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REVISED
PLANNING AND PROGRAMMING COMMITTEE
SEPTEMBER 18, 2013

SUBJECT: MEASURE R TRANSIT AND HIGHWAY PROJECTS**ACTION: LIMITED AUTHORIZATION TO PROCEED WITH PROJECT
DEVELOPMENT****RECOMMENDATION**

- A. Authorize the Chief Executive Officer (CEO) to proceed with the current phase of the project development process for all second and third decade Measure R Transit projects, including, upon receiving authorization from the Federal Transit Administration (FTA), releasing Draft Environmental Impact Statements/Reports (EIS/EIRs) for public comment and selecting a Locally Preferred Alternative (LPA). Board authorization for future development phases would be conditioned upon full funding plans being identified for each project;
- B. Authorize the CEO to proceed with the current phase of the project development process for all Measure R Highway projects including releasing Draft EIS/EIRs for public comment and selecting LPAs. Board authorization for future development phases would be conditioned upon full funding plans being identified for each project; and
- C. Receive and file this report which responds to the June 2013 Board directive on the status of second and third decade Measure R projects (Motion 10. 2A), and estimated completion dates of all Highway Projects (Motion 10. 4). Attachment A contains the Board motion.

ISSUE

On June 27, 2013, the Board directed that by the September 2013 Board meeting a status report be provided for all second and third decade projects including the phase of work currently being completed, necessary steps to complete the current phase, anticipated completion date. The Board also directed that work not proceed with any future phases until receiving direction from the Board in September 2013. The Board further directed that the CEO report back on the estimated completion dates for the Measure R Highway Program with an analysis of the likelihood of receiving Transportation Infrastructure Finance Act (TIFIA) funding and proposed American Fast

Forward (AFF) Bonds or similar funding for highway projects. This report provides the requested status information. This report also seeks Board approval to continue with the current phases of the project development process. Once the current phase of work is complete, a full funding plan would be required to proceed further.

DISCUSSION

Background

In April 2013, the Board authorized staff to issue the appropriate notices to enable an amendment to the Measure R Expenditure Plan to accelerate second and third decade projects, allowing Metro to take advantage of current construction costs and interest rates and the public to benefit from earlier use of the facilities. In June 2013, staff requested Board approval to amend Measure R to advance "Funds Available Beginning Dates" for second and third decade projects. In approving the recommendation, the Board directed that all second and third decade projects be advanced, except for the SR-710 North, contingent upon: securing program funding for all Measure R "First Decade" projects; completing all first decade projects environmental planning and preliminary engineering without utilizing any funding for second and third decade transit and highway projects. In addition, the "Funds Available Beginning" date changes were contingent on federal commitments to provide \$5.9 billion in grants and loans. The Board further directed that we return in 90 days (September 2013) with the information requested for both the Measure R Transit and Highway projects.

Attachment-A-B is the requested report. Attachment-A-B contains information on the current status of not only second and third decade Measure R projects, but also first decade projects. The Attachment-A shows that all Measure R Transit projects are either completed, in construction or are in various stages of project development. We are requesting that the Board allow the current phase of project development to proceed so that these projects will be ready should funding be identified or that their project development work be suspended at a logical point that would facilitate re-starting at a later time, as appropriate.

Attachment-A-B also contains information on the status of the Highway program and anticipated completion dates. Additionally, to fill the funding gap, not only are TIFIA and AFF Bonds or similar funding for highway projects being explored which is explained in Attachment-B-C, staff is also examining the feasibility of Public Private Partnerships (P3) to expedite project delivery.

DETERMINATION OF SAFETY IMPACT

There is no impact to the safety of our customers or employees.

FINANCIAL IMPACT

Funding for FY 14 has been included in the Countywide Planning and Highway Program budgets in numerous cost centers and projects to continue the current phase

of project development. Funding to continue these efforts beyond FY 14 will be requested during subsequent budget year preparation. Board authorization will be required to enter future phases of the project development process. Since these are multi-year projects, the cost center managers and the Executive Directors of Countywide Planning and the Highway Program will be responsible for budgeting costs in future years.

Impact to Budget

Funding assigned for project development varies by project. Where Proposition C 25% and Measure R funds are being used, these funds are not eligible for bus or rail capital or operating purposes. Per Board policy, when State Repayment of Capital Project Loans funds are being used to advance a project ahead of its Measure R funds available date, the State Repayment of Capital Project Loan funds must be reimbursed when the Measure R funds become available. The State Repayment of Capital Project Loan funds are eligible for bus and rail capital uses, but not operating purposes.

NEXT STEPS

Upon Board approval, we will continue with the current phase of work for all Measure R Transit and Highway projects. We will also continue to work with our funding partners to secure Full Funding Grant Agreements, TIFIA loans and AFF Bonds (or similar funding for highway projects) as well as other potential sources including the feasibility of delivering projects using the P3 method.

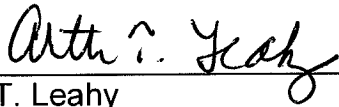
ATTACHMENTS

- A. June 2013 Board Motion
- A-B. Measure R Projects Status Report
- B-C. Highway Program TIFIA and AFF Bond Analysis

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Motion by Director Katz and Director O'Connor
Item 10 – Measure R Acceleration Program
MTA Board Meeting
June 27, 2013

WE THEREFORE MOVE TO approve the amendment to the Measure R Ordinance and Expenditure Plan to advance “Funds available beginning” dates on Measure R transit corridor projects contingent upon:

1. Securing program funding for all Measure R “First Decade” transit projects. Complete all first decade Measure R transit environmental planning and preliminary engineering, without utilizing any funding for second and third decade Transit and Highway projects.
2. Directing the CEO on the following:
 - a. Report by the September 2013 Board meeting on the status of all Measure R second and third decade projects and include the following information: phase of work currently being completed, necessary steps to complete the current phase, and anticipated completion date.
 - b. Do not proceed with any future project phases until receiving direction from the Board in September 2013.
3. Approving the Measure R Acceleration financing plan to advance all Measure R second and third decade projects, except 710 North, contingent upon:
 - a. Identification of full funding plans for the second and third decade projects.
 - b. Securing a Transportation Infrastructure Finance and Innovative Act (“TIFIA”) loan and accompanying Master Credit Agreements as detailed in the MTA Measure R Acceleration Plan.
 - c. Securing Federal, State or other similar funding consistent with the MTA Measure R acceleration financing plan denoted as America Fast Forward (“AFF”) Tax Credit Bond Program.
 - d. Secure Full Funding Grant Agreement (“FFGA”) for the Regional Connector and the Westside Subway (Segment 1).
4. Directing the CEO to report back to the Board at the September 2013 Board Meeting on estimated completion dates for the Measure R Highway Program – with analysis of the likelihood of receiving TIFIA and proposed AFF or similar funding for highway projects.

ATTACHMENT A

5. Directing the CEO to report back within six months with a recommended ballot initiative for the November 2014 or November 2016 election that, if approved by the voters of Los Angeles County, would enable acceleration of all Measure R highway and transit projects.

**Measure R Project Status Update
Part 1: Transit Projects**

At the June 2013 meeting, the Metro Board directed that staff return with a status of all Measure R second and third decade projects including the phase of work currently being completed, necessary steps to complete the phase and anticipated completion date. Below is the project specific information including the status of the first decade projects.

Eastside Light Rail Access

This is a first decade Measure R project. The project's goal is to increase ridership along the Metro Gold Line Eastside by improving multi-modal linkages from the stations to the surrounding neighborhoods. The project will use a variety of urban design techniques to enhance way-finding, pedestrian connections and bicycle infrastructure at the stations in both the City of Los Angeles (Phase I) and within the Unincorporated East Los Angeles (Phase II). Phase I is currently under construction and focuses improvements at Pico/Aliso Station, Mariachi Plaza Station, Soto Station and the transition from the Indiana Station into the City limits. Phase II will focus improvements at the four stations within unincorporated East Los Angeles including Indiana, Maravilla, Civic Center and Atlantic stations. The project is currently in the design phase and is scheduled to be ready for construction by 2014.

Exposition Transit Corridor Phase I and II

This is a first decade Measure R project. Phase I is an 8.6-mile corridor from Downtown Los Angeles to Culver City. It opened in phases with the first section from Downtown Los Angeles to the La Cienega station opening on April 28, 2012 and from the Farmdale to the Culver City station opening on June 20, 2012. Phase II extends the corridor westward 6.6 miles to Santa Monica and is currently under construction. This phase is scheduled to start operation in Fiscal Year (FY) 2017.

Metro Orange Line Extension

This is a first decade Measure R project. It extended the Metro Orange Line four miles north from the Canoga Station to the Chatsworth Amtrak/MetroLink station. The project was completed and opened for operation on June 30, 2012.

East San Fernando Valley Transit Corridor

This is a first decade Measure R project. The Alternatives Analysis (AA) study, completed in close cooperation with the cities of Los Angeles and San Fernando, was presented to the Metro Board in January 2013. The Study recommended further environmental analysis of both Bus Rapid Transit (BRT) and Light Rail Transit (LRT) alternatives in the Draft EIS/EIR. At that time, the Board approved changing the project name from the East San Fernando Valley North – South Rapidways to the East San

Fernando Valley Transit Corridor to provide more clarity. Prior to initiating work on the Draft EIS/EIR, staff performed a technical refinement of the alternatives which identified that between \$250 million to \$3.5 billion in additional funds would be needed to implement a BRT or LRT, respectfully. The Technical Refinement Study is complete and the Draft EIS/EIR work has been initiated. It is anticipated that the Board will be asked to select a LPA in Fall 2014 following a public availability period including public hearings.

Crenshaw/LAX Transit Corridor

This is a first decade Measure R project. The Crenshaw/LAX Transit Corridor is a 8.5-mile corridor from the intersection of Crenshaw and Exposition Boulevards to a connection with the Metro Green Line at the Aviation/LAX station. Metro Board certified the Final EIS/EIR in September 2011 and established the Life-of-Project (LOP) in October 2011. In June 2013, the Metro Board awarded the final design and construction contract and approved increases to the LOP for the project to \$2.058 billion, to include stations at the Leimert Park Village and Hindry. Project is expected to start operation in FY 2020.

Regional Connector Transit Corridor

This is a first decade Measure R project. The Project provides a 1.9-mile connection between the Metro Gold Line, Metro Blue Line and the Metro Exposition Line through Downtown Los Angeles. The Metro Board certified the Final EIS/EIR in April 2012. The project is proceeding with real estate acquisitions and advanced utility relocations. Proposals from the short list of Design/Build firms were received in August 2013 with contract award scheduled for early 2014. The Full Funding Grant Agreement (FFGA) is anticipated in late 2013.

Westside Purple Line Extension

There are three sections of the Westside Purple Line Extension. All three sections were included in the Final EIS/EIR that was certified by the Board and approved by the Federal Transit Administration (FTA). The first section of the Project extends the existing Metro Purple Line from Wilshire/Western to Wilshire/La Cienega. The Project is proceeding with a temporary exploratory shaft near Fairfax, real estate acquisitions, and advanced utility relocations. The remaining sections would be built in the second and third decades. Proposals from the short list of Design/Build contractors for Section 1 are due in December 2013. The FFGA for Section 1 (with provisions for FFGA amendments to cover the future sections) is anticipated in early 2014. Since a Federal Record of Decision (ROD) has been received and per Board direction in January 2013, Section 2 is proceeding with Advanced Preliminary Engineering in order to complete the Design/Build package so it is ready for advertisement when funding sources become available.

Airport Metro Connector

The Airport Metro Connector project is a second decade project in the LRTP. However, the Measure R Expenditure Plan allows for the acceleration of this project if the Los Angeles World Airports (LAWA) provides funding. The AA was completed and received by the Metro Board in April 2012. Staff has not begun the draft environmental analysis due to on-going discussions with LAWA, the FTA, and the Federal Aviation Administration (FAA). In June 2013, the Los Angeles City Council approved LAWA's Specific Plan Amendment Study (SPAS) Land Use Ordinance which included an Automated People Mover (APM) to connect the airline terminals and the Metro Rail system. LAWA staff identified three potential connection locations. In June 2013, the Metro Board directed that the alternative alignment through LAWA's proposed Intermodal Transfer Facility located between 96th and 98th Streets, west of Airport Boulevard, be included in the environmental phase. In cooperation with LAWA, staff will complete the Technical Refinement Study to be presented to the Board this Fall. The environmental work will begin once the FTA and FAA give clearance. Per Board direction, staff will send a letter to the FAA by the September 26, 2013 Board meeting, requesting entry into the federal environmental process. At the December 2012 Board meeting, the Metro Board authorized a Public-Private Partnership (P3) evaluation of the project. Staff anticipates awarding a contract in Winter 2014 for a consultant to undertake the P3 strategic assessment, requiring project definition, economic analyses and technical feasibility studies, with completion anticipated in Winter 2015.

South Bay Metro Green Line Extension

The South Bay Metro Green Line Extension project is a third decade project in much the same situation as the Eastside Gold Line Phase 2 Extension. The Administrative Draft EIS/EIR is nearing completion and is being reviewed by the FTA. Staff anticipates receiving FTA approval to circulate the document in Fall 2013, and will hold public hearings thereafter. In Winter 2014, staff will request Metro Board action to approve a LPA. This will be followed by the completion of the final environmental work and initiation of Advanced Conceptual Engineering (ACE) and PE.

Eastside Gold Line Phase 2 Extension

The Eastside Gold Line Extension Phase 2 is a third decade project in much the same situation as the South Bay Metro Green Line Extension. Comments provided by the FTA and the Cooperating Agencies (United States Environmental Protection Agency [USEPA], United States Army Corps of Engineering [USACE], Caltrans) on the Administrative Draft EIS/EIR are currently being addressed. An updated Administrative Draft EIS/EIR will be submitted to FTA and USACE in Fall 2013. Staff anticipates receiving FTA approval to circulate the document in Winter 2014, and will hold public hearings thereafter. In Spring 2014, staff will request Metro Board action to approve a LPA. This will be followed by the completion of the final environmental work and initiation of the ACE and PE.

West Santa Ana Branch

The West Santa Ana Branch Corridor is the Los Angeles County portion of a 34-mile corridor that also stretches into Orange County. This project is a second decade project. Southern California Association of Governments (SCAG) approved the two county AA work in February 2013. Metro is in the procurement process to obtain a consultant to conduct a Technical Refinement Study on the Los Angeles portion of the corridor to further evaluate technical challenges identified by the SCAG AA prior to proceeding into environmental clearance. Contract award is anticipated in Winter 2014, with study completion anticipated approximately 18 months thereafter.

Gold Line Foothill Extension Phase 2B

The Metro Gold Line Foothill Extension Construction Authority (Authority) is the lead agency for the final environmental clearance for Phase 2B of the Gold Line which extends the line from Azusa to Montclair. The Authority certified the FEIR in March 2013. Metro will continue to work with the Authority to further advance the project, including the preparation of the Final EIS to qualify the project for federal funding, contingent upon sufficient funds remaining from Phase 2A. In October 2009, the Metro Board directed staff "As a first priority to pursue other potential funding sources, excluding Federal New Starts, which are not currently in the LRTP, to be programmed to close the funding gaps on the Gold Line Foothill Extension and the Crenshaw/LAX Transit Corridor....In addition, Metro shall endeavor to identify and obtain additional funding from all feasible sources for all other underfunded projects in the 2009 LRTP..."

Sepulveda Pass Transit Corridor

The last of the twelve Measure R transit projects is the Sepulveda Pass Corridor, a third decade project. A Systems Planning Study was received by the Board in December 2012. At that meeting, the Metro Board authorized the evaluation of a transit and/or highway facility through the Sepulveda Pass as a P3. Staff anticipates awarding a contract in Winter 2014 for a consultant to undertake the P3 strategic assessment, requiring project confirmation, definition, economic analyses and technical feasibility studies with completion anticipated Winter 2015.

**Measure R Project Status Update
Part 2: Highway Projects**

Metro's approach to complete each of the Measure R Highway Categories is described below:

Alameda Corridor East (ACE) Grade Separation Phase II

Continue design, Right-of-Way (ROW) acquisition, and construction of Phase II projects. Currently, the San Gabriel Trench is under construction with an estimated completion in 2017. Grade separation projects on Puente Avenue, Fairway Drive, and Fullerton Avenue (City of Industry), Hamilton Boulevard (City of Pomona), and Durfee Avenue (City of Pico Rivera) are in varying stages of design and ROW acquisition. In addition, ACE has three currently unfunded projects (Fairway Drive/Valley Boulevard in the City of Industry, Turnbull Canyon Road in the City of Industry and the LA County, and Greenwood Avenue in the City of Montebello).

BNSF Grade Separation in Gateway Cities

Measure R provides \$35 million for the BNSF grades separations. Passons Boulevard grade separation was completed and opened to traffic in November 2012. Construction at Valley View Avenue is expected to be completed by the end of 2014. Continued work with the Gateway Cities Council of Governments and others will be required to ensure plans are developed and potential funding sources are identified for the remaining four grade separations that are in various planning stages. The remaining BNSF grade separations include Rosecrans Avenue/Marquardt Avenue, Norwalk Boulevard/Los Nietos Road, Pioneer Boulevard and Lakeland Road.

Countywide Soundwall Construction

Approximately \$2.5 billion of soundwall needs have been identified in the County. Measure R provides approximately \$213 million in the second and third decades to build some of these soundwalls. Currently, Metro is using the P3 project delivery method to accelerate the design and construction of Soundwall Packages 10 and 11, which are the next in priority order. Packages 10, 10a, and 11 will be constructed along the I-210 Freeway in Pasadena, and the SR-170 and I-405 Freeways in the San Fernando Valley area of the City of Los Angeles, respectively. They are part of the Accelerated Regional Transportation Improvements (ARTI) P3 project, which is currently in the procurement phase. If the California Transportation Commission (CTC) approves ARTI for P3 delivery this fall as anticipated, the procurement process can be completed as early as Spring 2015, with construction of these soundwalls being completed as early as 2019. The LRTP indicates that new funding sources will be necessary to meet the remaining \$2 billion of soundwall needs. As new funds become available, projects can be initiated to build additional soundwalls in priority order.

High Desert Corridor (Environmental)

Measure R provides \$33 million to complete the environmental clearance for the High Desert Corridor (HDC) project, which has an estimated construction cost of approximately \$5 billion. The Metro Board in March 2012 recognized the HDC as a strategic multi-purpose corridor, which includes highway, high speed train, green energy, and bike elements. The environmental document is currently underway and is scheduled for completion in late 2014. Metro is exploring the feasibility of delivering this project using the P3 delivery method.

I-5/St Route 14 Capacity Enhancement

This project is a first decade project in the Measure R Expenditure Plan. The project opened to traffic in December 2012 and will be closed out in 2014. The Metro Board can certify the project completion and Measure R savings, if any, after the project closeout and determine how such savings will be utilized.

I-5 Capacity Enhancement from I-605 to Orange County Line

This project is a first and second decade project in the Measure R Expenditure Plan and currently under construction with a 2017 completion date and project close out by 2018. Improvements include HOV lanes in both directions from the I-605 freeway to the Orange County line and an additional general purpose lane. The Metro Board can certify project completion and Measure R savings, if any, after the project closeout and determine how such savings will be utilized.

I-5 Capacity Enhancement from SR-134 to SR-170

This project is a first decade project in the Measure R Expenditure Plan and currently under construction with a 2017 completion date and project close out by 2018. Improvements include HOV lanes in both directions from SR-170 to SR-118, and reconstruction of the I-5 Burbank Boulevard Interchange from south of Burbank Boulevard to south of Empire Avenue. The Metro Board can certify project completion and Measure R savings, if any, after the project closeout and determine how such savings will be utilized.

I-5/Carmenita Rd Interchange Improvement

This project is a first and third decade project in the Measure R Expenditure Plan and currently under construction with a 2015 completion date and construction close out by 2016. Improvements include removing the existing two-lane steel structure and constructing a new ten-lane concrete structure, with a tight diamond interchange, and improvement of the existing adjacent frontage roads. The project is part of the I-5 Capacity Enhancement from I-605 to Orange County Line, which includes an additional general purpose lane and a HOV lane in each direction. The Metro Board can certify

project completion and Measure R savings, if any, after the project closeout and determine how such savings will be utilized.

Highway Operational Improvements in Arroyo Verdugo

Measure R provides a total of \$170 million over 30 years, of which \$113 million is in the second and third decades to improve highway operations in the Arroyo Verdugo subregion. As the cities of Burbank, Glendale, and La Cañada Flintridge continue to develop and construct the first decade projects, it is necessary that the three cities also include the County of Los Angeles and recommend projects to the Metro Board for funding in the second and third decades. The cities and County can then determine the methods of developing and constructing those projects.

Highway Operational Improvements in Las Virgenes/Malibu

Measure R provides a total of \$175 million over 30 years, of which \$73 million is in the second and third decades to improve highway operations in the Las Virgenes/Malibu subregion. As the cities within the subregion continue to develop and construct the first decade projects, it is necessary that those cities include the County of Los Angeles and recommend projects to the Metro Board for funding in the second and third decades. The cities and County can then determine the methods of developing and constructing those projects.

I-405, I-110, I-105, and SR-91 Ramp and Interchange Improvements (South Bay)

Measure R provides a total of \$906 million over 30 years, of which \$668 million is in the second and third decades to improve highway operations in the South Bay subregion. As the cities and the County within the subregion continue to develop and construct the first decade projects, they will recommend projects to the Metro Board for funding for the second and third decades. The cities and County can then determine the methods of developing and constructing those projects. However, additional funding sources will be needed to address the unmet needs.

I-5 North Capacity Enhancements from SR-14 to Kern County Line

The LRTP estimates that over \$5.2 billion is needed to complete this project of which \$410 million is funded by Measure R, and \$110 million will be funded with a mixture of funds over the next 30 years. The remaining \$4.7 billion of the project cost requires new revenue sources such as tolls and other unidentified local, state and/or federal funds. The project is being developed in phases for implementation. Phase 1 (truck lanes from SR-14 to Pico Canyon) is currently under construction and scheduled for completion in 2014. For Phase 2a (High Occupancy/Express lanes from SR-14 to Parker Road), funding is available incrementally over the next 30 years. Metro is pursuing the P3 delivery method to accelerate the design and construction of Phase 2a by including it as part of the ARTI package. No funds are available for the remaining

portion of the project, Phase 2b (capacity enhancements from Parker Road towards Kern County Line).

I-605 Corridor "Hot Spot" Interchanges

Metro and the Gateway Cities COG completed a "I-605 Hot Spots Feasibility Study" and have identified \$2.2 billion of needs to improve operations and provide congestion relief on the I-605, SR-91 and I-405 corridors within the Gateway Cities subregion. Measure R provides \$590 million for congestion relief improvements on these corridors (including the arterial street system). Metro and Caltrans will continue to develop freeway improvement projects on these corridors. The cities and County within the subregion will begin recommending arterial improvement projects for funding to the Metro Board as projects are planned for the first, second and third decades. The cities and the County can then determine the method of developing and constructing those projects. Environmental review of first decade freeway and arterial projects is expected to be completed by 2015. However, additional funding sources will be needed to address the unmet needs.

SR-710 North

Measure R provides \$780 million for the AA, engineering and technical studies needed to prepare the appropriate environmental document for the corridor, consistent with the LRTP, for a study area bordered by SR-2, I-5, I-10, I-210 and I-605. Five alternatives, including the No Build, have been advanced to the draft environmental document for further study. Subsequent tasks include identification of the project delivery method for the preferred alternative which may include traditional design, bid and build, Design-Build and/or a P3 contracting methods before starting construction. It is anticipated a construction period will extend into the second decade. Additional funds will be needed to fund the light rail transit alternative and freeway tunnel alternatives should one of those alternatives be selected. The additional funding needs are estimated to be in the range of \$1.82 billion to \$4.52 billion.

I-710 South and/or Early Action

I-710 South

Measure R provides \$590 million for improvements to the I-710 Corridor. The environmental document is evaluating two alternatives: Alternative 6C (10 General Purpose lanes and 4 lane Freight Corridor) has an estimated cost at \$6.3 billion; Alternative 6D (4 lane Freight Corridor only) is estimated at \$3.5 billion. The environmental document will be completed in 2015. The project cost requires new revenue sources such as tolls and other unidentified local, state and/or federal funds. The additional funding needs are estimated to be \$3.1 billion to \$5.9 billion, respectfully. A P3 may be a potential delivery method for the Freeway alternative that may reduce the additional funding needs.

I-710 Early Action Projects

Measure R provides \$590 million for improvements to the I-710 Corridor, of which \$160 has been allocated by the I-710 Project Committee to Early Action Projects. The I-710 Corridor cities and the County have begun identifying Early Action Projects for the first decade. The Metro Board approved a list of projects consistent with the LRTP. Metro will continue to work with the I-710 Corridor cities and the County to develop the list of Early Action Projects to be delivered through the second decade. The cities and the County can then determine the methods of developing and constructing those projects. It appears that the Gateway Cities subregion may have additional needs that have not been identified. The Gateway Cities COG is in the process of preparing a Gateway Cities Strategic Transportation Plan that will identify any additional needs which may require additional funding.

SR-138 Capacity Enhancements

Measure R provides \$200 million for 11 projects in the cities of Lancaster, Palmdale, and the unincorporated areas of Los Angeles County to improve the capacity of SR-138 in the first and second decades. These projects are in various stages of planning, design, and construction. Metro will continue to work with each respective project lead agency to further advance the projects. It is anticipated that an additional \$400 million will be necessary to complete the SR-138 improvements. As such, additional funding sources need to be identified and secured.

Approach for Highway TIFIA and America Fast Forward Opportunities

Measure R provides less than 30% of the funds needed to complete the highway project categories approved through Measure R. The remaining 70% of funding sources include Proposition C, Congestion Mitigation and Air Quality (CMAQ), State Transportation Improvement Program (STIP), Regional Surface Transportation Program (RSTP), toll revenues, and other as yet unidentified funds. Additionally, only a portion of the Measure R highway projects are defined at this point and the remainder of the program can only be defined progressively over time. Though we believe the effective approach for Metro's highway projects may be to secure America Fast Forward or TIFIA loans for each project individually instead of collectively in a TIFIA Master Credit Agreement (MCA), we do not need to make that decision until more specific Measure R project lists emerge.

Currently, five highway projects have been identified as primary TIFIA loan applicants for accelerated delivery. Per the Board direction, although listed, the SR-710 North project will not be accelerated, but may be considered for TIFIA at some future date. As more projects are progressively identified and developed over the course of Measure R, additional needs for a TIFIA loan will then be specified. The target time frame for Letter of Interest (LOI) submittals for the known projects is summarized in the following table:

Project	Est. Cost (\$M)	TIFIA Measure R Only (\$M)	TIFIA Non-LACMTA Funds (\$M)	Draft Env. Doc. Circulation	Target LOI Submittal	Target Financial Close Year
ARTI	700	Allocation TBD	231	Done	August 2013	Spring 2015
HDC	5,000		1,650	Spring 2014	November 2014	Fall 2016
710 South	At Alt. 6D 3,500		1,155	Summer 2014	April 2015	Summer 2017
710 North	5,400		1,782	Spring 2014	July 2014	Fall 2016
605 Hot Spots	2,200		726	Winter 2015	March 2015	Summer 2017
Totals	15,300	950	5,049			

Public/Private Partnership Investment Analysis

Sepulveda Pass Transit Corridor

Staff and consultants will prepare a comprehensive strategic assessment of the Sepulveda Pass Transit Corridor Project, evaluating the suitability of a transit and/or highway facility as a P3 project as well as a refined evaluation of the use of a PDA. Staff currently estimates that \$3 million will be required to complete this analysis which will include substantial "project definition" (determination of terminal points for transit connection, access points for toll lanes, tunnel configurations, operational concepts for toll and transit, refined ridership, use and refined capital cost estimates etc.). The work will also include evaluations of P3 potential for the Airport Metro Connector and an analysis of the East San Fernando Valley Transit Corridor to the Sepulveda Pass Corridor.

Recommendations as a result of these assessments will be presented to the Board and if directed, we will proceed with steps toward procurement of a developer partner (RFQ/RFP) for a PDA approach to the project. Staff estimates this phase would require \$6 million to complete. Depending upon the negotiated terms with a P3 developer, the first phase of the development contract may require a \$5 to \$7 million Metro contribution, with the developer perhaps retaining significant costs through a developer contribution ("sweat equity" in the form of engineering and other analysis) to the project. Metro would also commence environmental clearance efforts during this phase which staff estimates would require \$60 million, depending on the scope of private investor involvement.

I-710 South Freight Corridor

This project is currently in the environmental clearance phase, with a revised Draft EIS/EIR anticipated to be completed by 2015. Depending on the results of the revised Draft EIS/EIR, it may be necessary to re-examine a portion of the strategic analysis and business plan work already completed in connection with the initial P3 evaluation. If authorized to proceed as a P3, the next step would involve finalizing the business case including refined tolling/revenue analysis, access and exit definition, operational concepts and refined capital cost estimates, etc. Additionally, coordination and documentation of cooperative agreements between Metro and Caltrans to procure a developer and obtain CTC approval would also be necessary. Staff estimates that \$10 million will be required to complete this work. It is estimated that \$3 to \$4 billion would be needed for a construction subsidy, depending on the truck tolling scenario and the potential amount of a TIFIA loan that could be secured, of which \$750 million will be retained for pre-construction work (ROW, utility relocations, etc.).

SR-710 North

This project is in the environmental clearance phase, with the AA just completed. There are five alternatives being evaluated in the Draft EIS/EIR which is expected to be

circulated in Spring 2014. As part of Metro's consideration of potential P3 opportunities in its overall capital program, a P3 business plan for one of the five alternatives for this project was completed in August 2012. That plan estimated a requirement of public funds for right-of-way, pre-development and early design of approximately \$80 to \$90 million. If authorized to proceed as a P3, work to finalize the business case, complete documentation of cooperative agreements between Metro and Caltrans to procure a developer and obtain CTC approval would require an estimated \$6 million to complete. A portion of the Measure R allocation of \$780 million would then be used for Metro's public subsidy in a P3 concession. The total construction cost in excess of the subsidy, currently estimated at +/- \$4.5 billion is expected to be covered by toll revenue over the course of the project.

High Desert Multipurpose Corridor

This project is in the environmental clearance phase. If the Board determines to proceed with a P3 procurement, the next steps will involve finalizing the business case, and negotiation and documentation of the cooperative agreements between Metro, San Bernardino Associated Governments (SANBAG) for San Bernardino County, and Caltrans to procure a developer and obtain CTC approval. Additionally, Metro will have its share of retained costs (approximately 55% of \$520 million, i.e., some \$290 million) for pre-development work, ROW acquisitions and construction monitoring in Los Angeles County. Depending upon progress of adjacent high speed rail projects (CaHSR and XpressWest), the public subsidy could range from \$0 with a Los Angeles to Las Vegas one seat ride, to \$1.5 billion, if utilizing Metrolink service between Los Angeles and Palmdale.

Accelerated Regional Transportation Improvements ("ARTI") Project

This project is proceeding as a P3, but is anticipated to be partially publicly funded and is discussed in detail in the main body of the Board report.

Public Funding Requirements Chart

The chart below sets the public funding component of current P3 projects in tabular form.

Estimate of Public Investment for Future P3 Projects

Project	Estimated Public Investment (YOE)	Estimated Total Capital Cost
I-710 South Freight Corridor (1)	\$5.16 billion	\$5.16 billion (YOE) for Alternative 6D
SR 710 North Gap Closure (2)	\$780 million	\$5.425 billion
High Desert Multipurpose Corridor (3)	\$0.5 billion to \$2.0 billion	\$4.527 billion
Sepulveda Pass Transit Corridor (4)	\$1.0 billion +/-	\$10-\$12 billion (Central Segment) \$30.754 billion to \$38.735 billion

Notes:

(1) This range includes Metro retained costs of \$750 million for pre-construction dollars and a construction subsidy ranging from \$3.0 to 4.0 billion, depending on the truck tolling scenario and TIFIA loan amount.

(2) As estimated in the SR-710 North Study Alternatives Report dated December 2012. Applies to only one of the alternatives under environmental review.

(3) This range includes Metro retained costs of \$500 million for Pre-Development, ROW, and construction monitoring, as well as a construction subsidy ranging from \$0 with a direct connection to California High Speed Rail (CAHSR) in Palmdale (LA to Las Vegas one-seat ride) to \$1.5 billion with a transfer from Metrolink to XpressWest in Palmdale.

(4) Based on the amount available in Measure R in Year of Expenditure (YOE) dollars; assumed for initial phase; additional monies may be required; to be determined following further study and/or for completion of northerly (San Fernando Valley) and southerly (to Airport) sections of the total corridor.