Agenda
Los Angeles County
Metropolitan Transportation Authority

TECHNICAL ADVISORY COMMITTEE

Union Station Conference ROOM

1. Call to Order/Roll Call
   Action (Alan Patashnick, Fanny Pan)

2. Agenda Reports by Standing Committees
   - Bus Operations
   - Local Transit Systems
   - Streets and Freeways
   - TDM/Air Quality
   Attachment 1: Subcommittee Agendas
   Attachment 2: Subcommittee Actions
   10 min

3. Consent Calendar
   - Approval of Minutes
   Attachment 3: Draft September 10, 2008 Minutes
   Action/Concurrence

4. Chairperson’s Report
   10 min
   Information (Alan Patashnick)

5. Legislative Update
   - Federal
   - State
   15 min
   Information (Raffi Hamparian)
   (Michael Turner)

6. FY 2009 Ten-Year Forecast
   15 min
   Information (Michelle Caldwell)

7. Bicycle Locker Rental Policy
   10 min
   Information/Concurrence (Lynne Goldsmith)

8. Congestion Mitigation Fee Phase II
   10 min
   Update (Robert Calix)
9. CTC Meeting Recap
   Information
   (Tim Papandreou/Gloria Anderson)

10. Congestion Reduction Demonstration Project
    Update
    (Stephanie Wiggins)

11. New Business

12. Adjournment

TAC Minutes and Agendas can be accessed at:
www.metro.net/TAC

Please call Fanny Pan at (213) 922-3070 or e-mail to “panf@metro.net”, if you have questions regarding the agenda or the meeting. The next meeting will be on November 12, 2008 at 9:30 a.m. in the Union Station Room.
Subcommittee September 2008 Agendas

- Bus Operations
- Local Transit Systems
- Streets and Freeways
- TDM/Air Quality
Agenda

Los Angeles County
Metropolitan Transportation Authority

BUS OPERATIONS SUBCOMMITTEE

Windsor Conference Room — 15th Floor

1. Call to Order
   1 minute
   Action
   Dana Lee

2. Approval of August 19, 2008 Minutes
   Action
   BOS

3. Chair’s Report
   5 minutes
   Information
   Dana Lee

4. Legislative Report
   10 minutes
   Information
   Raffi Hamparian/Marisa Yeager/Michael Turner

5. Update on Congestion Pricing Initiative
   15 minutes
   Information

6. Call-For-Projects Update Transit Capital/TEA
   15 minutes
   Information
   Matt Gleason/James Rojas

7. Santa Monica’s Big Blue Bus “Bus of the Future”
   Information
   SMBBB Staff

8. BOS Elections
   Action
   BOS

9. New Business

10. Adjournment

Metropolitan Transportation Authority
Thursday, September 18, 2008, 1:30PM

Agenda
Los Angeles County
Metropolitan Transportation Authority

LOCAL TRANSIT SYSTEMS SUBCOMMITTEE
Board Overflow Room – 3rd Floor

1. Call to Order
   Action
   Alex Gonzalez, Chair

2. Approval of Minutes – May 29, 2008
   (to be handed out at meeting)
   Action
   Alex Gonzalez, Chair

3. LTSS Appointments (Alternates) to LACMTA TAC
   (see attached)
   Action
   Alex Gonzalez, Chair

4. 2009 Call for Projects-Transit Capital Application (DRAFT)
   (see attached)
   Action
   Matt Gleason, Metro

5. Measure R Update
   Information
   Cosette Stark, Metro

6. NTD Reporting/Audit Update for FY ‘08
   Information
   Jay Fuhrman, Metro

7. ASI Update
   Information
   Matthew Avancena, ASI

8. Mini Call Update
   (see attached)
   Information
   Jay Fuhrman, Metro

9. UFS Update
   Information
   Jay Fuhrman, Metro

10. 511 System Presentation
    Information
    Anne Karna, Metro

11. Local Return Expenditure Report (Form C)
    Information
    Susan Richan, Metro

12. New Business/Adjournment
    Alex Gonzalez, Chair
Agenda

Los Angeles County
Metropolitan Transportation Authority

Streets and Freeways Subcommittee

Windsor Conference Room, 15th Floor

1. Call to Order  Action (Sharon Perlstein)  1 min

2. Approval of Minutes  Action (Subcommittee)
   Attachment 1: Draft July 17, 2008 Minutes
   Attachment 2: Sign in Sheet/Attendance Sheet
   1 min

TIMED AGENDA ITEM: 9:45 – 11:15 AM

3. 2009 Call For Projects  Discussion (Modal Leads/Subcommittee)
   • Regional Surface Transportation Improvements
   • Signal Synchronization and Bus Speed Improvements
   • Bikeway
   • Pedestrian
   • Transportation Enhancement Activities
     Attachment 3: 2007 RSTI, Signal, Bikeway, PED, and TEA Applications
     90 minutes

4. Chairperson Report  Information (Sharon Perlstein)  5 min

5. Metro Report  Information (Randy Lamm)  Action
   • 2009 Subcommittee Goals, Roles and Responsibilities
     Attachment 4: 2008-2009 Subcommittee Roles and Responsibilities
     Attachment 5: 90 Day Rolling Agenda
     5 min
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<td>Caltrans Report</td>
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<td>Legislative Update</td>
<td>Information (Michael Turner, Raffi Hamparian)</td>
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<td>CTC Update</td>
<td>Information (Tim Papanderou)</td>
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<td>Advance of Los Angeles County Regional Funding for Three Projects</td>
<td>Information (Toye Oyewole)</td>
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<td>New Business</td>
<td>Discussion (Subcommittee)</td>
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<td>Adjournment</td>
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The next meeting of the Streets and Freeways Subcommittee is scheduled for October 16, 2008 at 9:30 AM in the **Windsor Conference Room**, 15th Floor. Please contact Randy Lamm at (213) 922-2470 should you have any questions or comments regarding this or future agendas.

Agendas can be accessed online at: [http://www.metro.net/sfs](http://www.metro.net/sfs)
Agenda

Los Angeles County Metropolitan Transportation Authority

TDM/ AIR QUALITY SUB COMMITTEE

Pasadena
CONFERENCE ROOM
22nd Floor

1. Call to Order/Roll Call
   Action (Mark Yamarone)

2. Chairperson’s Report
   5 min
   Information
   (Mark Yamarone)

3. Call for Projects Draft
   TDM Modal Application
   Review and Comment
   20 min
   Action (Rena Lum)

4. Metro Commuter Services Program
   Update
   (Cosette Stark)
   10 min

5. Measure R - Update
   5 min
   Update
   (Cosette Stark)

6. Appointment of TAC Representatives
   5 min
   Action

7. Adjournment

Please call Rufina Juarez at (213) 922-7405 or e-mail to “juarezr@metro.net”, if you have questions regarding the agenda or the meeting. The next meeting will be on TBD 2008 at 10:30 a.m. in Room to TBD.
Attachment 2

Subcommittee Actions
Disposition of September 2008 Subcommittee Actions

Bus Operation Subcommittee:

**September 16, 2008 meeting**

BOS elections effective October 2008:
- Chair – David Reyno (Foothill Transit)
- Vice Chair – Dennis Kobata (Torrance Transit)
- Secretary – Grace Eng-Nadel (Culver City Bus)

Local Transit Systems Subcommittee:

**September 18, 2008**

Change of representatives to the TAC:
- Seat 1: Joyce Rooney (City of West Hollywood) – primary
  Martin Browne (City of Whittier) – alternate
- Seat 2: Jano Baghdanian (City of Glendale) – primary
  Alex Gonzalez (City of Covina) - alternate

Streets and Freeways Subcommittee:

**July 18, 2008 meeting**

No Action

TDM/Air Quality Subcommittee:

**September 17, 2008 meeting**

Appointed Mark Hunter from City of Santa Clarita as one of the TAC representatives
Attachment 3

Draft September 10, 2008 TAC Minutes

Sign-In Sheet

Handouts
Wednesday, September 10, 2008 9:30 a.m.

Meeting Minutes

Los Angeles County
Metropolitan Transportation Authority

TECHNICAL ADVISORY COMMITTEE

1. Call to Order/Roll Call

Fanny Pan (Alternate Chair) called the meeting to order at 9:37 a.m., took roll and declared a quorum was present.

2. Agenda Reports by Standing Committees

BOS (Dana Lee)
- “Google Transit- Reach New Riders” Presentation;
- 511 Transit Program Presentation;
- Discussed the language for the Prop 1B funding MOU with Metro;
- BOS elections will be held at the next meeting; and
- Next meeting is September 16th.

LTSS (Alex Gonzalez)
- No meeting in August; and
- Next meeting is September 18th.

Streets and Freeways (Sharon Perlstein)
- No meeting in August;
- At the July meeting there was a lengthy discussion regarding the Safe Routes to School program. The Subcommittee approved a motion for TAC to discuss the need for more detail and clarification of the Safe Routes to School program process for allocation of funding.
- Report on Big Rig Freeway Service Patrol Program that will be expanding operations to the 91 freeway; and
- Next meeting is September 18th.
TDM/ Air Quality (Mark Yamarone)

- No report.

3. Consent Calendar

- Propose TAC Meeting Date Change to 1st Wednesday of the Month

Mr. Patashnick explained that a representative requested the meeting date change due to a conflict with the monthly California Transportation Commission (CTC) meetings. Mr. Patashnick explained that for many years TAC did meet on the first Wednesday of each month and changed their meeting date because Board reports often do not come out until the second week of the month and it raised an issue for TAC members because they were unable to receive copies of the board reports.

Mike Uyeno (City of Los Angeles) explained that both Tim Papandreou (Metro) and David Yale (Metro) attend the CTC meetings and would not be able to attend TAC meetings. Dana Lee (BOS) mentioned that Roger Snoble, the Municipal Operators and General Managers meet on the 2nd Wednesday of each month as well, which will also create a conflict.

Sumi Gant (City of Long Beach) asked if the CTC had already set their meeting time or if it was still being discussed? Mr. Patashnick responded that, to the best of his knowledge, the CTC had not set a date yet, but there was discussion among the Commission members about setting a regular date.

Ms. Lee stated that TAC should wait and see what decision is made by the CTC before making a decision. It was the consensus of TAC members to defer a decision.

Motion to approve the Draft July 9, 2008 minutes was made by Gregg Herrmann (League of California Cities - Arroyo Verdugo Cities) and seconded by Joyce Rooney (LTSS). There were no abstentions or objections. Motion to approve the Draft August 6, 2008 minutes was made by Ms. Lee and seconded by Ms. Gant. There were no abstentions or objections.

4. Chairperson’s Report (Alan Patashnick, Metro)

- The League of California Cities appointed Nicole West (City of Lancaster) the primary member and Mike Behen (City of Palmdale) as the alternate to represent the North County Transportation Coalition for a two-year period beginning July 1, 2008.
- Caltrans completed the 2009 Draft Federal Statewide Transportation Improvement Program (FSTIP). The FSTIP is posted on the Caltrans website (http://www.dot.ca.gov/hq/transprog/fedpgm.htm) for review until September 20, 2008.

- At the July 24th meeting, the Board approved:
  - Transportation Development Act (TDA) Article 8 staff recommendations for the cities of Avalon, Santa Clarita, Palmdale, and Lancaster along with the
unincorporated areas of Los Angeles County in the Santa Clarita and Antelope Valleys;
  o Recertifying $641 million in existing FY 2008-2009 funds from previous Countywide Call for Projects, deobligating $4 million of previously approved Call; and receive and file time extensions for $173 million in projects;
  o A contract for Phase II of the Countywide Metro Rapid Signal Priority Expansion Program;
  o The transition of the I-710 Big Rig Service Patrol from a demonstration project to a permanent project. Service was expanded to include SR 91;
  o The reappointment of Harry Baldwin (San Gabriel, Rosemead), Joseph Mosca (Sierra Madre, La Canada/Flintridge, Pasadena), and Rosie Vasquez to the San Gabriel Valley Service Sector;
  o Including the budget review of the Growth Over Inflation for bus operators as a separate Metro annual budget item;
  o The Congestion Relief Demonstration project converting HOV lanes to HOT lanes for I-110 and I-10; and
  o Placing the Sales Tax Ordinance on the November ballot including an expenditure plan.

5. Legislative Update (Marisa Yeager and Michael Turner, Metro) Handout

Federal
Ms. Yeager reported that Congress is back in session after the August recess. The Senate Environmental Public Works (EPW) Committee held a hearing on September 4, 2008 to discuss the next Reauthorization Bill. Discussions focused on Financing, New Starts projects, and streamlining projects within USDOT as it relates to project approvals. Meeting notes are available on the Senate EPW website. There is also a hearing today dealing with the overall infrastructure status of bridges and highways throughout the United States.

Ms. Yeager reported that we are in the final three weeks of the Congressional session. There is uncertainty in the House and Senate floor surrounding the appropriations for FY 09. Both the House and Senate Appropriations Committees have marked up their bills; however there has been no further action in the House or Senate regarding Appropriations. Congress will most likely not be able to meet the House and Senate floor October 1, 2008 approval deadline; therefore a continuing resolution is expected through the upcoming election.

U.S. Secretary of Transportation Mary E. Peters made a statement on September 5, 2008 calling for new support for addressing the Highway Trust Fund deficit. The statement details the lack of action by the Congress over the past three years in addressing trust fund issues.

Currently, Senators Dement and Craig have a hold on the Highway Trust Fund fix bill and are refusing to have the Bill addressed on the Senate floor before other matters are heard. As a result, the Federal Highway Accounts are reimbursed twice a week as opposed to once a day.
Mr. Uyeno asked if the Caltrans Friday, September 5th notice regarding the reimbursement cut was the same issue that was addressed in Secretary Peters’ statement. Ms. Yeager stated that the notice was a response to how California is being reimbursed by the Federal Highway Administration.

Ms. Yeager reported that Metro Government Relations is tracking the efforts by Senators to include transit friendly language in the Energy Bill that is currently being proposed before the end of the session.

State
Mr. Turner reported that currently not a lot is happening with the State Budget right as all proposals have been rejected, and there is no way to predict when or how this issue will be resolved. The State is taking all the Spillover revenues from the Public Transportation Account (PTA). Budget proposals that have been made by the Governor and the Republicans maintain Prop 42 funding. Until the State approves a budget that does not use Prop 42 funding, there is a possibility that the revenue could be suspended this year. There is general concern in the State legislature about borrowing and the impacts it has on the State’s budget. If the State borrows Prop 42 money, they have to repay it in 3 years with interest; it becomes a 1-year solution that creates a 3-year problem.

Mr. Turner reported that Metro has two main bills in legislation this year.

- AB 2321, now known as Measure R, has been approved by both Houses. Technically, it is not pending signature by the Governor because the legislature has not been sending bills to him.
- SB 1422, the Congestion Pricing Program allows Metro to convert HOV lanes on the I-10 and I-110 freeways to HOT lanes. The conditions that need to be met include a Community Outreach program that will identify the communities affected and to develop a program that addresses the impacts of the HOT lanes on low income commuters. The HOT lanes are scheduled for operation in December 2010.

Mr. Turner reported that currently the status of the legislation cannot be determined because the Governor has declared that he will not sign any legislation until the budget is approved. This is unique because the legislature has adjourned and under a normal session the Governor has 30 days to sign a bill sent to him; if not it will become law unless he vetoes it. The issue here is that the Legislature has not sent any bills to the Governor because he has declared he will veto anything sent to him. This means that the 30-day time limit has not begun. The deadline for the Legislature to send bills to the Governor is September 30th or all bills passed will become void. Metro has decided that, if necessary, they will plead for exemptions for Measure R because it is on the November ballot and SB 1422 because Metro needs to access the $200 million in Federal funds.

6. Sales Tax Measure (Michael Turner, Metro)

The Sales Tax initiative, Measure R, is on the November ballot. Metro’s website has been updated to include a summary of Measure R that provides fair, accurate, and impartial information to the public. The website is the first step in this process; Metro will be
developing brochures that will be distributed to the public as well to inform them about Measure R.

7. **Call for Project Status Updates (LA City Representative) Handout**

Antonio Medina, a representative from the City of Los Angeles, was present to give TAC an update on CFP # 7207- LA Street Realignment near El Pueblo. Mr. Medina reported that the project is now 80% completed. All that remains is the resurfacing of Alameda Street and LA Street, and additional crosswalk work. Mr. Medina informed TAC that since the last meeting, the City of LA has met with Metro staff to resolve outstanding concerns. He reported that the installation of special pavements and decorative stamped asphalts within the crosswalks will not be required. The City of LA has provided Metro with the required information for a supplemental amendment and is waiting for Metro to finish processing and executing the amendment.

8. **2009 Call for Projects (Rena Lum, Metro) Handout**

Ms. Lum reported that based on the TAC recommendation from the August 6th special meeting the Call is being deferred for up to 90 days, pending the resolution of Measure R on the November 4th ballot. Metro is still proceeding administratively and will be meeting with the TAC Subcommittees to review the modal applications for input. If any TAC members have any recommendations for changes or any input in regards to the modal applications, please contact the modal leads who will be appearing before the respective Subcommittees. There were three action items for Metro to follow up on from the last TAC meeting:

- TAC asked to have David Yale (Metro) make a presentation on the financial model and assumptions that went into establishing the financial earmarks. Mr. Yale will be able to give a presentation at the October TAC meeting. He is still running the numbers for the financial model. Currently, the Call is tentatively funded for $130 million. Measure R could potentially accelerate money for the 2009 Calls, but the overall LRTP total for the Call for Project category is $4.215 billion (from the Draft 2008 Long Range Transportation Plan) stays the same. TAC asked how Metro determines the funding levels for each modal category.

- Ms. Lum briefly reviewed the handout distributed to TAC for the 2001 LRTP Funding Levels for the Call for Projects categories that summed up the modal throughput analysis. There were three funding level categories for each mode. The high category reflected a substantial increase in funding. The medium category reflected the historic average of funds allocated to each category. The low category reflected a significant reduction in funding from past funding levels. There were estimates developed of projects funded in each mode assuming unit costs. Other factors used for review were before and after analysis conducted and changes in the needs for modes that occur between Calls. Staff recommendations were generally at the medium funding level and were revised up or down based upon input from the public and the direction of the Board. The Draft 2008 Plan maintains 2001 levels and the balance between the modes.
• TAC asked Metro for a presentation on how the Sustainability Policy will affect the Call. She stated that Jon Grace (Metro) is scheduled to present to TAC later in the meeting.

Ms. Lum reported that staff would like to go to the Board early next year for authorization to move forward with the Call process.

Ferdy Chan (City of Los Angeles) asked what accelerating future money meant? Ms. Lum responded that the overall pot remains constant at $4.215 billion. If Measure R passes, and based on the results of the financial model being run, there might be a potential to move money around in the early years of the expenditure plan in order to add that money to the Call right now, but it would be taken from future Calls, thus reducing the amount available for those Calls.

Mark Yamarone (TDM/AQ Subcommittee) stated that SB 375 is one of the first pieces of legislation that would implement policies to make subregions’ plan meet the GHG limits that are being set, and would direct how transportation dollars are focused on projects in order to meet those criteria and goals. Mr. Yamarone asked if there has been any discussion at the staff level in regards to SB 375 passing and whether or not it would redirect funds from the Call for Projects in order to address the Bill? Mr. Patashnick responded that Metro has not yet specifically discussed this issue, but they have discussed the fact that many cities have already implemented Sustainability policies, and there has been discussion about including a question along these lines in the Call. Jon Grace will provide more information later on in the meeting.

9. Public-Private Partnership (Kathleen Sanchez, Metro) Handout

Ms. Sanchez reported that in April 2008 the Board directed that a Request for Information (RFI) be issued to solicit concepts and proposals and to seek industry input on the use of a Public-Private Partnership (PPP) model to build one or more of the unfunded transit and/or highway projects listed in the Draft 2008 LRTP. Mayor Villaraigosa included a few guidelines that he wanted the industry to consider such as: ensuring that Unions would continue to operate the systems and no increases in fares. The recommendations to the Board are to Receive and File the summary of responses to the RFI, and to adopt the PPP Work Plan that would allow Metro to move forward with its program.

Ms. Sanchez reported that Metro received 12 responses to the RFI, and 10 different projects were identified as potential candidate projects; five highway projects and five transit projects. The following LRTP projects were identified by respondents as potential candidates for PPP delivery through the availability payment (transit) or user fee/toll (highway) financing models:

• SR 710 Gap Closure;
• Conversion of all HOV lanes to HOT lanes;
• I-710 South: mainly considering the truck lane as a component;
• High Desert Corridor;
• I-5 HOT lanes and truck lane improvements;
- Harbor Subdivision (as stand alone LRT or commuter system);
- Metro Subway Westside Extension/Purple Line (build Extension, operate and maintain entire heavy rail system);
- Exposition LRT Phase II;
- LA/Burbank/Glendale Corridor (as stand alone LRT system); and
- Regional Connector (build, operate and maintain entire LRT system).

Respondents suggested that the basic financial structure for highway projects could be funding through tolls or user fees. With this structure, there would likely be a funding gap that Metro would need to finance. Respondents also suggested that the transit projects would need public subsidies in order to work. There would not be enough money generated from the fare box or ridership fares that would fund the project. Respondents said they would ask the agency to assume fare box revenue risk.

Ms. Sanchez explained that the PPP program would be a process where Metro invites the private industry to design-build, and potentially operate and maintain a facility (toll road, LRT system, maintenance facility, etc.). The agency would pay the industry back based on how the facility works on a monthly basis over a 30-40 year period; efficient systems would get a maximum payment, while systems that provide degradation in service would have their payment cut.

Ms. Sanchez reported that there were major themes that emerged from the responses received and because of the significant investment of time and the expense that is required to submit a proposal, prior to submission from experienced PPP players, Metro will need to complete the following:

- Determine which projects we would like to move forward with for PPP consideration;
- Secure all environmental clearances and develop design to 30%;
- Develop goals, objectives, priorities and performance evaluation criteria;
- Identify and resolve most of the public and legislative issues;
- Identify public funding sources for construction costs for transit projects (highway projects might be different);
- Have retained PPP-experienced consultants to provide guidance;
- Metro needs to be able to compare whether or not the PPP program provides a greater value for money in the long run; and
- Establish a PPP-experienced management and procurement team

With regard to the Work Plan, she stated, it is a three-year plan that spells out how the three adopted Framework steps will be followed to identify PPP projects. The Framework consists of Step 1: Project Feasibility, Step 2: Project Definition, and Step 3: Procurement. Metro will be asking the Board to approve solicitation for a program manager/business advisor consultant to help get started.

Mr. Chan asked why the Gold Line extension was not listed as a possible project for the PPP program? Ms. Sanchez responded that the direction of the RFI was to list all of Metro’s strategic Tier 1 and Tier 2 unfunded projects from the LRTP. We received no response that
included the Gold Line extension. Implementing funded projects by PPP could free up current funds that could be applied to a different project. Metro could then identify future funds that could be used to pay back the concessionaire for the development of the funded project.

10. Corridor Studies (Roger Martin, Dolores Roybal Saltarelli, Kimberly Yu, Metro)

Mr. Martin reported that this Transit Corridor Studies Update would include the Regional Connector, the Eastside Transit Corridor Phase 2, and the Westside Extension. All three projects are currently preparing an Alternative Analysis (AA) and expect to go to the Board in the fall. Currently, there is no funding beyond the AA for these projects.

Ms. Saltarelli introduced herself as the Project Manager for the Regional Connector Transit Corridor. The AA study is looking at closing the approximate 2-mile gap that currently exists in the Light Rail system from Pasadena to Long Beach; currently riders need to make transfers. This AA study is also looking at connecting the Metro Eastside to the Exposition line to Culver City, which will be in operation starting in 2009-2010. This AA study has been over a year long process that initially began with 33 alternatives. With input from community members and stakeholders, the alternatives were narrowed down to 2. The two recommendations for Build Alternatives that our team will be recommending are:

- **At-Grade-LRT** would be underground coming from the 7th Street/Metro Center Station and resurfacing onto Flower Street. This LRT would punch through the 2nd Street tunnel remain at-grade on 2nd street. This alternative will have a split station on Los Angeles and Main Street connecting to the Gold Line via Temple St. There are some variations with this alternative that are being studied, including the station by the Central Library that will either be below grade or at grade. These variations will be resolved, if authorized to proceed, during the next phase of the environmental analysis.

- **Underground-LRT** would be going from the 7th St/ Metro Center Station and under the 2nd Street tunnel. Exact station locations of the Bunker Hill station and the Little Tokyo station at western edge are still under evaluation and will be further studied in the next phase. This LRT would be going underground on 2nd Street and connect to the Gold Line at approximately 1st Street and Alameda with the existing Little Tokyo/Arts District Center station currently under construction.

Ms. Saltarelli stated that the next steps for the Study are to complete the AA Study Report and Community update, develop recommendation(s) for Metro Board approval including approval of the AA Study.

Ms. Yu introduced herself as the Project Manager for the Eastside Transit Corridor Phase 2 Project. The Eastside Extension is currently under construction and is scheduled to open in 2009. This AA is looking at how to extend the Eastside further east. The study area is approximately 80 square miles and includes 13 cities in addition to the unincorporated portion of LA County. Metro held early Scoping meetings during November 2007, and followed up with Community meetings in April 2008 to inform community members, Stakeholders, and business owners about the alternative transit solutions that have been
identified. The AA began in September 2007 with 47 alternatives that have been screened down to 5 build alternatives:

- SR-60, BRT;
- SR-60, LRT;
- Beverly Boulevard, LRT that would connect the cities of Montebello, Pico Rivera and Whittier;
- Whittier Boulevard, LRT that would be an at grade or aerial structure to provide services for the cities of Montebello, Pico Rivera and Whittier; or
- Washington Boulevard, LRT that would provide the cities of Commerce, Downey, and Santa Fe Springs access to this potential light rail alignment.

Metro is currently in the process of further screening these five alternatives, and anticipate releasing the recommended alternatives by mid-September. If TAC would like, Ms. Yu can return with an update at the next meeting.

Ms. Yu reported that the next steps for this project are to finalize and provide recommendation for the final set of alternative(s) to the Metro Board in November 2008, hold meetings with Stakeholders, cities and staff members regarding the latest update of the study, and begin Community outreach meetings in late 2008 or early 2009.

John Drayton (Metro) asked if the Eastside Transit Corridor would connect to the El Monte Transit Center. Ms. Yu responded that it would not because it is along the I-10 and Metro is conducting this AA along the SR-60 Corridor. Joyce Rooney (LTSS) asked if only one alternative out of the five listed was going to be chosen? Ms. Yu responded that for the purpose of further environmental analysis three of the five alternatives will be chosen. Ms. Yu added that the AA has provided Metro with interesting results. The ridership numbers on Washington Blvd are fairly high, but it would be the most expensive alternative. Beverly Boulevard and Whittier Blvd have fairly high ridership numbers and are cost effective, but there are political issues involved with that alignment. The SR-60 alternatives have low ridership numbers, but have received the largest amount of support from the northern portion of the study area. The cities of Montebello and Pico Rivera are not on board because they think the actual impact to their cities is too great.

Mr. Uyeno asked how close the SR-60 alternatives were to the freeway? Ms. Yu responded that Metro is currently looking at the southern side of the freeway, but it is already known that there will be proximity issues near Montebello and Monterey Park. Metro is currently working with Caltrans for this particular aerial alignment option.

Mr. Martin reported on the Westside Extension AA Study. This project study area is 38 square miles. We have not determined the exact locations of the stations yet, and have not been able to determine exact alignments. The Project team has narrowed the 17 alternatives down to 7:

- Wilshire Subway Alignments (2) would be costly based on what needs to be built. The study determined that this would cost $475 million per mile.
- Combined Wilshire/ West Hollywood Subway (2)
• BRT (1) was eliminated from the study because Metro received a Very Small Starts Grant from the FTA to implement BRT along Wilshire Boulevard.
• No Build
• TSM

Mr. Martin reported that the next steps for the Westside Extension AA Study are the fourth round of Public Meetings to confirm alternatives screening that will be held on September 3rd, 4th, 6th, 8th, and 10th; the completion of the AA Study Report; developing recommendations for Metro Board action; and Metro Board approval of the AA Study and next steps.

11. Countywide Congestion Mitigation Fee (Robert Calix, Metro) Handout

Mr. Calix reported that the Countywide Congestion Mitigation Fee Feasibility Study Report was deferred from the June 2008 Board meeting. Since then the staff recommendations have been revised, in accordance with interests brought forth by the San Gabriel Valley Council of Governments (COG).

Mr. Calix reported that the interests brought forth by the San Gabriel Valley COG will be incorporated into Metro’s scope of work for Step 2, which is project selection, confirming growth forecasts, and working through the details of the pilot study. The San Gabriel Valley COG wanted to make sure it is explicit that they will be part of the overall work effort, and that Metro will incorporate tasks that the San Gabriel Valley COG feels are pertinent to their sub region.

Upon approval by the Board, Metro is looking forward to completing the RFP for Step 2, having it released before the end of the year and having a contractor on board at the beginning of January 2009.

12. CTC Meeting Recap (Gloria Anderson, Metro)

Ms. Anderson reported that the major issue at the last CTC meeting was the State budget including a suspension of Prop 42 funds that would impact the STIP as follows:

- 18% of the FY 08-09 projects delayed until FY 09-10;
- 70% of the FY 09-10 projects delayed until FY 10-11; and
- 90% of the FY 10-11 projects delayed until FY 11-12.

If the State budget includes a suspension on Prop 42 funds, the CTC will be required to adopt a new fund estimate and reprogram all projects.

Contingent on the State budget, the CTC approved allocations for the I-405 CMIA project, and contingent on Metro approving a Letter of No Prejudice at the September meeting, the CTC allocated funds for the Prop 1B Inner City Rail Project for the Commerce/Fullerton Triple Track.

The CTC decided that TCRP allocations would be made on a first come, first serve basis for FY 08-09. They will have a policy item about allocations during their September meeting.
The CTC also adopted a Highway/Rail Road Safety Account Program and discussed TCIF Project Baseline Agreements.

13. Sustainability Policy (Jon Grace, Metro)

Mr. Grace reported that Metro has embraced sustainability and is committed to integrating it into all aspects of its business including the Call for Projects. In that regard, Call for Projects staff conducted a number of coordination meetings to consider how best to integrate sustainability into applications, but were unable to develop and objectively weight sustainability criteria for use in ranking and comparing projects within modal categories.

Mr. Grace noted that the primary goal of the Call for Projects is to improve mobility, and while sustainability should complement that effort, it should not unreasonably influence funding decisions and potentially detract from that goal. Since there is a limited amount of time to complete the application package, staff is considering a more modest sustainability component in this Call for Projects with the intention that sustainability would play a greater part in future Calls. Accordingly, staff is proposing that applicants could receive a small number of points if their agency has a formally-adopted Sustainability or related environmental program.

14. Safe Routes to School (Michael Uyeno, City of LA)

Mr. Uyeno reported that the intent of placing this item on the agenda was to have Caltrans explain the process it used for the recent cycle. There have been concerns regarding the openness and transparency of the Safe Routes to School Program. One concern is that Northern California has an advantage because they are able to sit on the Committees involved in the program, while Southern California is not able to have that same kind of representation.

Mr. Uyeno referenced his presentation slide that cited Caltrans statistics of the comparison of funding “targets” to population and student population divided between the 12 districts. According to the statistics, District 7 is almost 30% of the population, and the funding target was a little less than 25%. Mr. Uyeno referenced his slide that explained how Caltrans determines the funding “targets” for each district; all of the funding through Cycle 6 is totaled for each district, and then divided by the total amount of funding available for that period. In theory, if your district was funded poorly in Cycle 1, than your district is more than likely going to be funded poorly through Cycle 7. Mr. Uyeno referenced his slide that explained the actual percentages of how funding “targets” compared to the population and student population of each district. By population District 7 should have received $58.1 million, but in actuality, it received $48.4 million, which is $10 million less than its share for all 7 cycles.

Mr. Uyeno reviewed the process for the Safe Routes to School program. It is a statewide, competitive process that gives consideration for a District’s geographic equity, and evaluations are made at the District level and at Caltrans headquarters where “targets” for each district are first established. The Districts then form Evaluation Committees that review and rank all applications, and the highest ranked applications are sent to Caltrans.
Headquarters where they are reviewed and ranked by an Evaluation Committee. Evaluation Committees consist of Caltrans staff, Transportation Planners, Public Works officials, Educators, Health Professionals, Law Enforcement, Advocates and Consultants. This past cycle Caltrans calculated average scores and funds were then awarded to the highest average score. Mr. Uyeno then referenced his slide that cited a comparison of scores as provided by Caltrans and stated that there is little correlation between District and Headquarters scores.

Ms. Sumi Gant asked if the projects the City of Los Angeles sends for evaluation for the Safe Routes to School program all get funded? Mr. Uyeno responded no. They do not all get funded because it is a competitive process.

Mr. Uyeno referenced his presentation slides that reviewed and critiqued the application review process evaluation process, and reviewed the criteria used in evaluation for the Safe Routes to School program. Mr. Uyeno reported that currently District 7 is in the process of reviewing applications for the Safe Routes to School Program. When the process began, the point was made to keep the process open and transparent, like the Metro Call for Project process.

Mr. Patashnick asked if Mr. Uyeno had reviewed this presentation with Caltrans? Mr. Uyeno responded that he has not reviewed this presentation with Caltrans, but has reviewed the data and statistics with them at great length.

Mr. Ferdy Chan asked, in reference to the slide that provided a chart with a comparison of Headquarters and District 7 scores, if the District only sent their best scored projects to Headquarters? Mr. Uyeno responded that it was not relevant; the variance between the scores was relevant because it was the difference of being identified as one of the best projects in the state, or not. The Safe Routes to School program evaluation process is neither robust nor open, but if the process were more open, it would bring it more strength.

Dale Benson (Caltrans) stated that in the past, Districts sent all applications to Headquarters, not just those that are deemed to be excellent. Mr. Uyeno asked if Headquarters then scores all of the projects, and if possible could the TAC see those scores? Mr. Benson stated that Headquarters does score all the projects. He does not know whether or not those scores would be available for viewing, while the review process used by Caltrans is not a closed system. Mr. Uyeno stated that his concern is that because this money is public funds, the process needs to be more open and transparent; being able to view the scores would be beneficial.

Paul Maselbas (Los Angeles County) asked, in regards to the population and school population statistics provided, if anyone had looked at the statistics of fatalities and accidents in a similar manner in terms of funding targets versus accidents in the region, and not specific locations? Mr. Uyeno responded that one of the problems with the Safe Routes to School program is that it is on the lower end of safety projects. Typically, there are no or only one accident in relation to the fix that is being made with the program. In addition, Because the infrequency of such accidents, when a single accident shows up in a five-year period, it is unclear whether that represents one accident in 5 years frequency, or one accident in 100 years frequency, which makes statistics irrelevant. The City of Los Angeles
has proposed that the applications for the program require the number of related accidents be stated along with a measure of the difficulty involved in maneuvering within the area and the dangers involved, and data that examines the number of pedestrian and vehicle accidents that occur in the area that are not directly related to the fix, but offer insight into the area’s congestion. Lynne Goldsmith (Metro) stated that the problem in gathering that data is that the documentation of accident statistics does not have any specific school data. Currently schools are not involved in the process, but perhaps they should be. The overall objective of the Safe Routes to School Program is to get kids to walk and bike to school.

Mr. Uyeno stated that getting kids to walk and bike to school is not the main objective of the State Safe Routes to School program. Ms. Goldsmith acknowledged that it is the main objective of the Federal program and that child injuries and accidents is only one of the objectives/criteria for the State Safe Routes to School program. Mr. Benson stated that the direction of the State program is to encourage kids to walk and bike to school.

Mr. Uyeno stated that his interest is to obtain a description of where we are in the process for Cycle 2, and when the process will be complete. Mr. Benson stated that for Cycle 2 81 applications were received, 12 of which were for non-infrastructure. There was a successful in-depth review of each application convened by a Committee. The applications that were recommended for funding were sent to Headquarters a week and a half ago and are currently being reviewed for eligibility. The list is expected to be available via the Caltrans website by the end of September.

Ellen Blackman (Citizen Representative on ADA) asked if there were specific points available for each of the criteria, or if it is scored based on an overall 100 points? Mr. Benson responded that there are points assigned for each criteria for the State program. Each question has points assigned to it and in the latest application, Caltrans shared those weighting values with local agencies.

Ms. Gant asked if all 81 applications were sent to Headquarters? Mr. Benson responded that they were not. Normally all applications are sent to Headquarters, but this time we were asked only to send applications that were being recommended for funding. Districts were delegated the authority to review the applications and decide which ones to fund. Headquarters’ role was to verify eligibility.

Mr. Uyeno stated that there was a concession made after Cycle 7 and Terry Abbott (Caltrans) made a commitment to allocate funds based on student population to Districts, and allow them to make the decision. This allows the process to be approved locally, rather than at the State level. Currently, if there are not enough non-infrastructure projects within the District that are considered to be good, the funds can be moved around to an infrastructure project. There has been a motion that Headquarters should evaluate non-infrastructure projects in order to then open up the pool of money statewide.

Mr. Uyeno stated that Caltrans is currently discussing Cycle 8 for the Safe Routes to School program and has submitted two options. The first option would be to continue with the process being used right now, divide up the money within the Districts and let them decide. The second option would be the old process of evaluating projects in the District and at
Headquarters with funds being awarded by Headquarters. Mr. Uyeno stated that a third option he has provided Caltrans would be to emphasize an open and transparent process that would review the applications with a weighting system that has no guidelines as to how points are awarded.

Mr. Uyeno stated that the best available accident database is SWITRS, and that asking schools for accident data is questionable because they don’t always adequately document every accident. Nicole West (League of California Cities - North LA County) asked if the City of Los Angeles uses the Crossroads database to supplement SWITRS. Mr. Uyeno stated that the City does use Crossroads; however all the same information goes to SWITRS.

Victor Rollinger (Leagues of California Cities - South Bay Cities COG) asked how much time was spent reviewing the 81 applications? Mr. Benson responded that the committee spent about 2 weeks reviewing the applications.

Ms. West asked what percentage of applications the City of Los Angeles sent in for Cycle 7, how many were successful, and if Caltrans explained why applications were unsuccessful? Mr. Uyeno responded that he is not sure of the numbers, but the City of Los Angeles sent in a lot of applications. Caltrans gave very general comments about why applications were unsuccessful in receiving funding that are not beneficial to applicants in regards to improving their applications. Upon reviewing Caltrans’ score sheets, the commentary given is vague and makes it difficult to distinguish the reasoning behind the decision.

Mr. Benson addressed that during the application review process, there is discussion and input among members of the group that is taken into account, even if not written down, and applicants are welcome to come in and discuss their applications. Mr. Uyeno stated that in order for the review process to be transparent and open, those comments need to be there for the public to review, and it should be an open forum so the public is made of aware of what is happening to all applications throughout the entire process.

Mr. Rollinger asked what kind of benefit applicants would receive from general comments? Further, he stated that if Caltrans would want better applications in the future, they must educate applicants in order to better the process. Mr. Benson responded that Caltrans does offer outreach through education programs, but not all local agencies attend those trainings.

Mr. Rollinger asked if it would be possible for Caltrans to have open meetings during the application review process for the Safe Routes to School program, similar to what TAC does during the Call review process? Mr. Benson responded that Caltrans would take that into consideration, if other agencies provide feedback in regards to what they want, but it is important to keep in mind Caltrans’ time frame compared to the Call for Projects.

Ms. Blackman asked if there are discussions between Headquarters and the Districts where there are large discrepancies in scores? Mr. Benson responded that when there are large discrepancies, there are discussions within the Committees, but he is not sure if discussions are held between Headquarters and Districts.
Ms. Rooney asked how this process could be changed so all Districts would benefit equally? Mr. Uyeno responded that Caltrans has a Safe Routes to School Advisory Committee that creates the policies for the evaluation process and if we would like to make a change, it is vital that we are part of that committee.

15. Congestion Reduction Demonstration Project

Stephanie Wiggins (Metro) was unable to attend the meeting. This item was deferred to the next TAC meeting.

Larry Stevens (San Gabriel Valley COG) referenced the last page of the attachment that has a breakdown of the different costs involved with the projects and asked how they relate to the Congestion Reduction Initiative because less than one-third of the costs seem to be directly attributed to HOT lane projects? Joanna Capelle (SCRRA) responded that the bus and transit projects served as mitigation for the toll lanes because there needs to be alternate services provided to people. Mr. Patashnick stated that there are other costs for ancillary expenses which support the transit services.

16. New Business

No new business.

17. Adjournment

The next meeting will be on October 8, 2008 in the Union Station Conference Room on the 3rd Floor at 9:30 a.m.
TECHNICAL ADVISORY COMMITTEE
Sign in Sheet
September 10, 2008

AGENCY

AUTOMOBILE CLUB OF CALIFORNIA

BUS OPERATIONS SUBCOMMITTEE (BOS)

CALIFORNIA HIGHWAY PATROL

CALTRANS

MEMBER/ALTERNATE

1. Marianne Kim/Stephen Finnegan
   David Kung
   David Reyna/Dennis Kobata
   Raja Mithwa/Alejandro Angelini
   Rose Cesar/Kirk Cramer
   Ellen Blackman/John Whitbread
   Sumi Gant/Mark Christophels
   James Lottino/John Poell
   Haripal Vir/Mike Uyeno
   Gina Mancha/Herdy Chan
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U.S. Transportation Mary Peters Announces Steps to Delay Highway Trust Fund Shortfall, Calls on Congress to Pass Legislation to Address Problem

Trust Fund Fix Needed Because Congress Ignored Three Years’ Worth of Warnings

U.S. Secretary of Transportation Mary E. Peters today directed the Federal Highway Administration to take immediate steps to protect the solvency of the highway account of the Highway Trust Fund and called on Congress to act quickly to finally address this long-predicted problem.

"Time and again, the President has warned Congress of the pending shortfall and submitted fiscally prudent budgets to close the gap," said Secretary Peters. "Americans cannot afford to have Congress play 'kick the can' with highway funding for another year, another month, or frankly, another week."

She called on Congress to provide immediate short-term relief by passing pending legislation, already approved by the House of Representatives, that would make an additional $8 billion available for the highway trust fund. She urged Congress, however, to avoid adding pet projects, new earmarks or unrelated provisions on the "must pass" legislation and to get the bill done by the end of next week.

The Secretary said the legislation was needed now because Congress had failed to heed over three years of warnings from the President and the Department about the long-predicted highway trust fund shortfall. She added that the recent and sudden decline in American driving and the resulting decline in gas tax revenue during the summer had accelerated the predicted shortfall.

The Secretary said that, in order to allow for continued highway payments to states while Congress acts, the federal government would begin making reimbursements to states on a weekly basis starting next week. In addition, she said the agency would make funds available on a pro-rated basis. For example, if there are only enough funds to cover 80 percent of requests, the highway agency will pay only 80 percent of each.

Secretary Peters added that states would receive the balance of the funds in the following week, and then any new requests would also be dealt with on a pro-rated basis. She added that the Department will also review its personnel and purchasing policies and consult with other federal agencies receiving highway funds to find ways to free up additional funding for reimbursing state partners.

As recently as July, the Administration opposed the House Trust Fund legislation, in part because the $8 billion would come from the government's general fund. However, the recent decline in federal gas tax revenue requires immediate action on legislation that has already passed the House to ensure states are not adversely affected.

Secretary Peters noted that today's problem would have been avoided had Congress acted on the President's fiscally responsible proposal from last February to transfer funds from the highway trust fund's mass transit account, which has a surplus. That measure would not have affected current transit investments at all, the Secretary added.
"Taking money from other pressing national priorities to plug a hole caused by poor fiscal discipline sets a dangerous and disturbing precedent," the Secretary said. She added, though, that "states are working hard to keep the nation's bridges and roads in good repair and deserve better than IOUs from Congress."

The Secretary said it was time to fundamentally reform the nation's scattered approach to transportation. She said Congress should do away with billions in annual earmarks and consolidate the over 100 special niche programs that require states to slice and dice federal transportation funds to do things like build museums and restore lighthouses. She noted that the Administration issued a comprehensive transportation reform proposal along those lines several weeks ago.

To avoid future shortfalls, the Secretary said it was time to embrace new funding mechanisms that respond to today's transportation challenges and are in keeping with national energy policies. "The current approach may have made sense 50 years ago, but it is ineffective and unsustainable when we are trying to reduce congestion and encouraging Americans to embrace more fuel-efficient cars," she noted.

**Fig. 1. FY 2008 Highway Account Revenue and Expenditures**

We have been spending more money each year than what we collect from federal gas taxes and other Trust Fund revenue sources.

- Fuel tax receipts, the main source of revenue for the highway program, have been significantly lower than expected for several months. Coupled with high spending during the peak of the highway
construction season, the reduced receipts caused the balance of the Highway Trust Fund to decline more rapidly. In September 2007, the Highway Account will take in $2.7 billion but have reimbursement requests totaling $4.4 billion.

The shortfall will prevent timely full payment of bills from Federal Highway Administration to state grantees, but will not in any way shut down the programs of the agencies funded from the Highway Account.

**A shortfall has been forecasted by the Administration for several years.**

- In February 2006, President Bush warned Congress of the looming shortfall and asked members to take swift action to address it. Congress did nothing.
- In February 2007, the President again warned about the upcoming shortfall and asked Congress to take fiscally responsible measures to close the gap. Congress did nothing.
- For the past 3 years, Department officials repeated this message through countless speeches, Congressional hearings, and media interviews.
- Earlier this year, the President and the Department again warned Congress that the looming shortfall must be addressed. Again, Congress did nothing.
- The Department proposed a fiscally responsible solution that would make it possible to cover the projected shortfall by making repayable advances from the Trust Fund’s Mass Transit Account without affecting the transit funding commitment under SAFETEA-LU.

**On September 5, 2008, Secretary Peters announced immediate steps designed to stretch out Highway Trust Fund revenues.**

- Effective September 8, the Federal Highway Administration will begin making weekly reimbursements, rather than the current twice daily reimbursements.
- These weekly reimbursements will be made on a pro-rated basis. For example, if the funds available in the highway account to cover 80 percent of the requests received, 80 percent of each reimbursement will be paid.
- The following week, the balance of unpaid requests from the previous week will be paid providing similar, pro-rated reimbursements for the new requests received that week.
- The Department is taking action to streamline personnel and purchasing policies to further slow the rate of depletion and will consult with other federal agencies funded by the Trust Fund to make the most of every available dollar.

**Secretary Peters called on Congress to finally address the challenge with...**

- A short term fix: Congress must approve a clean bill that provides $8 billion in funding to cover the shortfall by the end of next week.
- A medium term fix: Congress needs to pass a fiscally responsible and effective transportation spending bill for next year that is free of waste and earmarks.
A long term fix: Congress needs to work with the Department to reform our nation's current scattered approach to transportation which includes new funding mechanisms to respond to today's transportation challenges.

**Timeline of Congressional Action**

2006

President Bush's 2007 budget projects a $2.3 billion cash shortfall in the Highway Account of the HTF in FY 2009, and urges Congress to address it.

"Balances are on a downward slope," U.S. DOT Secretary Norman Mineta says. "I know that this committee is aware that the balances in the Highway Trust Fund are on a downward slope. And there is a growing consensus that we will need to look beyond traditional gasoline taxes to finance 21st Century transportation needs." (U.S. DOT Secretary Norman Mineta, House Transportation and Infrastructure Subcommittee on Highways, Transit and Pipelines, Testimony, 3/16/06)

CONGRESS FAILS TO ACT

2007

President Bush's 2008 budget to Congress again projects a $2.3 billion cash shortfall in the Highway Account of the fund and proposes measures to narrow the shortfall to $238 million.

Secretary Peters testifies at three Congressional budget hearings, noting: "We continue to be concerned in particular about the solvency of the Highway Account in the Highway Trust Fund. Our projections suggest that spending may outpace receipts before the end of fiscal year 2009."

In July, the Administration revises shortfall projection for to $1.3 billion for the Highway Account.

Secretary Peters testifies before the House Budget Committee and warns of the impending shortfall. "There is intense focus right now on the sustainability of the federal trust funds that support this increasingly flawed model. On the highways and transit side, we are currently spending billions of dollars more than we collect in tax revenues. As a result, the Highway Account of the Highway Trust Fund is projected to experience a substantial cash shortfall.

"Resolving the short- and long-term challenges related to the Highway Trust Fund" is a top priority of the Department. (USDOT Inspector General Calvin Scovel III, Senate Committee on Commerce, Science and Transportation, Testimony, 10/18/07)

Congressional Budget Office warns, "The balance in the Highway Trust Fund will be exhausted at some point..." (Congressional Budget Office Deputy Director Robert A. Sunshine, House Committee on Budget, Testimony, 10/25/07)
INSTEAD OF ACTING TO REDUCE THE SHORTFALL, CONGRESS INCREASES SPENDING BY BILLIONS.

2008

President Bush's budget projects a shortfall of $3.1 billion and requests legislative authority for repayable advances from the Mass Transit Account to cover the shortfall.

- Secretary Peters testifies three times before Congress on the FY 2009 budget, emphasizing the instability of the highway trust fund. "To honor that commitment [made by SAFETEA-LU], even with an anticipated shortfall in the Highway Account balance of the Highway Trust Fund, the President is requesting temporary authority to allow 'repayable advances' between the Highway Account and the Mass Transit Account in the Highway Trust Fund. This flexibility will get us through the current authorization without any impact on transit funding."

- Secretary Peters tells the Senate EPW Committee, "It is clear that we are crawling across the finish line, with the Highway Trust Fund's short term future unclear and its long term future in serious jeopardy."

- Vehicle Miles Traveled declines for eight straight months. Secretary Peters stresses the implications of the decline on the Trust Fund and the need for reform.

- In July, Secretary Peters unveils a plan to "Reform, Reform, and Renew" the nation's approach to transportation warning that the country can no longer count on the gas tax to fund the Highway Trust Fund. (Modesto, CA, 7/23/08)

- In August, Secretary Peters holds media events in Miami, FL, Houston, TX, St. Louis, Mo., Charlotte, N.C., and Somerville, Mass., warning of problems with the Highway Trust Fund if we continue to rely on gas taxes.

CONGRESS FAILS TO ACT

###

Brienling Roanh
MTA TECHNICAL ADVISORY COMMITTEE

Project Title: Los Angeles Street Realignment Near El Pueblo
Project ID No: 7207
Agency: City of Los Angeles

PROJECT DESCRIPTION

- Modify traffic signalization at Los Angeles Street and Alameda Street intersection
- Construct new median island with landscaping on Los Angeles Street
- Construct new colored concrete sidewalks and catch basins along portions of Los Angeles Street and Alameda Street
- Install new street lighting and traffic striping
- Resurface Los Angeles Street between Arcadia Street and Alameda Street
- Resurface Alameda Street between Los Angeles Street and Ord Street
- Install stamped and colored AC surface at crosswalks

BACKGROUND

- Project is in construction phase. Approximately 85% complete.
- Major work remaining is AC resurfacing and final Traffic Striping.
- AC Resurfacing work was not part of original contract work. This work covered under Alternate Bid Items.
- Supplemental funding required for Alternate Bid Items (AC resurfacing work).

PROJECT STATUS

- CITY and MTA staff met to discuss outstanding concerns.
- CITY and MTA have agreed that the special pavers will not be installed in the crosswalks. CITY will be installing decorative stamped asphalt.
- CITY has provided all required info for supplemental MOU Amendment
- MTA is currently working to expedite execution of MOU Amendment.
- Upon receipt of supplemental funds, request authority from City's Board of Public Works to execute the alternate bid items that comprise the AC Resurfacing work (Duration - approx. 1 month).
- Complete construction of remaining work (resurfacing, decorative crosswalks, & final traffic striping (Duration - approx. 2.5 months).
2001 LRTP Funding Levels
Call for Projects Categories

- First, staff evaluated alternative funding levels for each category—high, medium, and low.

- In general, the low funding level reflected a significant reduction in funding from past funding levels (e.g., half of recent calls), the medium category reflected the historic average of funds allocated to each category, and the high reflected a substantial increase in funding.

- A description was developed to discuss what could be accomplished at different funding levels based on unit costs (e.g., miles of bikeways, levels of TSM/ITS coordination/ITS, number of "average" arterial projects per year, size of TDM program from local projects to aggressive countywide TDM program).

- Staff also considered factors such as before-and-after analysis, historic allocations in past calls, funding demand in past calls, and changes in need for program categories.

- Staff made funding recommendations in the draft—generally supporting medium level of funding. Some of these were revised upwards or downwards after considering public comment and in response to Board direction in adopting the final 2001 LRTP.

- Given that the Draft 2008 LRTP does not have sufficient revenue to propose additional projects beyond the 2001 LRTP, funding for the Call was maintained at a level consistent with the 2001 LRTP.

- Staff have also recommended maintaining the relative balance of funding between the various modes in preparing the Draft LRTP.
SUBJECT: PUBLIC-PRIVATE PARTNERSHIP PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

A. Receive and file the summary of responses (Attachment A) to the Request for Information (RFI) to seek industry input on the use of Public-Private Partnership (PPP); and

B. Adopt the PPP Work Plan (Attachment B).

ISSUE

In April 2008, the Board approved a motion directing the issuance of an RFI to solicit concepts and proposals, and to seek industry input on the use of a Public-Private Partnership (PPP) model to build one or more of the unfunded transit and/or highway projects listed in the Draft 2008 Long Range Transportation Plan (LRTP) Tier 1 Strategic unfunded projects, including perspectives on project delivery methods and private project financing. Twelve RFI responses were received on July 14, 2008. This report provides a summary of the responses received.

This report also seeks Board approval of a work plan and assessment of resources needed to evaluate potential PPP candidates, following the previously Board-adopted Framework.

POLICY IMPLICATIONS

The Draft 2008 LRTP includes language supporting the use of PPP as a project delivery method to fund and advance projects. Four projects in the LRTP assume partial funding by other methods such as PPPs. These are SR-710 Gap Closure, I-5 North HOV and Truck Lane Improvements, I-710 South and High Desert Corridor.

The Framework has been structured to assist us in developing a PPP program that is clear, concise and transparent and will provide consistent evaluation criteria for determining the PPP potential of these and other Strategic unfunded transit and highway projects.
OPTIONS

The Board could elect to make modifications to the proposed Work Plan or to not continue pursuing this project delivery process. However, we do not recommend these options. The recommendations will enable us to proceed with further evaluation of the PPP concept as a viable means of advancing strategic transportation projects and create a transparent evaluation and procurement process.

FINANCIAL IMPACT

Funding for in-house planning resources to continue work on the PPP Framework has been included in the FY 09 budget in Cost Center 4370, Project 405510, Task 06.02, General Planning. We will return to the Board for the contract award to develop the PPP program and strategy, and to commence the high level financial feasibility assessments. We will also address the FY 09 budget adjustment, if necessary.

BACKGROUND

On May 12, 2008, we released the RFI to more than 100 national and international construction, investment banking and program management firms. The RFI was also available on the Procurement Department's web page. On June 14, 2008, a pre-response workshop was attended by nearly 50 potential respondents. At this workshop, we provided information on the existing Metro system and the LRTP Strategic projects. Attendees were also given an opportunity to ask questions.

As of the July 14, 2008 due date, we received twelve responses. Attachment A is a matrix indicating the responses received. A technical review team consisting of individuals from the Departments of New Business Development, Treasury, Procurement, Construction Project Management and Planning reviewed and analyzed each response.

Analysis of RFI Responses

Half of the respondents were private investment providers or financial advisors, and two were systems operators with the balance providing engineering or management services.

The respondents variously showed interest in the following LRTP projects (listed in no specific order) as potential candidates for PPP delivery through the availability payment (transit) or user fee/toll (highway) financing models:
SR-710 Gap Closure (mentioned by four respondents)
- Conversion of all HOV lanes to HOT lanes (three respondents)
- Harbor Subdivision (as stand-alone LRT or commuter system) (one respondent)
- I-710 South (three respondents)
- High Desert Corridor (three respondents)
- Metro Subway Westside Extension/Purple Line (two respondents) (also build the Extension, operate and maintain entire heavy rail system)
- I-5 HOT lanes and truck lane improvements (two respondents)
- Exposition LRT Phase II (one respondent)
- LA/Burbank/Glendale Corridor (as stand-alone LRT system) (one respondent)
- Regional Connector (also build the Connector, operate and maintain entire light rail system) (one respondent)

Except for the suggestion of user fees and/or availability payments, none of the twelve responses contained detailed information as to how any of these projects could be delivered. Instead, the overwhelming advice provided by the industry in these responses is that, due to the significant investment of time and expense required to submit a proposal, prior to soliciting proposals from experienced PPP players, we will need to:

- determine which projects we want to move forward,
- secure all environmental clearances and develop design to 30%,
- develop our goals, objectives, priorities and performance evaluation criteria,
- identify and resolve most of the public and legislative issues,
- identify public funding sources for construction costs for transit projects (highway projects may be different),
- have retained PPP-experienced consultants to provide guidance,
- set up a PPP-experienced management and procurement team.

Since no proposals to actually design, construct, finance, operate and/or maintain any projects were actually received, we do not have an analysis of advantages and disadvantages of approach to project concepts or delivery. The summary matrix, Attachment A, highlights the comments and expressions of project interest provided in each response.

While the RFI respondents indicated that some of the projects identified in the RFI could have the potential to benefit from PPPs, they also noted that most of these projects are still in the early planning stages. Therefore, we recommend pursuing the process identified in the June 2008 Board-adopted Framework, which outlines the criteria and process for evaluating PPPs, as well as approving the Work Plan that more clearly identifies and defines the necessary steps.
Work Plan

The Work Plan, Attachment B, tracks how the Framework Steps will be followed within the next two to three years to identify PPP projects. With the exception of the High Desert Corridor, which is being advanced by a Joint Powers Authority (JPA), the analysis may include those projects identified in the RFI responses. We will coordinate with the High Desert Corridor’s JPA so as to not duplicate their efforts.

NEXT STEPS

Upon Board approval, the Work Plan will be implemented and we will proceed with preparing a scope of services for procuring a PPP specialist advisory consultant to support PPP program and strategy development, and to provide technical, legal and financial services. We will return to the Board this winter to award the contract and will continue to follow the steps as outlined in the Work Plan.

ATTACHMENTS

A. Matrix Summarizing RFI General Responses
B. Public Private Partnership FY08 through FY10 Work Plan

Prepared by: Kathleen Sanchez, Transportation Planning Manager
Brian Lin, Director San Fernando Valley/North County Planning Team
Renee Berlin, Executive Officer Transportation Development and Implementation
Carol Inge
Chief Planning Officer

Roger Snoble
Chief Executive Officer
SUMMARY OF REQUEST FOR INFORMATION RESPONSES

Ten different projects were identified in the responses as potential opportunities for Metro to partner with the private sector. These responses suggested general concepts, including operation and maintenance of existing systems, but did not include preliminary proposals for Public Private Partnerships. They did provide suggestions as to feasible private partner payment methods, as well as advice as to what essential commitments are needed of the public agencies prior to requesting formal proposals. These include identifying projects to be pursued as PPPs, securing environmental clearances, setting fares or tolls, and accumulating public funding sources.

Summaries of responses are provided as below:

<table>
<thead>
<tr>
<th>Respondent Name</th>
<th>Metro Project Interest</th>
<th>Highlights of the Proposed Approach/Concepts</th>
<th>Evaluation Panel Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS</td>
<td><strong>SR-710 Gap Closure</strong></td>
<td>• Propose to reallocate existing routes, availability and demand performance, propose fixed, availability and demand performance, and to include an additional revenue stream based on availability.</td>
<td>• Dragados USA, a sister construction company of ACSID, is undertaking construction projects in New York, Miami, and Puerto Rico. Dragados typically does construction or design, and ACSID usually manages Design Build Finance, Operate, and Maintain (DBFM) PPP projects.</td>
</tr>
<tr>
<td></td>
<td><strong>High Desert Corridor</strong></td>
<td>• Propose to integrate construction and maintenance, and provide availability payments.</td>
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<td></td>
<td><strong>1704 South</strong></td>
<td>• Propose to integrate construction and maintenance, and provide availability payments.</td>
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<td></td>
<td><strong>Los Angeles</strong></td>
<td>• Propose to integrate construction and maintenance, and provide availability payments.</td>
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<td></td>
<td><strong>HOT Lane</strong></td>
<td>• Propose to integrate construction and maintenance, and provide availability payments.</td>
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<td></td>
<td><strong>People Line Westside extension</strong></td>
<td>• Propose to integrate construction and maintenance, and provide availability payments.</td>
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<tr>
<td></td>
<td><strong>High Speed Rail Transit (HSRT)</strong></td>
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<td></td>
<td><strong>mitigation</strong></td>
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<td>Dragados USA</td>
<td></td>
<td>• Propose to serve as concessionaire lead (private sector &quot;project company&quot; established for the partnership and lead equity participant) and DBFOM as the most effective delivery method. Propose to integrate construction and maintenance, and provide availability payments.</td>
<td></td>
</tr>
<tr>
<td>Breaolck and Brown</td>
<td><strong>SR-710 Gap Closure</strong></td>
<td>• Propose to serve as concessionaire lead (private sector &quot;project company&quot; established for the partnership and lead equity participant) and DBFOM as the most effective delivery method. Propose to integrate construction and maintenance, and provide availability payments.</td>
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</tbody>
</table>
DELOITTE

Interested in providing consulting services to develop PPP program and prioritize projects.

Propose to recommend an availability payment model for transit.

Proposal highlights include:
- Strategic project management
- Initial project design
- Capital cost estimates
- Risk assessment
- Define project objectives and constraints
- Develop aggregate benefit model
- Cost-benefit analysis
- Economic feasibility

Propose to perform sensitivity analysis and determine benefit to value for ongoing project.

Expect Projects:
- Full project design
- Cost estimates
- Risk assessment
- Define project objectives or constraints
- Cost-benefit analysis
- Economic feasibility

SACHS

Interested in serving as PPP advisor, PPP investor or bond underwriter.

Propose to perform screening and strategic assessment and value for money analysis for all projects considered. Propose availability payment model.

Propose to serve as Project Delivery Manager (PDM) who will assist Metro in project management and document project level of individual projects. Create project management structure that aligns with traditional construction and utilizes project management methodologies and tools for the available projects.

Expect Metro to:
- Establish dedicated funding source for availability payments.
- Establish ROW in advance.
- Establish environmental clearance.
- Obtain legislative and regulatory approvals.
- Establish proponent framework.
- Establish design-build framework.
- Establish legal framework.
- Establish risk assessment.
- Establish performance measures.
- Establish fair setting.

LEHMAN BROTHERS

Interested in bond underwriting.

Propose to provide financial structure.

Currently serving as PPP and alternative finance advisor for Denver, CO.
## RBC Capital Markets

**Interested in PPP program consulting, with emphasis on financial analysis.**

**Expected Metro to:**
- do O&M
- set fares/tolls
- assume environmental risk

**Highlights of the Proposed Approach/Concepts**

- Propose to recommend traditional PPP model with RBC providing financial assets or acting as financial advisor.

**Evaluation Panel Comments**

- Global investment bank and U.S. based brokerage firm
- Core business is Infrastructure and Project Finance Group
- Assisted in developing financial structures for various government entities and helped develop PPP projects.

---

## Siemens Transportation Systems Inc.

**Build Regional Connector and maintain entire light rail system.**

**Expected Metro to:**
- Build Regional Connector
- Build Purple Line
- Operate and maintain the light rail system

**Highlights of the Proposed Approach/Concepts**

- Propose to serve as a management contractor and provide operations, maintenance, and management services.

**Evaluation Panel Comments**

- U.S. based infrastructure and rail transit company, providing expertise in rail system design and implementation.

---

## The Carlyle Group

**Build Regional Connector and Purple Line.**

**Expected Metro to:**
- Operate and maintain existing heavy/light rail system

**Highlights of the Proposed Approach/Concepts**

- Propose to provide infrastructure investment funds and suggest Metro use the availability payment model to utilize debt financing instead of fare box revenue.

**Evaluation Panel Comments**

- Provides infrastructure investment expertise and equity financing for a range of transit and highway projects.

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## Veolia Transportation

**Harbor Subdivision Line; stand alone LRT or commuter system**

**Expected Metro to:**
- provide up to 70% project financing
- set service parameters

**Highlights of the Proposed Approach/Concepts**

- Propose to serve as concessionaire lead, assuming single point of responsibility for delivering the project, requiring the use of a single source for O&M.

**Evaluation Panel Comments**

- Transit operator and equity partner in several PPP projects.
- Operates several PPP rail projects across the U.S. and in Europe, the Middle East, and South Asia.

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## Wilbur Smith

**SR 710 Gap Closure**

**Expected Metro to:**
- determine potential project value
- develop goals, objectives, and evaluation criteria

**Highlights of the Proposed Approach/Concepts**

- Propose to recommend use of revenues from different sources to fund transit projects.

**Evaluation Panel Comments**

- Provides consulting services in traffic systems and infrastructure, including traffic simulation, environmental, engineering, and public outreach services.
- Related experience on Chicago and several Toll Road projects.
## Project Evaluation Process

### STEP 1
### Project Feasibility

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>TASKS</th>
</tr>
</thead>
</table>
| Identify needed resources to evaluate project PPP potential | - Assess in-house capability  
- Formalize in-house Public-Private Partnership Task Force  
- Determine consultant requirements, scope of work and cost estimate for program and strategy development support, including technical, legal and financial services  
- Procure PPP consultant |

<table>
<thead>
<tr>
<th>Board action</th>
<th>FY 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Award consultant contract</td>
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</table>

<table>
<thead>
<tr>
<th>Consultant procurement process</th>
<th>FY 10</th>
</tr>
</thead>
</table>
| Assess PPP viability of initial project list | - Consider pending environmental information and legislative capacity  
- Perform high-level financial feasibility/life-cycle analyses  
- Consider opportunity for beneficial project innovation or alternative technical concepts  
- Assess risk allocation potential  
- Determine if clearly definable and measurable specifications can be established |

<table>
<thead>
<tr>
<th>Industry forum discussing those projects recommended as a result of consultant analyses</th>
<th></th>
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</thead>
</table>
| Determine private sector interest in recommended projects | - Gain technical guidance  
- Evaluate PPP model alternatives, advantages, risks, etc. |
STEP 2
Project Definition

ACTIVITY

Develop Procurement Process

Enabling legislation

FY_11

Assess projects with Project Suitability Screening Criteria (Attached)

Outreach to interested parties

Establish Board adopted policy for PPP negotiations

TASKS

- Well defined, predictable and transparent
- Procurement team experienced in PPP contracting process
- Determine needed legislation to support identified potential projects
- Pursue required legislation, if necessary
- Finalize environmental studies
- Formulate well defined project scope and objectives
- Assess PPP Project suitability, and identify and allocate potential projects risks
- Stakeholders
- RFI respondents
- Legislators
- Unions
- Operations/maintenance of projects
- Tolls, fares
- Project phasing options
- Procurement policies

STEP 3
Procurement

ACTIVITY

Board action

Negotiations

Board action

Finalize Public-Private Partnership project(s) selection

Identification of public sector funding contribution

Authorization to pursue PPP solicitation and execution of consultant contract option for development of procurement documents

Pursue project specific legislation, if necessary

Negotiate PPP agreement

Structure contract documents to fulfill negotiated agreement

Public sector funding source commitment

PPP agreement execution

Amend LRTP and RTP, if necessary

Exercise consultant contract option for program management support (optional)
## PPP PROJECT SUITABILITY SCREENING

Public agency assessment of project risk under PPP delivery methods

### Screening Criteria

#### ANALYSIS

**Financial Feasibility**
- Project revenue generation potential and parameters
- Private sector economics (capital, O&M costs, financing, etc.)
- Public sector funding levels, identification of dedicated funding source, if possible
- Financial viability of project, life-cycle costs, value for money evaluation
- Project phasing or packaging

**Design and Construction**
- Significant design and construction constraints
- Right of way, geotechnical, hazardous materials risks
- Technical feasibility issues
- Public sector acceptance of technical innovation

**Operations and Maintenance**
- Public or private operator
- Assess existing O&M contracts and viability of PPP opportunities
- Maintainability of service standards by private sector
- Feasibility of performance accountability
- Public sector acceptance of O&M innovation

#### CONCERNS

**Impacts of Approval Process**
- Appraisal of necessary technical staff resources
- Consideration of PPP negotiation process with respect to anticipated project schedule

**Project System Interface**
- Integration of project into existing system
- Impact of private operation on system integration

**Legislation**
- Legal and legislative constraints
- What new legislation, if any, is required to support proposed projects

**Acceptability**
- Stakeholder and political acceptance and support of private involvement in public facility
- Public sector comparator analysis to determine if best project delivery method is really PPP or traditional financing
Transit Corridor Studies Update

- Regional Connector
- Eastside Transit Corridor Phase 2
- Westside Extension

Technical Advisory Committee
September 10, 2008
Regional Connector Transit Corridor

Initial Operating Plan

Pasadena to Long Beach

Culver City to Eastside

Metro Expo Line

Metro Gold Line Eastside Extension
Regional Connector Study Area

Eight Build Alternatives Screened down to Two:

- At-Grade Emphasis LRT
- Underground Emphasis LRT
At-Grade Emphasis LRT Alternative

Station & Alignment Variations, Flower Street between 3rd and 6th Streets
Underground Emphasis LRT Alternative

Station Evaluation Areas
Regional Connector Transit Corridor Study

Next Steps:

- Completion of AA Study Report and Community Update
- Develop recommendation for Metro Board Action
- Metro Board Approval of AA Study Recommendations and Next Steps
Eastside Transit Corridor – Phase 2
Refined Alternatives (5)

5 build alternatives
• SR-60, BRT
• SR-60, LRT
• Beverly Boulevard, LRT
• Whittier Boulevard, LRT
• Washington Boulevard, LRT
Eastside Transit Corridor Phase 2

Stakeholder Meetings

- One (1) Field Trip – City of Montebello Council delegation
- Seventeen (17) City Meetings
- Five (5) Stakeholder Meetings
- Future Cities of South El Monte and Whittier Meetings

Next Steps

- Finalize and provide recommendation for final set of alternative(s) to Metro Board in November 2008
- Set up meetings with stakeholders, cities and staff members regarding the latest update of the study
- Begin community outreach meetings in late 2008 or early 2009
Westside Extension Alternatives Analysis Study
Initial Screening to 7 Alternatives

- Wilshire Subway (2)
- Combined Wilshire/West Hollywood Subway (2)
- BRT (1)
- No Build
- TSM

HRT Subway Extension
Recommended Wilshire Subway Alternative #1
Recommended Wilshire/West Hollywood Combined Subway Alternative #11
Westside Extension

Next Steps:

• Fourth Round Public Meetings to Confirm Alt’s Screening: Sept. 3rd, 4th, 6th, 8th, and 10th

• Completion of AA Study Report

• Develop recommendations for Metro Board action

• Metro Board Approval of AA Study Recommendations and Next Steps
SUBJECT: CONGESTION MITIGATION FEE FEASIBILITY STUDY REPORT

ACTION: APPROVE FINAL DRAFT CONGESTION MITIGATION FEE STUDY REPORT AND AUTHORIZE STEP 2 OF CONGESTION MITIGATION FEE WORK PLAN

RECOMMENDATION

Approve Final Draft Congestion Mitigation Fee Feasibility Study Report (Final Draft Study Report - Attachment A) and authorize the Chief Executive Officer to initiate Step 2 of the Congestion Mitigation Fee Work Plan (Attachment B) consisting of project selection, estimating project costs, and confirming growth forecasts.

ISSUE

Staff has prepared a Final Draft Study Report after circulating the Draft Study Report for stakeholder review. This Board Report is to brief the Board on the Final Draft Study Report stakeholder review process and the comments received from stakeholders from January 11, 2008 through April 25, 2008. See Attachment C for a summary of the Final Draft Study Report.

POLICY IMPLICATIONS

These recommendations are consistent with the direction given by the Board to explore the feasibility of implementing a congestion mitigation fee when the Board adopted the 2003 Short Range Transportation Plan in August 2003.

OPTIONS

The Board could decide not to adopt the Final Draft Study Report. However, this is not recommended as the proposed Congestion Mitigation Fee program has been developed to meet the statutory requirements of the Deficiency Plan of the Congestion Management Program (CMP), and allows the county's jurisdictions to generate new revenue for local projects with a regional benefit that mitigate the impacts of new development.

FINANCIAL IMPACT

Implementing the congestion mitigation fee program would meet CMP conformance requirements allowing jurisdictions to continue receiving Section 2105 State gas tax funding...
in the annual amount of $95 million, as well as other state and federal transportation funds.

The approved FY09 Budget for Cost Center 4220, Project Number 405544, Task Number 01, includes $933,500 to conduct Step 2 of the Congestion Mitigation Fee Work Plan.

**DISCUSSION**

Due to projected growth challenges and ongoing transportation funding shortfalls, the Board authorized work on a Congestion Mitigation Fee Feasibility Study to explore the feasibility of implementing a congestion mitigation fee in Los Angeles County. Staff has been meeting with sub-regional Councils of Governments (COGs), local jurisdictions, the private sector, the Congestion Mitigation Fee Policy Advisory Committee (PAC) and other stakeholders to solicit input on whether a Congestion Mitigation Fee program would work in a complex county such as Los Angeles. On February 20, 2008, staff provided a Receive and File Board Report on the status of the work conducted with stakeholders and the PAC. As a result of this work effort and input received from stakeholders noted above, a congestion mitigation fee program is feasible and summarized in the Congestion Mitigation Fee Program Summary. (Attachment C)

The Congestion Mitigation Fee program will not solve all of the County’s congestion problems. It is one of a several strategies currently being considered by us for generating new revenue that could be used to build much needed transportation projects in Los Angeles County. The Draft 2008 Long Range Transportation Plan (LRTP) has addressed the current funding crisis by committing to “explore new transportation revenues such as public-private partnerships, congestion pricing, and a congestion mitigation fee.” The Final Draft Study Report describes a program that can generate additional revenue for funding local projects with a regional benefit that would provide mobility benefits to jurisdictions across the county. As stated in the Final Draft Study Report, the proposed program can be modified and updated by the Board at each step of the Work Plan.

**Stakeholder Review Period**

Approximately 1,000 copies of the Draft Study Report were distributed for review during the stakeholder review period that took place from January 11, 2008 through April 25, 2008. This review period coincided with the 45-day public comment period of the Draft 2008 LRTP. All 89 jurisdictions received copies of the Draft Study Report through their mayors, supervisors, city and county officials, as well as sub-regional COG executive directors, transit operators, Congestion Mitigation Fee Policy Advisory Committee members, development representatives, and other interested parties. During this period, staff conducted 29 presentations to the sub-regional COGs, local jurisdictions, Caltrans, Metro Technical Advisory Committee (TAC), and other stakeholders. See Attachment D.

In response to staff’s outreach activities, staff received 28 letters (Attachment E) commenting on the Draft Study Report from local jurisdictions, sub-regional COGs, development community, business associations, and other stakeholders. The majority of the comments received were technical in nature and will be addressed in Step 2 when project selection, cost estimates, and growth forecasts will be discussed with jurisdictions and other stakeholders.
Some stakeholders such as the San Gabriel Valley COG, the City of Los Angeles, and the County of Los Angeles expressed a willingness to work with staff on Step 2 of the Work Plan, provided we address their concerns and abide by the Guiding Principles adopted by the Board in April 2007. Some other stakeholders such as the Gateway Cities COG, the Cities of Bellflower, Signal Hill, Cerritos, Long Beach, and organizations such as the Building Industry Association, Central City Association, stated their opposition to the congestion mitigation fee program. Their concerns were primarily centered on the impact the fee would have on the economic development potential of their city or the burden it would impose on businesses. Although these stakeholders expressed opposition, many of them also stated they would want to be involved in future discussions of the fee program if this program is developed further. Other stakeholders identified specific issues or concerns without taking a position on the congestion mitigation fee program. A summary of the comments received are summarized in the following paragraphs and in Attachment F.

A number of comments staff received during the meetings with stakeholders related to the process of developing and implementing the congestion mitigation fee program, which have been addressed in the Guiding Principles that were presented to the Board in April 2007. During the outreach process, jurisdictions expressed strong support for Board commitment to the Guiding Principles as set forth in this program. Some of the other comments included issues pertaining to the importance of local control of the fee program where jurisdictions would charge, collect and retain the fee revenue, the assurance that transportation projects will be constructed within a reasonable time period, as well as select the transportation projects, and that new development should only pay its fair share and not pay for existing deficiencies.

Other concerns that were expressed in writing and in meetings dealt with the issues that will be addressed during Step 2 of the Work Plan such as determining whether the project list will be developed at the sub-regional level or at the local level; providing flexibility in the fee program such as modifying trip generation rates where it is justified, including freight movement transportation projects as a category of projects; resolving how cities can receive benefit from the credit balances they have accumulated as a result of complying with the CMP Deficiency Plan's debit-credit methodology; pooling resources among jurisdictions to generate enough revenue to make the program meaningful, and developing a consensus among jurisdictions generating a list of multi-jurisdictional projects. Several stakeholders such as smaller cities stated that since they are already built out, they may not generate as much revenue as those cities projected to have significant growth placing them at a comparative disadvantage if matching funds become available. In response to jurisdictions' concern regarding the credit balances they have accumulated implementing the debit-credit methodology of the Deficiency Plan, staff is proposing to continue to explore options to address this issue in Step 2.

Additional comments received pertain to the Draft Study Report document such as correcting errors and modifying language to certain sections of the document to enhance the effectiveness of the program. These comments include adding language regarding how the fee would only apply to the net increase in residential, industrial, or commercial space, and would not apply to remodeling that does not generate new trips. Also, the document has been modified in other sections to address various issues such as our commitment to...
working with jurisdictions during Step 2 to confirm or reconcile their growth forecasts and make them consistent with each jurisdiction's General Plan forecasts, clarifying that compliance with the congestion mitigation fee program and the CMP Deficiency Plan would consist of good faith effort on part of the jurisdiction to implement the Congestion Mitigation Fee program (such as adopting the fee program ordinance, collecting the fee revenue, and submitting the required annual CMP Local Development Reports); establishing a CMP Technical Advisory Committee comprised of stakeholders to work with Metro staff to address technical issues as they arise during Step 2 of the Work Plan; and clarifying local representation on the CMP Appeals Panel. See Attachment F for a bulleted summary of key points expressed by stakeholders during discussions in meetings and through written correspondence.

Work Plan Milestones

Staff completed Step 1 of the Work Plan (Attachment B), which consisted of the Feasibility Study, Final Draft Study Report, and receiving input from stakeholders through the outreach activities carried out by staff and the contractor. The outcome of this work effort is documented in the Final Draft Study Report, which will be distributed to stakeholders upon approval by the Board.

If the Board adopts the Final Draft Congestion Mitigation Fee Study Report and authorizes staff to proceed, then staff would work with jurisdictions to confirm their growth forecasts, identify local projects with regional benefit, and estimate the cost of these transportation projects. Staff has prepared a growth forecasting and fee revenue calculation tool to assist jurisdictions and other parties to review growth forecasts, and to conduct "what if", or pro-forma, scenarios regarding mitigation fee amounts. This calculation tool estimates the fee amount a jurisdiction would need to have in place to pay for the cost of transportation projects needed to help mitigate the impacts of growth. Step 2 is currently scheduled to occur between January 2009 and June 2009 with results to be presented to the Board in July 2009. If the Board directs staff to proceed to Step 3, then the Nexus Study technical analysis would take place between August 2009 and February 2010 with results to be presented to the Board in March 2010. The final step, or Step 4, of the Work Plan is local program implementation, which consists of jurisdictions adopting ordinances to implement the Congestion Mitigation Fee program at the local level with a project list and a corresponding fee amount. After these steps are completed, then staff would update the CMP and replace the debit-credit methodology of the Deficiency Plan with the Congestion Mitigation Fee Program.

Additionally, the San Gabriel Valley Council of Governments (COG) has expressed interest in conducting a congestion mitigation fee pilot study to explore the feasibility of a mitigation fee for the cities within the San Gabriel Valley. Through this study, the COG and its cities will identify projects that could be implemented through a mitigation fee and whether such projects could be of benefit to the cities and the sub-region. This work activity will be integrated into our consultant work scope for Step 2, and upon approval of this report, our staff and consultants will assist the COG in initiating this effort. The lessons learned from this study may be beneficial to other COGs and cities in understanding how the mitigation fee could be implemented.
NEXT STEPS

Upon Board approval, staff will work with jurisdictions and other stakeholders on Step 2 of the Congestion Mitigation Fee Work Plan, which consists of identifying projects, estimating project costs, and reviewing growth forecasts with jurisdictions. Staff and consultants will also support the San Gabriel Valley COG in conducting a congestion mitigation fee pilot project. If the Board adopts the Final Draft Study Report, it will establish the program guidelines for the proposed program and establish the framework for proceeding to work with local jurisdictions to identify projects and review growth forecasts (Step 2 of Work Plan), as well as guide the development of the Nexus Study (Step 3 of Work Plan). Each of these steps requires Board action to proceed.

Prepared by: Robert Cáliz, Transportation Planning Manager IV
Heather Hills, Director, Long Range Planning

ATTACHMENTS
A. Final Draft Congestion Mitigation Fee Feasibility Study Report
B. Congestion Mitigation Fee Work Plan
C. Congestion Mitigation Fee Program Summary
D. Stakeholder Review Meetings Matrix
E. Letters Received From Stakeholders
F. Summary of Stakeholder Comment
Carol Inge
Chief Planning Officer
Countywide Planning & Development

Roger Snoble
Chief Executive Officer
SUBJECT: PROGRAMMING OF FUNDS FOR LOS ANGELES REGION CONGESTION REDUCTION DEMONSTRATION INITIATIVE PROJECTS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATIONS

A. Approve programming of $290.6 million to support the implementation of projects listed in Attachment A, consistent with the Board-approved Memorandum of Understanding (MOU) with the United States Department of Transportation (USDOT) for the Los Angeles Region Congestion Reduction Demonstration Initiative; and,

B. Authorize the Chief Executive Officer (CEO) to negotiate and execute funding agreements with Caltrans and local agencies for the implementation of their projects under the Initiative.

ISSUE

To implement projects under the Los Angeles Region Congestion Reduction Demonstration Initiative, the Los Angeles County Metropolitan Transportation Authority (LACMTA) must program a total of $290.6 million. The projects include transit improvements and the conversion of high occupancy vehicle (HOV) lanes on Interstate 10 and Interstate 110 to high occupancy toll (HOT) lanes.

POLICY IMPLICATIONS

Our recommendations are consistent with the June 2007 Board directive to develop an operating plan for congestion pricing alternatives that could be implemented in Los Angeles County by the year 2010. Our recommendations also are consistent with the Board-approved execution of the MOU with the USDOT, as directed in July 2008.

OPTIONS

The Board could elect to defer or not approve our recommendations. We do not recommend such options because without these actions, we would not be able to access the $290.6 million USDOT grant and we would risk losing these funds. Under the terms and
conditions of the MOU with the USDOT, we cannot draw down any of the $210.6 million until we certify to the USDOT that we have made funding available in an amount sufficient to pay for the HOV-to-HOT lane conversions.

**FINANCIAL IMPACT**

Funding for the recommended programming action is available from the $210.6 million USDOT grant and $80 million in state Proposition 1B Transit Modernization funding that the Board has not yet programmed. If the recommended programming is approved, the funding to complete projects included in the Congestion Reduction Demonstration Initiative will be included in the appropriate fiscal year budgets. As this is a multi-year program, the Chief Planning Officer and individual project managers for each activity will be responsible for budgeting the costs in future years.

**BACKGROUND**

On April 24, 2008 the Board authorized the Chair and the CEO to execute a Congestion Reduction Demonstration Agreement with the USDOT. On July 24, 2008, the Board authorized the CEO to execute an amendment to the MOU with the USDOT, changing the priority for implementing HOT lanes on the Interstate 10 and Interstate 210 to the Interstate 10 and Interstate 110 instead. The amended and restated MOU also reflected a revised federal allocation amount of $210.6 million.

**Congestion Reduction Demonstration Initiative Projects**

The projects listed in Attachment A of this report are those that we are recommending to receive $290.6 million in programming with Board approval. We have placed projects on this list after consulting with Caltrans, the City of Los Angeles Department of Transportation, affected municipal transit operators, LACMTA Operations, and other regional partners as to how we can best implement and support the Los Angeles Region Congestion Reduction Demonstration Initiative.

Most of the projects shown in Attachment A already appear in our USDOT application for the Congestion Reduction Demonstration Initiative, as well as in the MOU with the USDOT. However, funding recommended for individual projects may be different from that initially identified in the original application to the USDOT and in the MOU. The differences are due to more detailed analyses, additional input from our regional partners regarding transit service needs and required highway improvements, and the technical assistance that our consultants are now providing. In particular, working with Caltrans and our consultants, we have been able to obtain enough savings from original HOV-to-HOT conversion estimates to accommodate funding for additional projects that would help to ensure success for the region's Congestion Reduction Demonstration Initiative. These savings also allowed us to develop a funding reserve for the operation, maintenance, and enforcement of the HOT lanes, as well as a separate funding allotment for the new and expanded transit services that LACMTA and the municipal transit operators will be expected to provide.

We believe that the projects listed in Attachment A support a multimodal and integrated approach for managing traffic congestion in our region. These projects include transit and...
highway components, with improved rail and bus facilities and services, parking infrastructure and management, transit signal priority, and amenities for non-motorized transport. Projects also include enhancements to park-and-ride facilities, as well as improvements for access, capacity, and security at transit centers, bus stops, and rail stations along Interstate 10 and Interstate 110. The purchase of 57 buses for LACMTA and municipal transit operators to provide new and enhanced transit service along the HOT lane corridors is part of our programming recommendation. Based on discussions with LACMTA Operations and affected municipal transit operators, this bus purchase with corresponding service expansions and improvements, will provide an adequate travel alternative to driving and would encourage mode shifts to transit.

We also anticipate that several of the Attachment A projects recommended for programming will help to address a concern that the Board has expressed regarding a potential bottleneck in the City of Los Angeles at the northern terminus of the Harbor Transitway along Interstate 110 near Adams Boulevard. The projects are expected to provide additional capacity at the northbound off-ramp on Adams Boulevard through street widening and the application of transit signal priority at major intersections, which will improve transit and passenger vehicle circulation. Also of note is a project for Interstate 10 that would expand the capacity of the HOV lane by re-stripping and making buffer changes that could result in accommodating an additional lane in each direction.

Funding the Initiative’s Projects

The USDOT has provided our Initiative with $210.6 million of Federal Transit Act Section 5309 Discretionary funds that can be used only for bus and bus facilities projects. Our Initiative includes activities that are ineligible for the funding that the USDOT has provided. In particular, the HOV-to-HOT lane conversions cannot use the Section 5309 funding directly. Therefore, we are pursuing a programming strategy that involves a series of funding transfers or exchanges that will make eligible highway funding available for the Initiative’s HOV-to-HOT lane conversions and eligible transit funding available for the transit elements supporting the Initiative.

Our programming strategy includes a funding plan that will use the $210.6 million of USDOT monies on bus and bus facilities projects that presently are financed with less restrictive sources that may include federal Congestion Mitigation and Air Quality Improvement (CMAQ) funds, federal Surface Transportation Program (STP), local Proposition C sales tax revenues, lease revenues, parking-generated revenues, etc. Once we have released the less restrictive funding using the USDOT monies, we will transfer the appropriate and eligible amounts needed to fund the congestion pricing conversion projects and other support activities without delaying or affecting previously funded activities. We already have approached both the USDOT and the Federal Transit Administration (FTA) and they have concurred with our approach.

One such application of our strategy already has involved our Federal Transit Act Section 5307 Urban Formula funds. We typically use our annual allocation of Section 5307 funds (about $140 million per year) to finance bus preventive maintenance activities. Preventive maintenance is an eligible capital activity under the bus and bus facilities program. With final concurrence from the FTA and the Southern California Association of Governments,
we funded our bus preventive maintenance activities with the Section 5309 monies provided through the MOU with USDOT. Consequently, Section 5307 funds became available for use on other eligible activities in our Initiative such as bus and bus facilities projects, rail facilities improvements, security, and even the HOV-to-HOT lane conversion activities. Use of the available Section 5307 funding for HOV-to-HOT lane conversion activities will involve the extra step of transferring the funding to a federal highway program (such as CMAQ or STP) and then using the then-converted highway funds for our Initiative’s lane conversions. Such a transfer is allowable under existing federal legislation that permits the movement of Section 5307 funds to the highway program. As we proceed with our strategy, we will continue working with the FTA, the Federal Highway Administration (FHWA), and our regional partners to ensure that the appropriate amount of funding released through transfers or exchanges will be used for only eligible activities or projects included in our Initiative.

NEXT STEPS

With Board approval, we will finalize funding agreements with Caltrans and local agencies for the implementation of their projects under the Initiative. We also will provide the certifications and assurances that the USDOT, FTA and FHWA will require of us before allowing us to access any federal funding used for activities or projects in our Initiative.

ATTACHMENT

A. Congestion Reduction Demonstration Initiative Projects

Prepared by: Ashad Hamideh, Ph.D., Transportation Planning Manager
Regional Program Management
Carol Inge
Chief Planning Officer

[Signature]

Roger Motlere
Chief, Real Property Management and Development

[Signature]

Roger Snoble
Chief Executive Officer

[Signature]
Los Angeles County Metropolitan Transportation Authority

**Congestion Reduction Demonstration Initiative Projects**

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Cost (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOT lanes on 1-10 from Alameda St. Union Station to 1-605 and on 1-110 from 182nd St. Artesia Transit Center to Adams Blvd.</td>
<td>$1.0</td>
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<tr>
<td>Expand capacity of the 1-10 HOT lane (restriping and buffer changes)</td>
<td>$2.0</td>
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<tr>
<td>1-110 Adams-Figueroa Flyover - Project Study Report</td>
<td>$3.0</td>
</tr>
<tr>
<td>Expand capacity of the 1-110 off-ramp at Adams Blvd., including street widening</td>
<td>$3.2</td>
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<tr>
<td>Transit signal priority in the City of Los Angeles</td>
<td>$4.0</td>
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<tr>
<td>28 buses for the 1-10 El Monte Busway</td>
<td>$5.6</td>
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<tr>
<td>29 buses for the 1-110 Harbor Transitway</td>
<td>$20.0</td>
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<tr>
<td>Platforms and parking at the Metrolink Pomona Station 1</td>
<td>$20.9</td>
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<td>El Monte Transit Center expansion &amp; El Monte Busway improvements, including bike lockers and access to Patsaouras Transit Plaza</td>
<td>$55.3</td>
</tr>
<tr>
<td>Ticket vending machines at El Monte Busway stations</td>
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<tr>
<td>City of Los Angeles Intelligent Parking Management Program</td>
<td>$15.0</td>
</tr>
<tr>
<td>Artesia Transit Center bike lockers and law enforcement substation</td>
<td>$0.4</td>
</tr>
<tr>
<td>Harbor Transitway park &amp; ride improvements, including signage, lighting, security, ticket vending machines, and new bus stops under标题 '1-10' &amp; '1-110' for Lines 108/115</td>
<td>$2.5</td>
</tr>
<tr>
<td>Union Division</td>
<td>$80.0</td>
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<tr>
<td>HOT lane operations (O&amp;M, including enforcement and new transit services)</td>
<td>$2.4</td>
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**Funding Sources**

<table>
<thead>
<tr>
<th>Source</th>
<th>Cost (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposition 1 B</td>
<td>$80.0</td>
</tr>
<tr>
<td>Congestion Reduction Demonstration (5309, 5307, CMAQ, Prop D, etc.)</td>
<td>$210.6</td>
</tr>
</tbody>
</table>

**Grand Total** $290.6

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1. Project has additional federal funding of $3.5 million and Proposition C funds of $1.7 million.
2. Project has additional funding of $2.9 million from Call for Projects and $2.0 million from Union Station Gateway.
3. The City of Los Angeles to provide an additional $3.5 million from non-federal funding sources.
5. Project has additional $5.0 million Proposition 1 B funding already programmed by the Board.
6. New transit services may include vanpooling activities, subject to available funding.
7. Funding sources may change depending upon eligibility requirements and availability. Some funding sources may be exchanged with others, but total recommended programming amount of $290.6 million will remain the same.
8. All or part of Proposition 1 B funds may be used for the Union Division.