



Board Report

File #: 2016-0087, File Type: Program

Agenda Number: 18.

PLANNING AND PROGRAMMING COMMITTEE FEBRUARY 17, 2016

SUBJECT: 2016 STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

ACTION: APPROVE METRO PRIORITIES FOR FUNDING STIP PROJECTS

RECOMMENDATION

APPROVE:

- A. **Metro funding priorities for recommendation to the California Transportation Commission for the prioritization of projects for funding in the 2016 STIP (Attachment A); and**
- B. **Resubmittal of the 2016 Regional Transportation Improvement Program (RTIP) for Los Angeles County as adopted by the Metro Board in December 2015 (Attachment B).**

ISSUE

On December 3, 2015, the Metro Board of Directors adopted the 2016 Regional Transportation Plan (RTIP) for Los Angeles County for submittal to the California Transportation Commission (CTC) consistent with a STIP Fund Estimate containing deferred funding adopted by the CTC in August 2015. On January 21, 2016, in response to continued declines in gasoline prices, the CTC adopted a revised STIP Fund Estimate which reduced overall STIP funding by approximately \$754 million over the five-year STIP period. Based on this reduction, CTC staff asked regional agencies to resubmit their 2016 RTIPs consistent with this new Fund Estimate. The CTC has the choice of 1) implementing statewide priorities consistent with the Fiscal Year 2016 Allocation Plan for reprogramming or deprogramming projects, or 2) imposing a decrease in STIP funds by formula. The formula reduction may translate into a \$118.4 million reduction in funding for Los Angeles County from the RTIP portion of the STIP and a decrease in \$188.4 million statewide for the Interregional Transportation Improvement Program (ITIP) projects, of which there are two in Los Angeles County.

The CTC has asked for regions to submit updated RTIPs by February 26, 2016 with adoption by the CTC scheduled for May 18, 2016. Metro staff is proposing to use the allocation priorities established by the CTC for the Fiscal Year (FY) 2016 Allocation Plan, as shown in Attachment A, with added information about how projects which are awarded, under contract, and underway are typically placed before any other allocation priorities. The recommendation is consistent with the Allocation Plan as well as established CTC practice for addressing limited funding availability.

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 FY2017 through FY2021. In August 2015 the CTC adopted a “zero fund estimate” for the 2016 STIP, which provided no additional funding for new projects and necessitated the deferral of existing STIP projects due to actual revenue trends falling below previous estimates.

Metro submitted the 2016 RTIP for Los Angeles County on December 15, 2015 that addressed the August 2015 STIP Fund Estimate by reprogramming the existing list of projects as shown in Attachment B. On January 21, 2016, the CTC adopted a revised Fund Estimate which reduced the overall STIP programming capacity by \$754 million over the five-year period and set a new deadline for STIP submittals by February 26, 2016. The CTC has requested regions resubmit their RTIPs based on this new Fund Estimate.

Staff proposes resubmitting the 2016 RTIP with additional supporting information regarding the priority status of the LA County RTIP as well as ITIP projects consistent with Allocation Plan priorities shown in Attachment A. This will correctly position Metro’s program as the CTC decides how to prioritize it relative to other needs statewide. The projects shown in Attachment B are programmed consistent with the priorities recommended in Attachment A.

The STIP contains two portions. The 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 Orange County on March 17, 2016.

The second portion is the ITIP, which makes up the remaining 25% of the STIP and is requested by Caltrans and adopted by the CTC. Los Angeles County has two projects in the ITIP. The first is the Burbank Airport/Rail Station Pedestrian Grade Separation Project, which has \$7 million (\$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 held the Southern California hearing about the 2016 ITIP portion in Los Angeles on November 4, 2015.

Proposed 2016 STIP Priorities

At the December CTC meeting, the CTC adopted an Allocation Plan for FY2016 projects due to the adopted STIP Fund Estimate. The Allocation Plan is a priority setting tool for CTC staff to manage allocation requests throughout the Fiscal Year. Attachment A shows the FY2016 Allocation Plan established along with the Metro staff recommendation to include projects with existing contract awards based on multi-year allocations as the highest priority. In summary the priorities are as

follows:

- *Projects with existing contract awards based on multi-year allocations* (Unwritten CTC policy);
- AB 3090 cash reimbursements;
- Planning, Programming and Monitoring (PPM);
- Projects funded with both STIP and other competitively selected fund;
- Projects at risk of losing federal funding if not allocated; and
- Project Allocations - safety, transit, highway capacity, active transportation, local roads

While not explicitly listed in the FY2016 Allocation Plan priorities, CTC practice is that allocated and contracted projects are the highest priority for funding. Metro staff's position is that the Light Rail Vehicles should be placed as a higher priority than all other yet to be allocated projects since they have already received multiple allocations, are under contract award, and the work is well underway. A project which has a contract award based on a multi-year STIP allocation should be treated like a highway project that has already been awarded. Typically, highway projects are allocated in the full amount at one time. Metro has previously accommodated a multi-year allocation for the purchase of Light Rail Vehicles to help the State better manage its programming capacity in the STIP. Metro has received approximately \$244 million in STIP allocations. Staff's position is that the remaining \$102.4 million continue to be allocated since this is part of one project. The CTC has not contemplated stopping highway projects under a contract award and de-mobilizing the project.

These priorities in Attachment A have been developed through longstanding practice which has been updated to include consideration of climate change impacts and project lifecycle costs, such as state of good repair, which are codified in the Governor's Executive Order B-30-15.

The projects listed below are grouped by portion of the STIP. While RTIP and ITIP projects are funded from different portions of the STIP, the CTC typically applies the same allocation priorities across both the RTIP and ITIP. Given broad statewide consensus on the allocation priorities, Metro staff recommends prioritizing our 2016 STIP projects according to the Allocation Plan priorities as shown in Attachment A.

- **Projects Funded with RTIP**
 - Metro's Light Rail Vehicle Purchase was programmed for FY2018 (\$50.0M) and FY2019 (\$52.4M) in the 2014 RTIP. The recommendation adopted by the Board in December, 2015 was 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. Typically, projects and phases which have received an allocation vote, are under contract, and are under construction are not considered for deprogramming and are a high priority for allocation.
 - AB3090 reimbursement for \$34.4M in RTIP funding. 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 are FY2018,

FY2019, and FY2020.

- Planning, Programming, and Monitoring (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) in RTIP funding.
- SR-138 Segment 9 is programmed in FY2016 for the Construction Phase (\$12.6M) in RTIP funding. Caltrans indicated this project can be delivered in FY2016, and as a result, we are recommending this project remain in its original program year. Additionally, this project is slated to receive its allocation under the FY2016 Allocation Plan.
- SR-138 Segment 6 and 13 are programmed for FY2017 for the Construction Phase (\$13.7M) and FY2021 for the Construction Phase (\$55.8M) respectively in RTIP funding. Currently these projects are defined as “Capacity Expansion on the State Highway System.” Metro staff is working with Caltrans District 7 to reclassify these projects as safety projects, which is consistent with the goals and objectives of the projects. By reclassifying these two projects as safety projects, the CTC should view both as high priority for allocation.
- Projects Funded with ITIP
 - Burbank Airport/Rail Station Pedestrian Grade Separation Project has \$7M programmed in FY2019 in ITIP funding. Since this is an intercity rail project with safety benefits, Metro staff believes this project will be a high priority for allocation and should not be deleted to address the funding limitations of the 2016 Fund Estimate.
 - The Raymer to Bernson Double Track near Northridge Station Project has \$63M programmed in FY2016 in ITIP funding. We have notified the CTC and Caltrans that this project has been delayed for two years pending additional analysis. This delay will help the CTC to manage the funding shortfall presented by the new STIP Fund Estimate.

Resubmittal of the 2016 RTIP for Los Angeles County

Metro staff proposes resubmitting the 2016 RTIP for Los Angeles County with the same projects, dollar amounts, and program years as was submitted by the original December 15, 2015 deadline, as shown in Attachment B. Attachment B is revised to include the ITIP projects in Los Angeles County and is consistent with the priorities shown in Attachment A.

Legislative Outreach Efforts

The Metro Board of Directors and Metro staff have long advocated for solutions to the volatility in the STIP specifically and transportation funding uncertainty at the state level in general. Governor Brown convened a Special Session of the Legislature in June 2015 to address transportation funding and policy issues. The Metro Board directed staff to write letters of support and work with the Los Angeles County delegation to advance legislation which would stabilize transportation funding from the state and address long-term structural issues with the current funding arrangements. Metro staff

is continuing to engage with not only legislators from Los Angeles County but also with Southern California representatives on the CTC to ensure a fair and equitable solution to funding transportation in California.

DETERMINATION OF SAFETY IMPACT

Action on this item will have no direct impact on the safety of our customers and/or employees.

FINANCIAL IMPACT

Action on this item would have no negative financial impact to Los Angeles County. Providing priority information consistent with the Allocation Plan to CTC staff is anticipated to minimize any potential delay in projects programmed in the 2016 RTIP.

Impact to Budget

Action on this item has no impact to the FY2016 budget.

ALTERNATIVES CONSIDERED

The Metro Board could direct staff to provide different information on project priorities from what is proposed in Attachment A. Metro staff does not recommend this approach as it would deviate from the previously established Allocation Plan priorities and may jeopardize funding for these projects.

The Metro Board could also choose to adopt a revised 2016 RTIP for Los Angeles County identifying \$118 million worth of project funding for deletion from the STIP, according to the Los Angeles County share of the \$754 million statewide shortfall. Metro staff does not recommend this approach as it could jeopardize the delivery of projects programmed in the RTIP.

NEXT STEPS

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

- Regions submit revised RTIPs February 26, 2016
- Caltrans submits revised ITIP February 26, 2016
- CTC STIP Hearing, South March 17, 2016
- CTC STIP Hearing, North March 24, 2016
- CTC publishes staff recommendations April 22, 2016
- CTC adopts STIP May 18-19, 2016

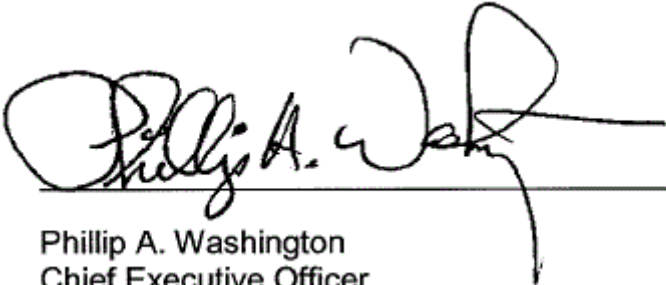
ATTACHMENTS

Attachment A - FY2016 STIP Programming Priorities

Attachment B - 2016 RTIP for Los Angeles County and ITIP Projects

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Phillip A. Washington
Chief Executive Officer

FY2016 STATE TRANSPORTATION IMPROVEMENT PROGRAM RECOMMENDED PROGRAMMING PRIORITIES

The priorities listed below are consistent with the FY2016 Allocation Plan as well as current CTC programming and allocation process.

- Projects with existing contract awards based on multi-year allocations as the highest priority
- AB 3090 cash reimbursements
- Planning, Programming and Monitoring
- Projects funded with both STIP and other competitively selected fund
- Projects at risk of losing federal funding if not allocated
- Project Allocations for:
 - Required mitigation projects for construction projects previously allocated
 - Safety projects on the state highway system (that cannot be funded by SHOPP)
 - Operational improvements on the state highway system
 - Capacity expansion intercity rail projects
 - Operational improvements on intercity rail system
 - Capacity expansion urban transit projects with intercity rail benefit or significant regional benefit
 - Operational improvements to transit with intercity rail benefit or significant regional benefit
 - Capacity expansion projects on state highways with freight benefit or that demonstrate significant economic impact, and that incorporate multiple corridor elements (rail, transit and/or active transportation)
 - Capacity expansion projects on state highways with freight benefit or that demonstrate significant economic impact
 - Local road rehabilitation and reconstruction
 - Operational improvements on local road and transit operational improvements
 - Active Transportation projects
 - Capacity expansion projects on state highways (other than those detailed above)
 - Capacity expansion local road projects and capacity expansion transit projects without intercity rail or significant regional benefit
 - Preconstruction funding for projects on the state highway system (excluding preconstruction components for projects funded with both STIP and other competitively selected funds)
 - Preconstruction funding for projects on local roads (excluding preconstruction components for projects funded with both STIP and other competitively selected funds)

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO)
2016 STATE 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	3,098	6,136	4,995	4,617					
METRO	cash	4027A	AB 3090 reimbursement (12S-015) fr 17-18 to 19-20	34,400			6,880	17,200	10,320				
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	
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	

TOTAL 2016 RTIP PROGRAMMING REQUEST	222,083		19,836	33,575	48,017	37,020	83,635		171,935
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Agency	Rte	PPNO	Project	Total	Prior Years	2016 ITIP Project Totals by Fiscal Year					2016 ITIP Project Totals by Component		
						FY 17	FY 18	FY 19	FY 20	FY 21	R/W	Const	PS&E
LACMTA	gsep	2106	Burbank Airport/Rail Station Pedestrian Grade Sep.	7,000				7,000				7,000	
Caltrans	rail	2098	Raymer to Bernson Double Track near Northridge Sta.	-63,500	-63,500							-63,500	
Caltrans	rail	2098	Raymer to Bernson Double Track near Northridge Sta.	63,500			63,500					63,500	

TOTAL 2016 ITIP PROGRAMMING REQUEST	70,500		-	63,500	7,000	-	-	-	70,500	-
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- Const Construction
- PS&E Plan, Specifications, and Estimate
- PPNO Program Project Number
- Rte Route
- R/W Right of Way
- RTIP Regional Transportation Improvement Program
- ITIP Interregional Transportation Improvement Program
- STIP State Transportation Improvement Program