



## Board Report

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### PLANNING AND PROGRAMMING COMMITTEE NOVEMBER 18, 2015

**SUBJECT: 2016 STATE TRANSPORTATION IMPROVEMENT PROGRAM FUNDING FOR LOS ANGELES COUNTY PROJECTS**

**ACTION: APPROVE 2016 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM FOR LOS ANGELES COUNTY**

#### **RECOMMENDATION**

APPROVING the **2016 Regional Transportation Improvement Program for Los Angeles County** as shown in Attachment A.

#### **ISSUE**

In August 2015, the California Transportation Commission (CTC) adopted the 2016 State Transportation Improvement Program (STIP) Fund Estimate, with significantly lower revenues than previous STIP cycles. The CTC has requested regional agencies to voluntarily reprogram existing STIP projects to later years to conform to the new revenue projections. Staff is proposing to reprogram existing RTIP-funded projects consistent with the 2009 Long Range Transportation Plan.

#### **DISCUSSION**

##### Background

The STIP is a five-year capital improvement program of transportation projects on and off the State Highway System, funded with revenues from the State Highway Account and other funding sources. Every two years, the CTC develops and adopts guidelines and a fund estimate for the new STIP cycle. The last STIP was adopted by the CTC in March 2014. The 2016 STIP covers the five-year period from Fiscal Year 2017 (FY2017) through FY2021. In August 2015 the CTC adopted a “zero fund estimate” for the 2016 STIP, which does not provide additional funding for new projects and necessitates the reprogramming of existing STIP projects due to less than previously expected revenues. The 2016 STIP Fund Estimate also decreased the amount of funding available for allocation in FY2016. Based on the 2016 STIP Fund Estimate CTC staff has indicated that approximately half of the remaining unallocated 2014 STIP program by dollar value will need to be reprogrammed to the last two years of the 2016 STIP Cycle (FY2020 and FY2021).

The STIP contains two portions. The Regional Transportation Improvement Program (RTIP) accounts for 75% of the total STIP and is directly programmed by Regional Transportation Planning Agencies and County Transportation Commissions. The CTC will be holding the Southern California RTIP Hearing in Los Angeles County on January 26, 2016. The RTIP portion is the subject of this report. The second portion is the Interregional Transportation Improvement Program (ITIP), which consists of the remaining 25% of the STIP and is directly programmed by Caltrans. The CTC adopts the ITIP, which is consistent with the Interregional Transportation Strategic Plan (ITSP). The ITSP is set for adoption in October 2015. Los Angeles County has two projects which are in the ITIP. The first is the Burbank Airport/Rail Station Pedestrian Grade Separation Project, which has \$7M programmed in FY2019. The second project is the Double Track near Northridge Station Project, which has \$63M programmed in FY2016. Given the zero fund estimate, the CTC will also be reconsidering delivery dates for these projects. The CTC will be holding the Southern California hearing about the 2016 ITIP portion in Los Angeles on November 4, 2015.

#### Proposed 2016 RTIP for Los Angeles County

Given the lack of new funding this STIP cycle, we are proposing no new projects in the 2016 RTIP. Additionally, there are four projects remaining from the 2014 RTIP with funds not yet fully allocated. These projects are SR-138 Segment 9, SR-138 Segment 6, SR-138 Segment 13, and Light Rail Vehicles Purchase. In order to meet the directive from CTC staff, we are proposing the following:

- SR-138 Segment 9 is programmed in FY2016 for the Construction Phase (\$12.6M). Caltrans indicated this project can be delivered in FY2016, and as a result, we are recommending this project remain in its original program year.
- SR-138 Segment 6 is programmed for FY2017 for the Construction Phase (\$13.7M). Caltrans indicated this project can be delivered in FY2017 and that deferring this project would require substantial redesign, triggering significant cost increases. Due to this risk, we are recommending the project remain programmed in FY2017.
- SR-138 Segment 13 is programmed in FY2017 for Construction (\$41.9M). Caltrans indicated this project can be deferred. However deferring this project would result in cost increases to this project due to escalation and revised estimates. We are recommending deferring this project to FY2021 to be consistent with the direction from CTC staff.
- SR-138 Rt. 14-50<sup>th</sup> St is proposed to be closed out. Once the project is closed out, the programming capacity will become available in FY2021. We are recommending reprogramming the \$13.9M to SR-138 Segment 13 to cover potential cost increases.
- The Light Rail Vehicle Purchase is programmed for FY2018 (\$50.0M) and FY2019 (\$52.4M). We are recommending reducing the FY2018 programmed amount to \$21.7M and the FY2019 amount to \$26.2M. The balance of \$54.5M will be divided over the two remaining program years of FY2020 and FY2021. This reprogramming is not expected to negatively impact the delivery of the rail cars.

In addition to capital projects, we are also including in the 2016 RTIP for Los Angeles County

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Planning, Programming, and Monitoring (PPM) funds and AB3090 reimbursement. PPM is used to fund the planning activities of Metro and is programmed for FY2016 (\$3.1M), FY2017 (\$6.1M), FY2018 (\$5.0M), FY2019 (\$4.6M). The CTC typically views PPM has a high priority for allocation. The 2018 STIP will include FY2020 and FY2021. Should the 2018 STIP Fund Estimate include new or increased revenues, we will be able to program PPM funds for FY2020 and FY2021 at that time.

In addition to PPM, there is also an AB3090 reimbursement for \$34.4M. This reimbursement is for our advancement of funds for the Crenshaw/LAX LRT Project and is needed to maintain the cash flow for that project. The program years for this reimbursement will remain FY2018, FY2019, and FY2020.

### New STIP Reporting Requirements

Governor Brown issued Executive Order B-30-15 on April 29, 2015, related to climate change and ordering that a new interim statewide greenhouse gas emission reduction target to reduce greenhouse gas emissions to 40 percent below 1990 levels by 2030 is established. The order states that State agencies shall take climate change into account in their planning and investment decisions, and employ full life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives.

Executive Order B-30-15 must be considered by the Department and Regional Agencies when proposing new programming for the 2016 STIP. The CTC intends to consider Executive Order B-30-15 when approving programming recommendations in the event that programming requests exceed programming capacity.

CTC staff is requesting that regions voluntarily select which projects to defer. Regions that do not voluntarily reprogram will have their projects reprogrammed at the CTC's discretion and will be required to conduct additional analysis and reporting per the Governor's Executive Order B-30-15. Executive Order B-30-15 is consistent with the Board adopted Countywide Sustainability Planning Policy. However, given the absence of new programming capacity, it would be more appropriate to reserve this type of analysis and reporting for new programming opportunities.

### DETERMINATION OF SAFETY IMPACT

Adoption of the 2016 RTIP will have no direct impact on the safety of our customers and/or employees.

### FINANCIAL IMPACT

Approval of the 2016 RTIP for Los Angeles County would have no negative financial impact to Los Angeles County. While approximately \$37M is proposed to be deferred until FY2020 and \$83.6M is proposed to be deferred until FY2021 due to declining state revenues, the reprogramming actions shown in Attachment A will deliver the existing STIP program. We will continue working with Caltrans to mitigate any potential cost increases due to this delay.

Impact to Budget

The approval of the 2016 RTIP has no impact to the FY2016 budget.

**ALTERNATIVES CONSIDERED**

The Metro Board could elect to maintain the existing program years for the projects described above. This approach is not recommended as it would trigger CTC action to reprogram those projects to dates and in amounts that may disrupt the ability of Caltrans and Metro to deliver those projects. This could also result in additional analysis and reporting costs which were not included in the FY2016 budget.

**NEXT STEPS**

With Board approval of our recommendation, we will proceed with the following 2016 Los Angeles County RTIP as required:

- Regions submit RTIP requests to CTC December 15, 2015
- CTC RTIP hearing held in Southern California January 26, 2016
- CTC publishes staff recommendations February 19, 2016
- CTC adopts STIP March 16-17, 2016

**ATTACHMENTS**

Attachment A - 2016 RTIP for Los Angeles County

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**LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO)  
2016 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM PROJECTS  
(\$000)**

| Agency                                     | Rte  | PPNO  | Project                                            | Total          | Prior Years | 2016 RTIP Project Totals by Fiscal Year |               |               |               |               | 2016 RTIP Project Totals by Component |       |                |
|--------------------------------------------|------|-------|----------------------------------------------------|----------------|-------------|-----------------------------------------|---------------|---------------|---------------|---------------|---------------------------------------|-------|----------------|
|                                            |      |       |                                                    |                |             | FY 17                                   | FY 18         | FY 19         | FY 20         | FY 21         | R/W                                   | Const | PS&E           |
| METRO                                      |      | 9001  | Planning, programming, and monitoring              | 18,846         |             | 6,136                                   | 4,995         | 4,617         |               |               |                                       |       |                |
| METRO                                      | rail | 4025  | Light rail vehicles (78 plus 39 w/option)          | -102,400       |             |                                         | 50,000        | 52,400        |               |               |                                       |       | -102,400       |
| METRO                                      | rail | 4025  | Light rail vehicles (78 plus 39 w/option)          | 102,400        |             |                                         | 21,700        | 26,200        | 26,700        | 27,800        |                                       |       | 102,400        |
| METRO                                      | cash | 4027A | AB 3090 reimbursement (12S-015) fr 17-18 to 19-20  | 34,400         |             |                                         | 6,880         | 17,200        | 10,320        |               |                                       |       |                |
| Caltrans                                   | 138  | 4560  | Widening Segment 9, 126th St E - Longview Rd       | 12,600         | 12,600      |                                         |               |               |               |               |                                       |       |                |
| Caltrans                                   | 138  | 4356  | Widening Segment 6, 87th St E - 96th St E (14S-07) | 18,200         | 4,500       | 13,700                                  |               |               |               |               |                                       |       | 13,700         |
| Caltrans                                   | 138  | 393F  | Rt 14-50th St, new expwy, RAW                      | -13,935        | -13,935     |                                         |               |               |               |               |                                       |       |                |
| Caltrans                                   | 138  | 4357  | Widening Segment 13, 190th St E - Rt 18 (14S-07)   | -51,400        | -9,500      | 41,900                                  |               |               |               |               |                                       |       | -41,900        |
| Caltrans                                   | 138  | 4357  | Widening Segment 13, 190th St E - Rt 18 (14S-07)   | 51,400         | 9,500       |                                         |               |               |               | 55,835        |                                       |       | 55,835         |
| <b>TOTAL 2016 RTIP PROGRAMMING REQUEST</b> |      |       |                                                    | <b>222,083</b> |             | <b>19,836</b>                           | <b>33,575</b> | <b>48,017</b> | <b>37,020</b> | <b>83,635</b> |                                       |       | <b>171,935</b> |

- Const Construction
- PS&E Plan, Specifications, and Estimate
- PPNO Program Project Number
- Rte Route
- R/W Right of Way
- RTIP Regional Transportation Improvement Program