

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 ext.
metro.net**PLANNING AND PROGRAMING COMMITTEE
JULY 20, 2011****SUBJECT: INTERSTATE 5 SOUTH SEGMENT 1 ALONDRA AVENUE****ACTION: APPROVE A REQUEST TO THE CALIFORNIA TRANSPORTATION
COMMISSION FOR A \$54.1 MILLION PROPOSITION 1B CORRIDOR
MOBILITY IMPROVEMENT ACCOUNT LETTER OF NO PREJUDICE****RECOMMENDATION**

- A. Authorize the Chief Executive Officer to request a \$54,077,000 Proposition 1B Corridor Mobility Improvement Account Letter of No Prejudice (LONP) for Construction of the Interstate 5 South Segment 1 Alondra Avenue project;
- B. Amend the FY 2012 Budget to include the cash flow demand of \$15,000,000 for the first year of construction and establish a Life of Project budget of up to \$54,077,000 in support of the Letter of No Prejudice; and
- C. Authorize the CEO to execute an amendment to the original agreement with Caltrans to implement the Letter of No Prejudice arrangement.

ISSUE

I-5 - Alondra Avenue is one of three Corridor Management Improvement Account (CMIA) funded segments and the first that is ready to award (October 2011) with construction scheduled to start in November 2011. The construction phase of the project is funded with \$54.1 million in CMIA funds. Since the state elected not to conduct a spring bond sale, the revenue source for CMIA funding, the California Transportation Commission (CTC) will be unable to honor its funding commitment and the segment will be delayed.

DISCUSSION

The CTC has advised Caltrans that it will be unable to allocate the \$54.1 million in CMIA construction funding for the I-5 – Alondra Avenue segment at its August meeting. Accordingly, Caltrans requested that MTA extend a LONP so that the I-5 Alondra

Avenue segment can be advertised, awarded and construction started in November 2011 per the current segment implementation schedule. Advertising the segment as scheduled will prevent disrupting the staging and delivery of the other four I-5 corridor segments currently in development (Caltrans has awarded a construction contract on the I-5 Camenita Road Interchange) and ensure the region can take advantage of a still favorable construction environment, i.e., wide firm interest in and competitive bidding on projects.

FINANCIAL IMPACT

\$54.1 million in funds programmed in FY 2013 and FY 2014 may be accelerated from Interstate 5 South Florence Avenue Segment 5 project for use on the Interstate 5 Alondra Avenue Segment 1 project. Any construction funding that actually has to be advanced from Segment 5 project will be restored when the State repays the Proposition 1B CMIA LONP. Funds will be included in the FY 2012 budget in cost center 4710, Highways Program, Project # 410001, I-5 South Widening and HOV Lane Project. If repayment of the Proposition 1B CMIA LONP is deferred, or not repaid at all, the LACMTA would be forced to defer the Interstate 5 Florence Avenue or some other project.

Since this is a multi-year project, the cost center manager and Executive Director, Highways Program, will be responsible for the project budget in future years, including any option(s) exercised.

Impact to Budget

The ultimate source of fund used for the Interstate 5 South Alondra Boulevard project LONP will depend upon the outcome of the State Budget talks. Short term financing will be used if it appears the fall bond sale, or other sales later, are likely to occur. If longer term financing is required, either Proposition C 25% or Measure R Build America bond proceeds will be used. Proposition C 25% and Measure R Build America Bond proceeds funds are not eligible for bus or rail operating expenses.

ALTERNATIVES CONSIDERED

The Board could consider accelerating \$54.1 million of the \$268 million in Measure R funds designated for the I-5 corridor. This is not recommended as the Measure R funds are not available to the corridor per the Long Range Transportation Plan Near-Term Strategies and Priority Setting Criteria and 2011 Los Angeles County Transportation Improvement Program (LRTP) adopted by the Board on April 28, 2011. Accelerating Measure R funds for one of all of the I-5 South CMIA-funded segments would impact MTA's ability to fulfill Measure R and other LRTP project funding commitments.

The Board could elect not to provide alternative funding for the segment. This is not recommended as I-5 between the Orange County Line to I-605 is a critical freeway and HOV lane improvement and the I-5 – Alondra Avenue segment is 100% design complete.

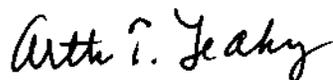
NEXT STEPS

With approval of the recommendation, staff will prepare a LONP with CTC and Caltrans for the Chief Executive Officer's signature with a targeted execution date by August 15, 2011. Staff will also continue to provide progress reports on the I-5 corridor with detail on segment implementation and funding risks as well as risk mitigations.

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Arthur T. Leahy
Chief Executive Officer