



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2
metro.net

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REVISED
PLANNING AND PROGRAMMING COMMITTEE
OCTOBER 16, 2013

**SUBJECT: 2014 STATE TRANSPORTATION IMPROVEMENT PROGRAM
FUNDING FOR LOS ANGELES COUNTY PROJECTS**

**ACTION: APPROVE 2014 LOS ANGELES COUNTY STATE
TRANSPORTATION IMPROVEMENT PROGRAM**

RECOMMENDATION

- A. Approve the programming of up to \$247,179,000 ~~\$236,568,000~~ of the Los Angeles County Share of the 2014 State Transportation Improvement Program (TIP) as shown in Attachment A and as follows:
1. Tier 1: Up to \$177,779,000, ~~\$167,468,000~~ if the California Transportation Commission (CTC) programs the entire Los Angeles County Share target; and
 2. Tier 2: Up to an additional \$69,400,000, if the CTC advances additional State TIP funds to Los Angeles County.

ISSUE

To maximize its receipt of State TIP funds, the Los Angeles County Metropolitan Transportation Authority (LACMTA) must propose a minimum of \$177.8 million ~~\$167.2 million~~ in eligible projects. This list of projects must be submitted on a schedule to meet the CTC's December 15, 2013 deadline for the 2014 State TIP process. Approving these recommendations is consistent with Long Range Transportation Plan priorities and policies that the Board of Directors has established previously.

DISCUSSION

State TIP funds are important for LACMTA's capital program because they are broadly eligible for almost any transportation capital improvement purpose. On August 6, 2013, the CTC adopted a statewide figure of \$1.157 billion. Subsequently, CTC staff noted that the Public Transportation Account (PTA) funding availability in the adopted Fund Estimate was understated due to an oversight relating to the timing and attribution of a large transfer into the account. At the same time, the staff noted an understatement of capital outlay commitments against the PTA. Correcting for the two changes which

had impacts in opposing directions, the net result was an increase of \$65 million in the overall Fund Estimate. On October 8, 2013 the CTC adopted a revised statewide figure of \$1.262 billion in new formula distribution programming capacity for the 2014 State TIP Fund Estimate. Of this amount, Los Angeles County's adjusted formula share is \$177.8 million ~~\$167.2 million~~. The CTC's action on October 8, 2013 led to this revised report.

Los Angeles County Share of State TIP has Declined by 1% Since 2010 State TIP

In the 2010 State TIP process, the Los Angeles County Share was approximately 16.7% of the Statewide total, falling to 15.76% for FY 2014. There are two components of the State TIP County Share formula. The first 75% is based on the relative share of Northern and Southern California populations. A portion of the 1% decline is due to the 2010 census, which indicated that the County's relative share of Southern California's population decreased from 20.36% to 19.08%.

The remaining 25% weight in the State TIP shares formula is based on *centerline* miles of the State Highway System. The "centerline" term measures rural, two-lane roads on the State Highway System as equivalent to our multi-lane urban freeways. The Los Angeles County share of the Statewide centerline miles fell from the previous year.

2014 State TIP Allocation Target Estimates

The CTC's 2014 State TIP Fund Estimate displays the target allocation for Los Angeles County of \$177.8 million ~~\$167.2 million~~. The 2014 State TIP County Share is an adjusted figure, and deducts for funds advanced in previous State TIP cycles and adds project funds that are to be restored to the County Share. Without the adjustments, the Los Angeles County overall STIP formula distribution amount of \$192.2 million ~~\$181.6 million~~ is 15.7% of the statewide total formula distribution amount of \$1.262 billion ~~\$1.157 billion~~, consistent with State law.

According to the 2014 State TIP Fund Estimate, the Los Angeles County target of \$177.8 million ~~\$167.2 million~~ is available for programming from fiscal years (FY) 2015 through FY 2019.

Requesting an Advance from the California Transportation Commission

It is possible that not all Southern California counties will submit eligible projects with costs equal to their allocated share of TIP funds. Counties may submit requests for a portion of any such available funds. Staff recommends that Los Angeles County request an additional amount of \$69.4 million should funds be available. This possible advance represents an opportunity to accelerate some funding for Los Angeles County projects. Any advance that we receive from the CTC in the 2014 State TIP process would be subtracted from future Los Angeles County Shares in subsequent programming cycles.

We propose to request from the CTC an advance of less than the maximum permissible advance amount of ~~\$105.9 million~~ ~~\$106.0 million~~. We believe that presenting a more modest request and inviting the state to contribute any proportion of assistance to our projects will increase our chances of receiving an advance should funds be available.

Table 1, "Impact of Possible Advance of STIP Funds by the CTC", shows how we would capture the benefits of the advance without negatively or positively impacting specific projects. The benefits we seek are for the overall bottom line of the Measure R 35% Transit and Measure 20% Highway programs. The up to \$69.4 million advance we are seeking would defer the need to borrow for these Measure R programs, if the CTC chose to approve the request.

Table 1 (\$ in millions)
Impact of Possible Advance of STIP Funds by CTC

| Project | Funding Source | FY 19 | FY 20 | FY 21+ | Total |
|---------------------------|------------------|-------------|------------|---------------|------------|
| Future Call for Projects | Prop C 25% bonds | | \$69.4 | | 0.0 |
| | State TIP | | (69.4) | | |
| Westside Subway Section 2 | State TIP | 49.4 | | | 0.0 |
| | Meas R 35% bonds | (49.4) | | | |
| South Bay Interchanges | State TIP | 20.0 | | | 0.0 |
| | Measure R 20% | | (20.0) | 20.0 | |
| | Prop C 25% bonds | | | (20.0) | |
| I-605 Hot Spots | Measure R 20% | | 20.0 | (20.0) | 0.0 |
| Total | | 20.0 | 0.0 | (20.0) | 0.0 |

No Net Project Impacts

State Funds advanced

FINANCIAL IMPACT

Approving the ~~\$177.8 million~~ ~~\$167.2 million~~ in recommended State TIP programming will help to move projects forward using available state funds, and preserve local funds for other Long Range Plan priorities that the Board of Directors adopted in June 2013. Furthermore, should the CTC advance up to an additional \$69.4 million in state funds as requested, we will be maximizing our ability to keep all Long Range Plan projects on schedule. Following approval of this recommendation and CTC adoption, the State TIP funds will be incorporated as appropriate in future budgets.

ALTERNATIVES CONSIDERED

Los Angeles County Share of the State TIP

We considered recommending other projects for the base amount of \$177.8 million ~~\$167.2 million~~ in State TIP programming capacity for Los Angeles County. However, the projects listed in Attachment A, best fit the eligibility, funding timelines, and other requirements of the State TIP Guidelines. Additionally, the selection of these projects is consistent with the Updated Long Range Transportation Plan Financial Forecast implementation actions that the LACMTA Board of Directors adopted on June 27, 2013. Specifically, the projects listed in Attachment A, if approved by the CTC, will help lessen the impact of the Board's action to program additional Proposition C 25% funds to meet cost increases.

Requesting an Advance from the California Transportation Commission

We considered recommending higher and lower amounts for the advance request of the CTC, over our maximum State TIP County Share if funds are available. However, we are recommending \$69.4 million in potential additional funding because it better reflects the maximum funding need for the planned Westside Subway Extension, Phase II and a highway priority project at the Interstate 105 (I-105)/I-405 Interchange. We believe a moderate and realistic request may marginally improve our chances of success in obtaining additional funding because the request may better match the small amount of funds likely to be available.

NEXT STEPS

With Board approval of our recommendation, we will proceed with the following 2014 Los Angeles County STIP and 2013 Regional TIP steps as required:

| | |
|---|-------------------|
| Regions submit State TIP requests to CTC | December 15, 2013 |
| CTC State TIP hearing held in Southern California | February 4, 2014 |
| CTC publishes staff recommendations | February 28, 2014 |
| CTC adopts State TIP | March 20, 2014 |
| SCAG Approves Regional TIP Amendment | May 2014 |
| Caltrans/US DOT Approves Federal TIP Amendment | June/July 2014 |

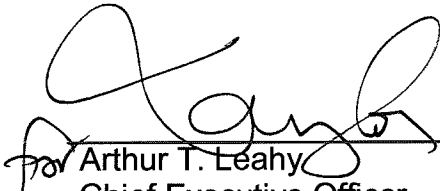
ATTACHMENT

A. Los Angeles County Metropolitan Transportation Authority 2014 STIP Projects

Prepared by: David Yale, Executive Officer, 213-922-2469



Martha Welborne, FAIA
Executive Director, Countywide Planning



for Arthur T. Leahy
Chief Executive Officer

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO)
2014 STATE TRANSPORTATION IMPROVEMENT PROGRAM PROJECTS
 (\$000)

| Agency | Rte | PPNO | Project | Total | Project STIP Totals by Fiscal Year | | | | Project STIP Totals by Component | | | | |
|----------------------------------|------|------|--|----------------------------------|------------------------------------|----------|---------------------------------|---------------|----------------------------------|----------|----------------------------------|-------------------|----------|
| | | | | | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 | R/W | Const | PS&E | |
| METRO | | 9001 | Planning, Programming, and Monitoring | 10,652 | - | - | - | 4,995 | 5,657 | - | - | 10,652 | - |
| METRO | rail | 4026 | Light Rail Vehicles | 102,400 | - | - | - | 97,900 | 4,500 | - | - | 102,400 | - |
| Caltrans | 5 | 2808 | Interstate 5 South Orange County Line to I - 605 Seg 2 at Artesia Blvd | 64,727 54,416 | - | - | 64,727 54,416 | - | - | - | - | 64,727 -54,416 | - |
| | | | Subtotal - Tier I Request | 177,779 467,468 | 0 | 0 | 64,727 102,895 | 10,157 | 0 | 0 | 177,779 467,468 | 0 | 0 |
| METRO | | | Westside Subway Extension, Section 2 | 49,400 | - | - | - | - | 49,400 | - | - | 49,400 | - |
| Caltrans | 110 | | Interstate 110/405 Auxiliary Lane | 20,000 | - | - | - | - | 20,000 | - | - | 20,000 | - |
| | | | Subtotal - Tier II Request | 69,400 | 0 | 0 | 0 | 0 | 69,400 | 0 | 0 | 69,400 | 0 |
| TOTAL PROGRAMMING REQUEST | | | | 247,179 236,568 | 0 | 0 | 64,727 102,895 | 79,557 | 0 | 0 | 247,179 236,568 | 0 | 0 |

* Individual FY total amounts are estimated and are subject to revisions without changing overall programming totals as approved.

- Constr Construction
- PS&E Plan, Specification and Estimate
- PPNO Program Project Number
- Rte Route
- R/W Right of Way
- Seg Segment
- STIP State Transportation Improvement Program

Prepared by: Countywide Planning and Development

9/10/2013