

Memorandum

To: Capital Area MPO Technical Coordinating Committee

From: CAMPO Staff

Date: May 28, 2025

Re: FFY 2027 LAPP Program

The next round of LAPP applications will open in August 2025 and will be for the FFY 2027 project cycle. Prior to a new project cycle, staff discuss any issues brought up during previous project cycles to discuss during the LAPP Committee Meeting and review the Target Modal Investment Mix.

Issues addressed in this memo:

- **Equity Component in LAPP Scoring Criteria**
- **Accuracy of Project Estimates**
- **Multi-Year Phasing/Programming**
- **Rolling Stock as eligible projects**
- **Target Modal Investment Mix**

Issue: Equity Component in FFY 25 LAPP Scoring Criteria

CAMPO Staff developed an equity metric for the FFY 25 project cycle and tested a simplified version in the FFY 26 cycle. The LAPP committee did not reach consensus on selecting a methodology or if additional improvements or adjustments were needed. Furthermore, recent guidance from the Federal Government has stated that equity criteria should not be included in awarding federal funds for transportation projects.

Staff Recommendation:

CAMPO staff and the LAPP committee recommend not including equity criteria into the project scoring for the FFY 27 cycle. Instead, CAMPO staff will continue to research best practices and investigate ways to improve the scoring. Staff will continue to monitor how submitted projects would be impacted if equity criteria were included and report findings to LAPP Selection committee.

Issue: Accuracy of Project Estimates

Due to an increase in additional funding requests over the past several years, CAMPO had previously recommended increasing the required contingency on submitted projects.

The current LAPP guidelines for contingencies in cost estimates are as follows:

- Applicants who have not completed the PE phase for their project are recommended to apply a 45% contingency.
- Applicants who have completed PE are recommended to apply a 30% contingency.
- Applicants who have completed PE and ROW are required to apply the 25% minimum contingency when applying for Construction funding.

MPO members requested CAMPO provide a cost estimate tool to assist with preparing more accurate project estimates. NCDOT has provided a cost-estimate spreadsheet template that ensures contingencies and NCDOT fees are included in the estimate.

Staff Recommendation:

CAMPO staff and the LAPP committee recommend including the cost estimate template provided by NCDOT in the FFY27 LAPP cycle. No changes to contingency percentages are recommended for FFY27. Instead, CAMPO staff will continue to monitor submitted costs against recent LAPP bid tab estimates.

Issue: Multi-Year Phasing/Programming

During the FFY26 cycle, CAMPO staff were asked to further explore options for a multi-year phasing or programming approach for the LAPP program. It has been suggested that a multi-year approach would lessen burdens for applicants and potentially reduce project delays and expense. CAMPO staff remain concerned about how multi-year awards could result in a significant backlog of unobligated funds when project delays occur. It was suggested that a Design-Build option might be a compromise, but several issues would need to be finalized before inclusion in the LAPP program. The benefits of a Design-Build option for applicants would include awards for multiple project phases in a single year. Another advantage of the Design-Build option is that those funds would be immediately obligated thus protecting them from any potential rescission.

Staff Recommendation:

CAMPO staff and the LAPP committee recommend no changes related multi-year phasing/programming for the FFY27 cycle. Instead, CAMPO staff are directed to work with NCDOT to develop a Design-Build project submittal option for consideration in FFY28.

Issue: Rolling stock as eligible projects

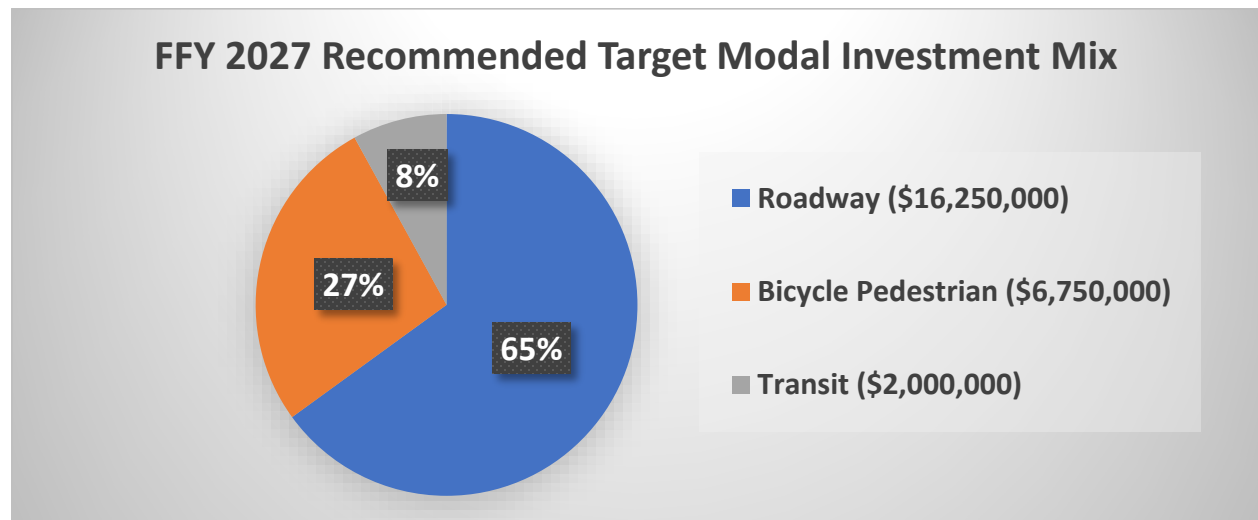
A request was made to reconsider allowing transit agencies to submit projects for rolling stock. It was suggested that allowing rolling stock requests would help protect funds from rescission because rolling stock projects could be obligated immediately. Historically the LAPP program does not allow applicants to submit projects for public transit vehicles. However, the LAPP program does allow for any

unobligated funds to be flexed over to public transit agencies as a last resort to protect those funds from recission. When this decision has been made in the past it does allow for those funds to be used to purchase vehicles.

Staff Recommendation:

CAMPO staff and the LAPP committee recommend no changes to the LAPP program related to rolling stock for FFY27.

Issue: Target Modal Investment Mix



The Target Modal Investment Mix for the FFY 2026 round of LAPP was 65% roadway, 27% bike/ped, and 8% transit and the total programming allowance was \$25 million.

There was discussion about transit funding and that some portion of the investment mix should be dedicated to transit in the event a non-Wake County transit agency applies for funding. It was also suggested that if a non-Wake County transit agency were to apply that rolling stock would most likely be their top priority.

Staff Recommendation: Following the discussion, the Committee decided to keep the modal split the same as previous years, 65% Roadway, 27% Bicycle/Pedestrian, and 8% Transit. CAMPO staff are directed to survey non-Wake County transit agencies for their interest in the LAPP program and priorities for consideration in the FFY 28 cycle.