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REVISED
PLANNING AND PROGRAMMING COMMITTEE
JANUARY 14, 2015

SUBJECT: METRO SUBREGIONAL PLANNING AREA BOUNDARIES

ACTION: APPROVE SUBREGIONAL BOUNDARY CHANGES

RECOMMENDATION

- A. Approve changes to Metro Subregional Planning Area Boundaries for South Bay Cities to align with South Bay Cities Council of Governments boundaries.
- B. Approve creation of new Metro Regional Facilities Planning Area for major Los Angeles County airports, seaports, and Los Angeles Union Station.
- C. Amend the Measure R Cost Containment Policy, adding a new Section 11 to ensure that Measure R funded projects located in the Regional Facilities Planning Area (i.e., the Crenshaw Line's 96th Street Station) are not the responsibility of subregional agencies.
- D. Approve the use of these new boundaries in Metro plans, studies, and potential ballot measure proposals.

ISSUE

At its November 13, 2014 meeting, the Board approved Motion 58 (Garcetti, Knabe, O'Connor and Bonin) instructing staff to report to the Board in January 2015 with the following recommendations:

- Update Metro's subregional planning area boundaries to restore the historic northern boundary between the South Bay Cities and Westside Cities subregional planning areas
- Ensure that the boundaries of the South Bay Cities subregional planning area conform to the current boundaries of the South Bay Cities Council of Governments (COG)
- Establish a new Regional facilities area boundary encompassing the Los Angeles International Airport (LAX)
- Confirm that Los Angeles World Airports (LAWA) related projects that are regional in nature are not the funding responsibility of the South Bay or Westside subregions

- Reflect the new boundaries in Metro plans and studies, including the Mobility Matrix project, the Long Range Transportation Plan, planning studies, and any potential future ballot measure.

DISCUSSION

In the 2001 Long Range Transportation Plan (LRTP), subregional planning areas were established for plan analysis purposes. These areas were not intended to coincide with subregional agency boundaries which were in various stages of development at that time.

The 2001 LRTP identified the area around LAX (including LAX, Playa Vista, and Westchester) in the LRTP's Westside Cities subregional planning area. A change was made in the 2009 LRTP which shifted LAX and the surrounding communities from the Westside Cities subregional planning area to the South Bay subregional planning area.

Based on the November 2014 Board motion in Attachment A, we recommend restoring the boundary between the Westside Cities and South Bay Cities subregional planning areas as it was in the 2001 LRTP and also shifting the northeastern area of the current South Bay subregional planning area, which is all within the City of Los Angeles but outside of the South Bay COG boundaries, from the South Bay Cities subregional planning area to the Central Los Angeles subregional planning area. This change is illustrated in Attachment B.

The motion also asks us to consider LAWA projects that are regional in nature to be regional facilities that are not the responsibility of either the South Bay or Westside COGs. We recommend designating major airports and seaports (including LAX, Long Beach Airport, Burbank Bob Hope Airport, Palmdale Regional Airport, and the Ports of Los Angeles and Long Beach), and Los Angeles Union Station in a new Regional Facilities Planning Area. This change is illustrated in Attachment C. We are proposing adding a new Section 11 to the Measure R Cost Containment Policy to ensure that Measure R funded project cost increases within the Regional Facilities Planning Area will not be the responsibility of subregional agencies (Attachment D).

DETERMINATION OF SAFETY IMPACT

Changing subregional planning area boundaries will not have any adverse safety impacts on our employees and patrons.

FINANCIAL IMPACT

There is no financial impact based on this action, as the boundary changes will not result in additional project cost increases, but could change how any project cost increases are geographically assigned to subregions or the new Regional Facility Area.

Impact to Budget

There is no impact to the FY 15 budget.

ALTERNATIVES CONSIDERED

The Board could chose not to make the recommended South Bay Cities boundary changes and not create the Regional Facilities Planning Area for airports and seaports. This would, however, not be consistent with the Board motion.

NEXT STEPS

Upon Board approval of the proposed boundaries, we will use these boundaries in Metro plans and studies, including the Mobility Matrix project, the Long Range Transportation Plan, planning studies, and any potential future ballot measure.


ATTACHMENTS

- A. November 2014 Item 58 – Substitute Motion by Directors Garcetti, Knabe, O'Connor and Bonin
- B. South Bay Cities Planning Boundary Changes
- C. Metro Planning Subregions and Regional Facilities
- D. **Unified Cost Management Process and Policy for Measure R Projects – amended**

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Item No. 58

November 13, 2014

**A Substitute Motion
By
Directors Garcetti, Knabe, O'Connor and Bonin**

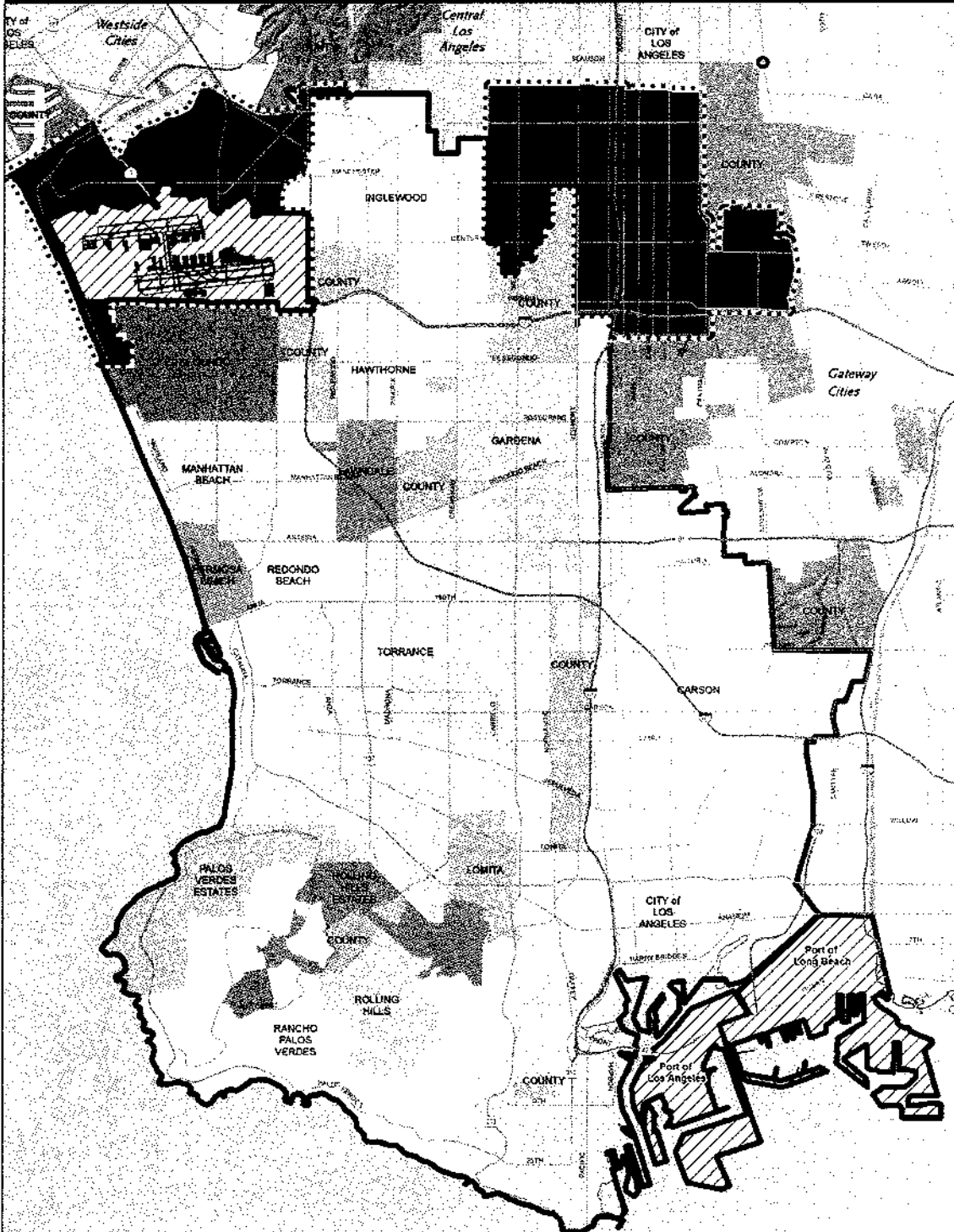
WE, THEREFORE, MOVE that the Board instruct the CEO and MTA staff to:



1. Prepare the documents necessary to:
 - a. restore the historic northern boundary of the South Bay sub-region,
 - b. establish a new Regional boundary encompassing LAX,
 - c. Amend the Westside sub-region boundary accordingly,

WE FURTHER MOVE that the Board instruct the CEO and MTA staff to report back in January 2015 with:

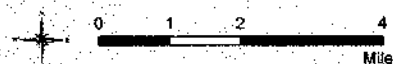
2. An updated map of the sub-regions with clearly defined borders; and
 3. Recommendations on how the new boundaries should be incorporated into MTA's current and future plans
 4. Confirmation of LAWA-related projects that are regional in nature and are not the funding responsibility of the South Bay or Westside sub-regions, and ensure that, henceforth, all MTA planning studies and policies reflect that the revised MTA planning boundaries conform to the South Bay sub-region as delineated by the current boundaries of the South Bay Cities COG; and
 5. Reflect the new boundaries in the Mobility Matrix, LRTP planning studies, and any potential future ballot measure
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South Bay Cities Planning Boundary Changes



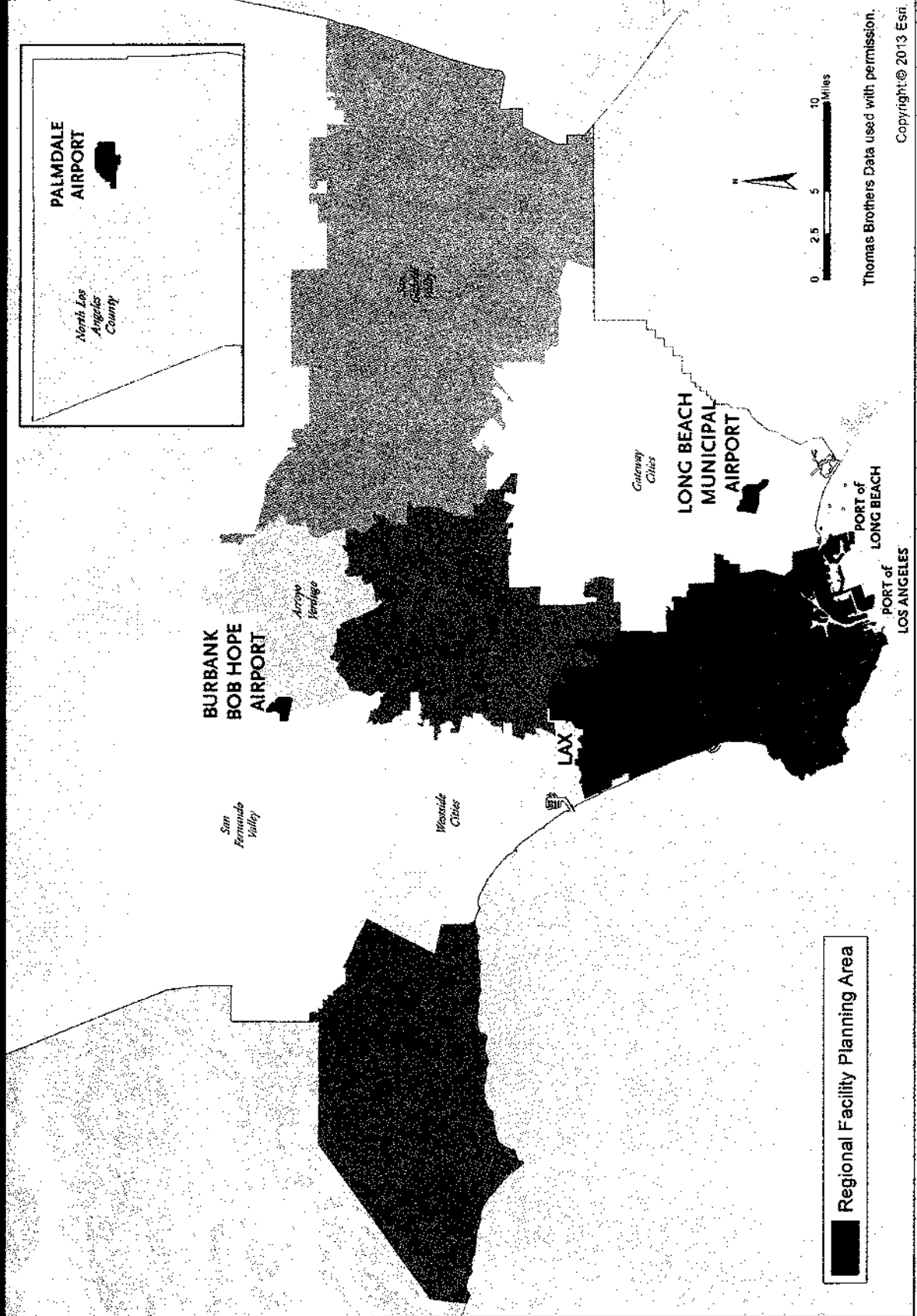
-  Regional Facility Planning Area
-  2009 LRTP South Bay Subregion (area being removed)

City boundaries courtesy of the Los Angeles County Department of Regional Planning.



Miles
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Major Planning Subregions and Regional Facilities



Thomas Brothers Data used with permission.
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REVISED
ATTACHMENT D
Unified Cost Management Process and Policy
for Measure R Projects
(amended January 22, 2015)

(Note: Underlines and strike-outs that were from original Board-adopted Policy document were inadvertently included in this Attachment. These have been removed. Only the language in Section 11 is new and remains underlined).

Introduction

The MTA will follow a unified cost management process and policy for the control and minimization of project costs for the Measure R transit and highway projects. At the core of the unified cost control management process and policy is a commitment to follow a new step-by-step evaluation of project costs against possible resources to address project shortfalls. Shortfalls that cannot be addressed at the project level by value engineering or other measures, such as changes in the scope of the project, will be subject to a new stepwise evaluation process.

The new step-by-step cost management process will require the MTA Board to review and consider approval of project cost estimates against funding resources at key milestone points throughout the environmental, design, and construction phases of the Measure R transit and highway projects. At each milestone, MTA staff is directed to: (1) submit a project that is consistent with the budget; (2) identify any issues when a project is not consistent with the budget; and (3) propose corrective actions before the project advances further, if it is not consistent with the budget. For Measure R funds, the planned funding resources (including any prior Measure R expenditures) shall not exceed the amount shown in the "New Sales Tax Total" column of the Measure R expenditure plan. At each milestone, the planned funding resources shall not exceed the amounts shown. These key milestones include the following decision points:

- 1) Selection of conceptual design alternatives to be studied in the environmental phase;
- 2) Selection of the Locally Preferred Alternative and entrance into the Preliminary Engineering phase;
- 3) Approval of the final environmental document and entrance into the final design phase;
- 4) Establishment of a life-of-project budget prior to construction; and,
- 5) Any amendment to the life-of-project budget.

If increases in cost estimates occur, the MTA Board must approve a plan of action to address the issue prior to taking any action necessary to permit the project to move to the next milestone. Increases in cost estimates will be measured against the 2009 Long Range Transportation Plan as adjusted by subsequent actions on cost

estimates taken by the MTA Board. Shortfalls will first be addressed at the project level prior to evaluation for any additional resources using these methods in this order:

- 1) Value Engineering and or scope reductions;
- 2) New local agency funding resources;
- 3) Shorter segmentation;
- 4) Other cost reductions within the same transit or highway corridor;
- 5) Other cost reductions within the same sub-region; and finally,
- 6) Countywide transit cost reductions or other funds will be sought using pre-established priorities.

The objective of the cost management process and policy is to insure the prompt development and consideration of project cost alternatives that genuinely address the cost controls necessary to successfully deliver all Measure R transit and highway corridor projects.

Process and Policy Detail

The unified cost management processes and policies that are proposed controls are as follows:

- 1) A regional long-range transportation plan (covering at least 20 years) for Los Angeles County shall be adopted at least once every five years. For interim years, staff will report on changes affecting the major financial assumptions of the plan and progress toward the implementation of new projects and programs. The plan update report shall also highlight Board approved actions taken during the interim period that affect the plan outcomes or schedules (*from Financial Stability Policy*);
- 2) MTA shall complete projects accelerated through the 30/10 Initiative in the same sequence as the adopted 2009 Long Range Transportation Plan (LRTP) (*from 30/10 Initiative Position Statement*);
- 3) MTA shall only utilize pledged federal assistance from the 30/10 Initiative if the construction and financing costs are less than the available funds (adjusted for inflation) planned in the adopted 2009 LRTP, unless those costs are being adjusted by the minimum necessary to accomplish an operable segment for the corridor (*from 30/10 Initiative Position Statement*);
- 4) Measure R transit corridor and highway projects shall be presented separately for approval by the Board in a step-by-step cost control process that will evaluate project cost estimates against funding resources at key milestones points throughout the environmental, design, and construction phases of the 30/10 transit projects. For Measure R funds, the planned funding resources (including any prior Measure R expenditures) shall not exceed the amount shown in the "New Sales Tax Total" column of the Measure R expenditure plan. These key milestones include the following decision points:
 - a. Selection of conceptual design alternatives to be studied in the environmental phase;

- b. Selection of the Locally Preferred Alternative and entrance into the Preliminary Engineering phase;
 - c. Approval of the final environmental document and entrance into the Final Design phase;
 - d. Establishment of a life-of-project budget prior to construction; and,
 - e. Any amendment to the life-of-project budget.
- 5) At any of the milestones above, the MTA will seek to control and minimize Measure R transit and highway project costs prior to taking any action necessary to permit the project to move to the next milestone. Cost minimization efforts will be measured against the 2009 Long Range Transportation Plan as adjusted by subsequent actions on cost estimates taken by the MTA Board. Shortfalls will first be addressed at the project level prior to evaluation for any additional resources using these methods in this order:
- a. Value engineering and/or scope reductions;
 - b. New local agency funding resources;
 - c. Shorter segmentation;
 - d. Other cost reductions within the same transit or highway corridor (see Attachment B);
 - e. Other cost reductions within the same sub-region (See Attachment B); and,
 - f. Countywide transit and highway cost reductions and/or other funds will be sought using pre-established priorities, as follows:
 - i. Where applicable, Measure R Transit Capital Subfund Contingency-Escalation Allowance funds (Measure R Expenditure Plan, Page 2 of 4, Line 18);
 - ii. Where applicable, Measure R Highway Capital Subfund Contingency-Escalation Allowance funds (Measure R Expenditure Plan, Page 3 of 4, Line 39); and,
 - iii. Where Line 18 is not applicable, the LRTP Near-Term Strategies and Priority Setting Criteria will be followed (Item 9, as Adopted by the Board of Directors in March 2010).

Each Measure R transit or highway project will be considered on a case-by-case basis at each milestone and a rationale developed if resources from the prior step above are insufficient or not recommended for good reason. The MTA Board will be presented with all viable options and will have the sole authority to make any final funding and project delay decisions.

- 6) Prior to inclusion in the annual budget, Measure R transit corridor and highway projects shall be presented separately for approval by the Board for a life-of-project budget. Subsequently, capital projects with life-of-project budget changes that cause the project to exceed \$1 million or if the change exceeds \$1 million shall be presented to the Board for approval (*from Financial Stability Policy*);
- a. Prior to life-of-project budget approval, the MTA shall compare the sum of the cost of the Measure R transit and highway projects to date and the

proposed life of project budget (as de-escalated) to the most up-to-date LRTP funding forecast for Measure R transit and highway projects. If the life-of-project budget is less than the anticipated funds available as compared to the up-to-date LRTP funding forecast, then MTA can approve the life of project budget. If the life-of-project budget are more than the available funds, then MTA would not execute a construction contract unless the MTA Board approved cost reductions, project delays or other funding to make up the difference (*modifies and would supersede language from the body of 30/10 Initiative Position Statement*);

- 7) Prior to approval of a life-of-project budget that exceeds currently committed revenues and prior to approval of a life-of-project budget cost increase, MTA staff will evaluate the possibility of securing the necessary cost savings or revenues for the project. Within the parameters of the MTA Board's policy not to seek transit funds from highway resources, or vice-versa, staff will first seek to identify cost and/or additional funds in a step-by-step manner from:
 - a. Value engineering and/or scope reductions;
 - b. New local agency funding resources;
 - c. Shorter segmentation;
 - d. Other cost reductions within the same transit or highway corridor;
 - e. Other cost reductions within the same sub-region; and,
 - f. Countywide transit cost reductions and/or other funds will be sought using pre-established priorities, as follows:
 - i. Where applicable, Measure R Transit Capital Subfund Contingency-Escalation Allowance funds (Measure R Expenditure Plan, Page 2 of 4, Line 18);
 - ii. Where applicable, Measure R Highway Capital Subfund Contingency-Escalation Allowance funds (Measure R Expenditure Plan, Page 3 of 4, Line 39); and,
 - iii. Where Line 18 is not applicable, the LRTP Near-Term Strategies and Priority Setting Criteria will be followed (Item 9, as Adopted by the Board of Directors in March 2010).
- 8) A specific MTA Board action is required to re-program highway capital project funding for use on transit or highway capital projects as a result of 30/10, unless such re-programming does not result in a net decrease to the highway capital project funding (*from 30/10 Initiative Position Statement*);
- 9) Likewise, a specific MTA Board action is required to re-program transit capital project funding for use on highway capital projects as result of 30/10, unless such re-programming does not result in a net decrease to the transit capital project funding (*from 30/10 Initiative Position Statement*); and,
- 10) Any capital project savings above \$200,000 must return to the Board for approval prior to the reprogramming or transfer of funds to other projects or programs (from Financial Stability Policy).

- 11) A Regional Facility Area has been established, separate from subregional planning areas, which include Los Angeles International Airport (LAX), Burkank Bob Hope Airport, Long Beach Airport, Palmdale Regional Airport; the Ports of Long Beach and Los Angeles; and Los Angeles Union Station. Any capital project cost increases to Measure R funded projects within the boundaries of these facilities are exempt from the corridor and subregional cost reduction requirements of 7(d) and 7(e) above. Cost increases regarding these projects will be addressed from the regional programs share.

ATTACHMENT B

Measure R Transit Corridor Map With Sub-regional Boundaries

