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**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 16, 2014**

BILL: TBD

AUTHOR: TBD

SUBJECT: EXPRESSLANES REAUTHORIZATION

STATUS: PENDING INTRODUCTION OF STATE LEGISLATION

ACTION: AUTHORIZE LEGISLATION TO EXPAND THE METRO EXPRESSLANES PROGRAM AND ADOPT PRINCIPLES TO GUIDE ADVOCACY

RECOMMENDATION

Staff recommends that the Board of Directors adopt a set of policies to guide advocacy for the extension of the Metro ExpressLanes Program and to seek broader authority to implement ExpressLanes in Los Angeles County.

ISSUE

Metro's ExpressLanes Program was authorized under a grant from the United States Department of Transportation and by state legislation. The federal grant requires the program to operate as a demonstration project until at least February 2014. The state legislation establishes that the authorization to operate the lanes ends in January of 2015. In order to continue the program, legislation must be secured in this year's legislative session. The Board adopted Legislative Program identifies the need to seek legislation next year to reauthorize the ExpressLanes program. Staff also recommends that the Board authorize staff to explore legislation that would establish a process for the state to authorize similar projects. This would allow the Board to pursue additional ExpressLanes projects.

PROVISIONS

Legislation to be pursued by staff would have two key overall provisions and would be governed by a set of key principles.

The key overall provisions:

- Eliminate the January 2015 expiration date for the current Metro ExpressLanes program.
- Establish a process to authorize local agencies to implement similar projects.

The principles which would govern this legislation would include:

- Metro retains authority regarding the tolling policy in accordance with the principles adopted by the Board in July 2009.
- Funds generated in a given corridor would remain in that corridor.
- Preserve equity programs across any expansion.
- Continue coordination with our regional partners to ensure seamless operation of the system across county lines.

DISCUSSION

Under current law, Metro's authorization to operate the ExpressLanes program on I-10 and I-110 would expire in January of 2015. Should the Board decide to continue the program, we must secure legislation this year which would remove the sunset and conform our statute to those of other similar projects in the state.

Under the terms of the Federal grant, the program must run as a demonstration project until February 2014 and a report must be submitted which documents the results of the demonstration project. At the same time, the project must operate in accordance with the state law governing the project which includes the January 2015 date. Should the Board opt to extend the program, legislation must be secured in this year's legislative session. In order to harmonize the requirements of both the completion of the Federal demonstration program and to address the expiration date in state law, staff must work with the Legislature to advance legislation early next year. Metro's Legislative Program authorizes this effort.

While the Federal grant requires a specific report at the end of the demonstration period, both the Federal grant and state law required continued monitoring of specific performance criteria. This has allowed Metro to gauge the effectiveness of the program throughout its operation. The preliminary indications are that the lanes are achieving many of their original objectives in terms of decrease travel times throughout the corridor, increased transit usage, as well as positive customer feedback.

As we look to the future, it is quite possible that the Metro ExpressLanes program could be expanded to other corridors. Staff is currently analyzing other corridors in which this program could provide similar benefits. The state does not currently have a process whereby additional projects can be authorized without the enactment of legislation for each project. Previous legislation, AB 1467 Nunez (2006) authorized the California

Transportation Commission (CTC) to approve a total of four High Occupancy Vehicle Toll (HOT) lanes projects. This legislation, however, only allowed applications to be approved until January 1, 2012. The Metropolitan Transportation Commission applied for and the CTC ultimately approved its proposal to establish a network of HOT lanes in the Bay Area. Staff suggests that, given the popularity of this program in our region and the growth of these lanes around the state, it would be appropriate for the state to reauthorize the AB 1467 process at the CTC or a similar process which would not require legislative approval of each facility. Staff therefore requests Board authorization to pursue reauthorization of the AB 1467 process as we pursue legislation to eliminate the expiration date of the Metro ExpressLanes program on the I-10 and I-110.

DETERMINATION OF SAFETY IMPACT

Staff has reviewed the item for impacts to safety and has determined that there is no impact to safety at our agency.

FINANCIAL IMPACT

The existing Metro ExpressLanes have generated approximately \$17 million in net revenue to date. Future revenues from future lanes cannot be predicted until more specifically corridor based modeling is performed.

ALTERNATIVES CONSIDERED

Staff explored the option of pursuing legislation to only eliminate the expiration date of the Metro ExpressLanes program. This option was considered infeasible and was eliminated because it would require legislation for each new segment of the ExpressLanes program.

NEXT STEPS

Staff will work with the members of the Los Angeles County Legislative delegation to introduce legislation in next year's session.

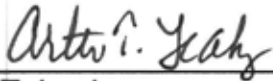
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