-style-type: none"> • Need to supplement project management staff • OCTA assumes all liability for project delivery, management of contracts, coordinating with stakeholders • Lose full potential of city leadership
2. Cities as Grantees	<ul style="list-style-type: none"> • Cities would have full control and liability of project design and delivery • Cities assumes all risk 	<ul style="list-style-type: none"> • Cities are unproven entities for managing federal funds and delivering highway/transit projects • Time and money associated with establishing a new grantee • FTA unlikely to recognize new grantees , OCTA minimal control
3. OCTA as Grantee Cities as Sub- recipients	<ul style="list-style-type: none"> • OCTA contributes technical capacity, assumes overall responsibility • Cities manage contracts and coordinate with stakeholders • OCTA input into scope and design • Realize potential of city buy-in 	<ul style="list-style-type: none"> • Potential organizational risk with OCTA responsible for project delivery, but cities manage contracts

Next Steps



- Return in fall with MOU with cities of Anaheim and Santa Ana to serve as sub-recipients
- Return in fall with options for operations and maintenance of fixed-guideway projects
- Pursue FTA consideration to enter New Starts upon projects' entry into preliminary engineering (March 2012 and January 2013)