

**Board Report**

File #: 2017-0696, **File Type:** Program**Agenda Number:** 16.

**PLANNING AND PROGRAMMING COMMITTEE
NOVEMBER 15, 2017****SUBJECT: 2018 REGIONAL TRANSPORTATION IMPROVEMENT
PROGRAM****ACTION: APPROVE 2018 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM FOR
LOS ANGELES COUNTY****RECOMMENDATION**

APPROVE the programming of up to \$481,845,000 for the 2018 Los Angeles County Regional Transportation Improvement Program (RTIP) as shown in Attachment A.

ISSUE

In August 2017, the California Transportation Commission (CTC) adopted the 2018 State Transportation Improvement Program (STIP) Fund Estimate, which provides new funding capacity over the five-year STIP period from Fiscal Year (FY) 2019 through FY 2023. In September 2017, the Board approved the State and Federal Funding Evaluative Criteria Framework designed to strategically guide Metro's considerations and pursuits of state and federal discretionary and formula funding programs.

Board adoption of the 2018 Regional Transportation Improvement Program (RTIP) for Los Angeles (LA) County will help secure formula funds for projects that are less competitive for other discretionary programs and those that have a low tolerance for risk. Approving this recommendation is consistent with the Board-approved 2009 Long Range Transportation Plan priorities, and meets the State and Federal Funding Evaluative Criteria.

DISCUSSION**Background**

The STIP is a five-year capital improvement program of transportation projects on and off the State Highway System. Every two years, the CTC adopts a new STIP cycle adding two new years of funding capacity to the rolling five-year program. The last STIP was adopted by the CTC in May 2016. The 2018 STIP covers the five-year period from FY 2018-19 (FY 2019) through FY 2023. The STIP contains two portions. The first portion, the RTIP, accounts for 75% of the total STIP and is directly programmed by Regional Transportation Planning Agencies and County Transportation Commissions. The RTIP portion is the subject of the recommendations 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.

Relationship to the 2016 STIP

In the 2016 STIP, the revised final STIP Fund Estimate (FE) was negative, resulting in project deletions rather than new programming. Roughly \$74 million was deleted from LA County’s program. The 2018 STIP FE fully restores \$754 million in statewide deletions. Additionally, it provides \$1.5 billion for the regions and the state to program additional projects. In developing the 2018 RTIP, staff first restored prior funding commitments previously deleted from the 2016 STIP, consistent with CTC priorities (Attachment B). Next, staff utilized the Evaluative Criteria Framework to ensure that the program of projects proposed satisfies each of the principles the framework sets forth (Attachment C).

Proposed 2018 RTIP

Consistent with the Evaluative Criteria Framework, staff aimed to strategically apply formula funds for projects that are less likely to compete well in discretionary programs and those that have a low tolerance for risk. In addition, staff looked to reduce the charge rate associated with Caltrans support activities by looking for opportunities to fund those costs with state dollars, which are subject to a lower Indirect Cost Rate Proposal (ICRP). Based on these considerations and the assessment of the other criteria, staff recommends programming STIP funds for the program of projects as shown in Attachment A and described in Attachment B.

In order to be positioned to receive funding up to the maximum LA County target of \$481,845,000, Los Angeles County Metropolitan Transportation Authority (Metro) must prepare an RTIP proposing the programming of those dollars for eligible projects through the STIP period. In addition to the total target shares of \$317,185,000, the 2018 STIP includes an Advanced Project Development Element (APDE) target for LA County of \$54,170,000. Programming APDE would allow Metro to advance a portion of future STIP shares to fund project development work, including environmental and design elements. Up to an additional \$110,490,000 could be advanced to LA County projects from future shares under the maximum target if other counties program less than their total targets. Board-approved programming must be submitted to the CTC by the December 15, 2017 deadline for the 2018 STIP process. Therefore, staff seeks board approval of the 2018 RTIP (Attachment A) and the three tiers of funding as follows:

2018 RTIP Programming Tiers		
Tiers	Target	Programming Amounts
Tier 1	2018 Los Angeles Total Target	Up to \$ 317,185,000
Tier 2	APDE Target	Up to \$ 54,170,000
Tier 3	Maximum Target	Up to \$ 110,490,000
Total		\$481,845,000

Interregional Transportation Improvement Program

Caltrans is responsible for developing the Interregional Transportation Improvement Program (ITIP), consistent with the Interregional Transportation Strategic Plan (ITSP), which the CTC adopts as a component of the STIP. Staff worked with Caltrans District 7 to propose three projects in LA County

for the 2018 ITIP, of which Caltrans Headquarters has included one in their Draft 2018 ITIP. The Draft ITIP includes \$7 million for the Rosecrans Marquardt Grade Separation project, proposed in FY 2020. Staff continues to work with Caltrans and the CTC to include ITIP funding for the I-5 Corridor Improvements Project between the I-605 and the I-710, which is a part of Operation Shovel-Ready. We are seeking a total of \$16 million for that project in FY 2019.

DETERMINATION OF SAFETY IMPACT

Adoption of the 2018 RTIP will authorize staff to seek funds to make safety and other mobility improvements in several areas of the county.

FINANCIAL IMPACT

Approval of the 2018 RTIP for LA County would have no negative financial impact to the county. The 2018 RTIP fulfills prior and anticipated funding commitments for transportation projects within LA County.

Impact to Budget

The approval of the 2018 RTIP has no impact to the FY 2018 budget.

ALTERNATIVES CONSIDERED

The Board could elect to reject the staff recommendation for the 2018 RTIP. This option is not recommended as it would force LA County to surrender the formula funds available through the 2018 STIP period. This would be detrimental to the project funding for the projects proposed herein. Staff has identified a geographically and modally balanced set of priority projects, which is consistent with state guidelines and the evaluation criteria framework approved by the Board in September 2017.

NEXT STEPS

With Board approval of our recommendation, staff will proceed with and monitor the following steps to securing the 2018 LA County RTIP submittal:

- Submit RTIP request to CTC - December 15, 2017
- CTC Southern California STIP hearing - January 25, 2018
- CTC publishes staff recommendations - February 28, 2018
- CTC adopts STIP - March 21-22, 2018

ATTACHMENTS

Attachment A - 2018 RTIP for Los Angeles County

Attachment B - Projects Proposed for Programming

Attachment C - Evaluative Criteria Framework to Guide 2018 RTIP Development

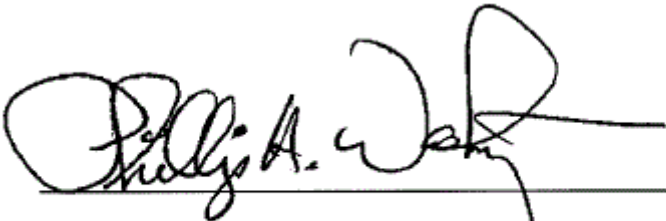
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Phillip A. Washington
Chief Executive Officer

State Transportation Improvement Program (STIP) Overview

- **5 years of programming, updated every 2 years.**
- **Regions control 75%, Caltrans controls 25%.**
- **Regions receive formula target shares.**
- **Project eligibility is broad, but funding has criteria.**
- **Board approval of the Regional Transportation Improvement Program (RTIP) is required.**



Metro



- **The 2016 STIP Cycle required project**

Regional Transportation Improvement Program (RTIP) Priorities

- **Restore prior project deletions.**
- **Evaluative Criteria Framework Adherence:**
 - ❑ Sustain Measure M and pre-Measure M/LRTP priorities and schedules
 - ❑ Project alignment with program criteria
 - ❑ Assess the need for certainty versus relative risk tolerance (use of formula versus discretionary funds)
 - ❑ Support geographic balance over entire program portfolio
 - ❑ Consistency with Board policies and directives.
 - ❑ Consistency with the LRTP and SCAG's RTP



Tier 1-Los Angeles County's Total Target

Tier 1 Requests	Total for FY19 - FY23 (\$s in 1000s)
Planning Programming & Monitoring (PPM)	12,005
SR 138 Segment 6	19,750
SR 138 Segment 13	71,000
SR 138 Segment 4	39,950
SR 71 Freeway Conversion	20,000
East San Fernando Valley Transit Corridor	107,138
Bus Acquisition-Project 1	30,246
Bus Acquisition-Project 2	17,000
Total -Total Target	

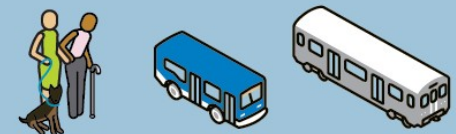


Metro



Tier 2-Los Angeles County's Advanced Planning and Development Element (APDE) Target

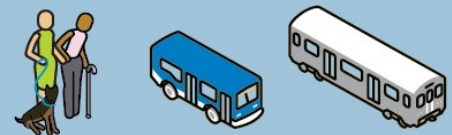
Tier 2 Requests (APDE)	Total for FY19 - FY23 (\$s in 1000s)
I-710 Early Action Project/ Shoemaker	14,000
I-605/I-5 Interchange Improvements	18,170
I-605/SR-91 Interchange Improvements	22,000
Total - Tier 2 APDE Requests	54,170



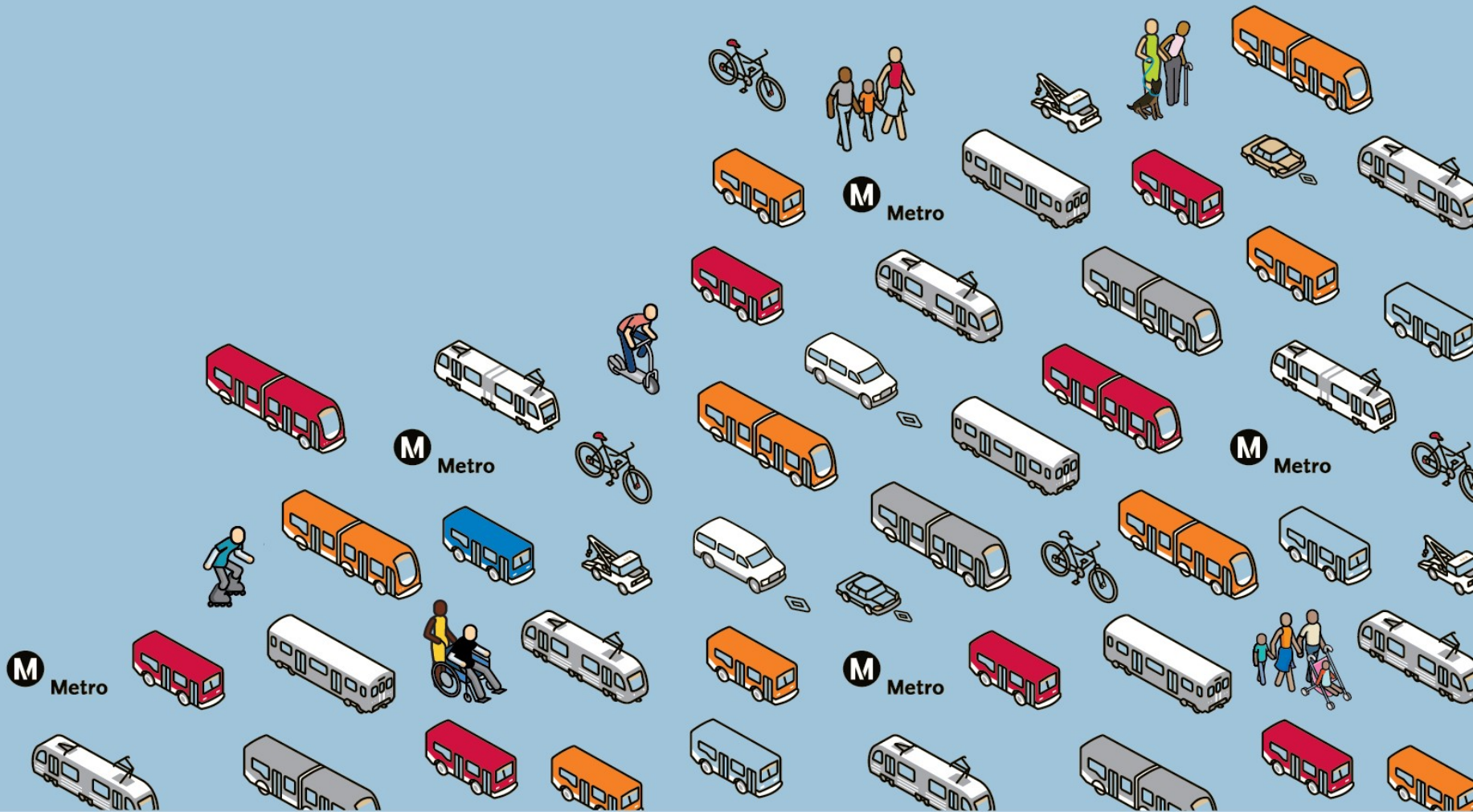
Tier 3-Los Angeles County's Maximum Target

Tier 3 Requests (Potential Additional Shares)	Total for FY19 - FY23 (\$s in 1000s)
East San Fernando Valley Transit Corridor	98,490
I-405 Crenshaw Blvd Ramp Improvement	12,000
Total - Tier 3 Requests	110,490

**Total for Tiers 1, 2, and 3=
\$481,845,000**



Thank you



2018 LOS ANGELES COUNTY REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM

	Tier 1 Requests	PPNO	Programming Year					Total	Project Phase						
			FY18/19	FY19/20	FY20/21	FY21/22	FY22/23		R/W	Con	E&P	PS&E	R/W Sup	Con Sup	
1	Planning Programming & Monitoring (PPM)	9001			4,002	4,002	4,002	12,005			12,005				
2	SR 138 Seg 6	4356	19,750					19,750		15,000					4,750
3	SR 138 Seg 13	4357	4,000					67,000		55,000		4,000			12,000
4	SR 138 Seg 4	4353	5,250	15,700		19,000		39,950	9,000	15,000		5,250	6,700	4,000	
5	SR 71	2741			20,000			20,000							20,000
6	East San Fernando Valley Transit Corridor	07-4296			34,630	17,775	54,733	107,138	34,630	54,733		17,775			
7	Bus Acquisition-Project 1			30,246				30,246		30,246					
8	Bus Acquisition-Project 2						17,096	17,096		17,096					
9	Total -Total Target Requests		29,000	45,946	58,632	40,777	142,831	317,185	43,630	187,075	12,005	27,025	6,700	40,750	

	Tier 2 Requests (APDE)	PPNO	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	Total	R/W	Con	E&P	PS&E	R/W Sup	Con Sup
10	710 Early Action Project/ Shoemaker		14,000					14,000				14,000		
11	I-605/I-5 Interchange Improvements				18,170			18,170				18,170		
12	I-605/SR-91 Interchange Improvements		22,000					22,000				22,000		
13	Total - Tier 2 APDE Requests		36,000	-	18,170	-	-	54,170	-	-	-	54,170	-	-

	Tier 3 Requests (Potential Additional Shares)	PPNO	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	Total	R/W	Con	E&P	PS&E	R/W Sup	Con Sup
14	East San Fernando Valley Transit Corridor	07-4296	-			59,460	39,030	98,490	-	39,030		59,460		
15	I-405 Crenshaw Blvd Ramp Improvement					12,000		12,000					-	12,000
16	Total - Tier 3 Requests		-	-	-	71,460	39,030	110,490	-	39,030	-	59,460	-	12,000

17	Total of Tiers 1, 2 and 3		65,000	45,946	76,802	112,237	181,861	481,845	43,630	226,105	12,005	140,655	6,700	52,750
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2018 INTERREGIONAL TRANSPORTATION IMPROVEMENT PROGRAM PROJECTS IN LOS ANGELES COUNTY

	Highway	PPNO	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	Total	R/W	Con	E&P	PS&E	R/W Sup	Con Sup
18	I-5 Corridor Improvements (I-605 to I-710)		16,000					16,000			16,000			
	Transit													
19	Rosecrans Marquardt Grade Separation			7,000				7,000		7,000				
20	Total		16,000	7,000	-	-	-	23,000	-	7,000	16,000	-	-	-

EXISTING 2016 STIP PROGRAMMING

	Project	PPNO	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	Total	R/W	Con	E&P	PS&E	R/W Sup	Con Sup
21	LRVs	4025	26,200	26,700	27,800	-	-	80,700		80,700				
22	Planning Programming & Monitoring (PPM)	9001	4,617	-	-	-	-	4,617		4,617				
23	Totals		30,817	26,700	27,800	-	-	85,317	-	85,317	-	-	-	-

	AMENDMENT TO EXISTING PROGRAMMING	PPNO	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	Total	R/W	Con	E&P	PS&E	R/W Sup	Con Sup
24	Amended PPM 2016	9001	(2,309)	2,309				-		4,617				
25	2016 STIP Program Amended Totals		28,508	29,009	27,800	-	-	85,317	-	85,317	-	-	-	-

**Projects Proposed for Programming in the 2018
Los Angeles State Transportation Improvement Program**

In developing the 2018 RTIP, staff utilized the Evaluative Criteria Framework to ensure that the program of projects proposed satisfies each of the principles the framework sets forth (ATTACHMENT C). Based on that assessment, staff recommends the following:

- The SR-138 Segment 6 is a project that will serve to relieve congestion and enhance safety along the Route 138 Corridor. Programming is proposed for FY 19 for the Construction Phase (\$19.8 million). This project had been previously programmed in FY 17, but was deleted from the 2016 STIP due to negative funding capacity. Funding the 2016 deletions is the highest priority for the CTC and programming this project restores a prior funding commitment.
- The SR-138 Segment 13 is proposed for FY19 and FY23 for Design (\$4 million) and Construction (\$67 million). This project had been previously programmed in FY17, but was deleted from the 2016 STIP due to negative funding capacity. Funding the 2016 deletions is the highest priority for the CTC and programming this project restores a prior funding commitment.
- The SR-138 Segment 4 is proposed for FY19, FY 20 and FY22 for the Project Study and Engineering Phase (\$5.3 million), Right of Way (\$15.7 million) and Construction (\$19 million). This project is the final segment of the SR 138, and completing it will allow the full benefits from the investments across the corridor to be realized.
- The SR-71 is a project that proposes to upgrade 3.2 miles of existing four-lane expressway to an eight-lane freeway on Route 71 from Interstate 10 to Route 60 in Los Angeles County. Programming is proposed for FY21 for the Construction Support Phase (\$20 million).
- The East San Fernando Valley Transit Corridor Project will provide improved north/south transit service in the eastern San Fernando Valley along Van Nuys Boulevard and San Fernando Road. Programming is proposed for FY 21 for the Right-of-Way Phase (\$34.6 million) and for FY22 and FY23 for the Design and Construction Phases (\$72.5 million). The project is expected to be delivered under a design-build contract, and the funding proposed would support the design and construction of the project.
- The Bus Acquisition Project 1 is required to maintain a state of good repair of our bus fleet through a replacement schedule that allows Metro's buses to be retired and replaced after the end of their "useful life" as defined by the FTA. Programming is proposed for FY20 (\$30.2 million). This funding supports the

ongoing fleet replacement and upgrading required to support Metro's bus operations and ensure Metro's fleet is in a state of good repair.

- Programming for the Bus Acquisition Project 2 is proposed for FY23 (\$17.1 million). This funding will fund a scheduled future bus replacement. This project supports the ongoing fleet replacement and upgrading required to support Metro's bus operations and ensure Metro's fleet is in a state of good repair.
- Planning, Programming, and Monitoring (PPM) funds are proposed for continuation to fund the planning activities of Metro and is proposed for FY21 (\$4 million), FY22 (\$4 million), and FY23 (\$4 million).

In addition to the projects programmed for Los Angeles County's total target share, staff proposes to establish a second tier to utilize the full Advanced Project Development Element (APDE) target of 25% off the shares forecasted for the next STIP cycle to fund project development activities. Shares will be advanced from the next share period. The following projects are proposed for APDE, Tier II:

- The I-710 Early Action Shoemaker Bridge includes the replacement of the existing bridge and reconfiguration of the associated connector roads to downtown Long Beach. APDE would be proposed for FY19 to fund the Project Study and Engineering Phase (\$14 million).
- The I-605/SR 91 Interchange Improvements Project is being collaborated by the Gateway Cities Council of Governments, the City of Cerritos, and the City of Artesia who are proposing to make improvements on the westbound SR-91 between Shoemaker Ave and the I-605/SR-91 interchange. APDE would be proposed for FY19 to fund the Project Study and Engineering Phase (\$22 million).
- The I-605/I-5 Interchange Improvements Project proposes improvements Florence Ave to Paramount Blvd. APDE would be proposed for FY21 to fund the Project Study and Engineering Phase (\$18.2 million).

Lastly, staff is recommending a third tier of projects should other regions under-program, leaving additional funding capacity available. Tier III is proposed as follows:

- The I-405 Crenshaw Blvd Ramp Improvement Project proposes to improve operational conditions on the I-405, and its on-and-off ramps at Crenshaw Boulevard and 182nd Street in Torrance. Programming is proposed for FY22 for the Construction Phase (\$12 million).
- The East San Fernando Valley Transit Corridor Project (see description above) is being proposed to receive additional funding to be programmed for the Construction Phase in FY22 and FY23 for a total of (\$98.5 million).

Additionally, staff is amending the \$4.6 million in prior PPM programming for FY19 to instead be spread over FY19 (\$2.3 million) and FY20 (\$2.3 million) in order to avoid a gap in PPM funding in FY20. The CTC typically views PPM as a high priority for allocation.

Evaluative Criteria Framework to Guide the 2018 RTIP Development

In selecting projects to submit for funding through the 2018 State Transportation Improvement Program (STIP), staff used the Evaluative Criteria Framework. The framework was approved at the September 2017 Board meeting. The framework was applied as follows:

1. Sustain Measure M and other Pre-Measure M/LRTP Priorities and Schedules

Staff evaluated Metro's existing priorities as established in the LRTP, Measure R and Measure M expenditure plans to identify project schedules that coincide with the STIP programming and allocation constraints. The 2018 STIP includes funds in each of five years, FY 2018-19 through 2022-23. This step of the review consisted mainly of identifying projects ready either for:

- 1) pre-development funding only, such that they might compete for future cycle SB-1 or other discretionary programs for construction funds; or
- 2) funding through construction.

Many of Metro's projects satisfy this criterion and have project phases underway within the 5-year STIP program, including all of the projects proposed in the 2018 RTIP.

2. Match competitiveness of Projects to New/Expanded Programs Criteria

STIP funding is relatively flexible. Eligibility is broad in the STIP program, and all projects identified in the first step of review were deemed eligible, however, the guidelines contain a number of points which staff took into consideration when identifying projects.

Firstly, projects deleted through the 2016 STIP are the first priority for funding from the 2018 STIP, and for Los Angeles County, these include:

- SR-138 Segment 6
- SR-138 Segment 13.

Secondly, performance information requirements established with the adoption of the 2016 STIP Guidelines places emphasis on projects which reduce greenhouse gas emissions, as well as other measures including efficiency and effectiveness. In building the program for the 2018 STIP, staff sought a modally balanced submittal to help ensure acceptable results for the performance reporting requirements. The inclusion of the bus acquisition projects and the East San Fernando Valley support the performance goals within the STIP.

Additional consideration is required to ensure all projects proposed are eligible for the mix of state and federal funds sources for the State Highway Account which funds the STIP. Beginning with the 2018 STIP Fund Estimate Public Transportation Account funds are no

longer available for the STIP. Therefore, staff analyzed all transit projects to determine whether they were eligible for either fuel excise tax funds protected by Article 19 (dedicated right-of-way, infrastructure only, no rolling stock) or federal funds. Projects not clearly eligible for federal funds or Article 19 state funds were screened out.

3. Certainty (Formula) vs. Risk (Competitive/Discretionary)

With the limited availability of formula funds, staff focused on the strategic use of STIP formula funds on projects that are less likely to compete well in discretionary programs and those that have a low tolerance for risk. Additionally, Caltrans applies a reduced Indirect Cost Rate Proposal (ICRP) for work they perform when that work is paid for by state dollars. Thus, staff also sought strategic programming opportunities that would achieve cost savings on the (ICRP) applied by Caltrans for projects on the state highway system. For the projects included in the RTIP, the following rationale was applied:

- State Route 71 had an existing funding gap due to the cancellation of the FASTLANES grants. In response to the funding gap, staff committed to looking at SB 1 funding sources to fully fund this project. Based on the project's relative potential to compete for state discretionary programs, the significant risk to the existing funding commitment of repurposed federal earmarks, and the opportunity to secure ICRP savings, staff identified the SR 71 as an ideal candidate for STIP formula funds.
- The delivery of the SR 138 Segments 4, 6, and 13 are dependent on the availability of state funds, as there are no explicit funding commitments for these segments identified in Measure M. Lacking the potential to put forward any local match reduces the ability of these projects to seek funds through other SB 1 discretionary grant programs. Funding these projects with STIP formula funds makes it possible to complete the remaining segments of the SR 138 with certainty while securing a reduced ICRP rate for Caltrans support activities.
- The East San Fernando Valley Transit Corridor Project had a funding gap as a result of the state's cancellation of the Traffic Congestion Relief Program (TCRP), which STIP formula funds provide opportunity to address. Additionally, this project assumes a large share of non-Measure M dollars, and thus is expected to compete in other SB 1 funding programs. Therefore, using formula funds for a portion of the non-Measure M share of the project cost offsets some of the risks associated with aiming to complete the projects non-Measure M funding entirely through discretionary grants.
- The Bus Acquisition projects are essential to Metro's overall bus fleet management strategy, and Metro's ability to maintain our fleet in a state of good repair. Any risk to the forecasted replacement schedule would have an impact on maintaining operating schedules and delivering bus service. These projects are best suited for the certainty afforded by formula funding sources.

With regard to the Advance Project Development Element (APDE) formula funds, staff sought opportunities to initiate project development work that could help support future SB 1 discretionary program candidate projects. The I-605/I-5 Interchange Improvements Project, I-605/SR-91 Interchange Improvements Project, and the I-710 Early Action Project/Shoemaker each had eligible phases of work within the 2018 STIP timeframe. In addition, with Caltrans performing the project development work, Metro is able to secure a reduced ICRP for these activities.

4. Geographic Balance

Including the Bus Acquisition project, the RTIP program funds projects in all of the nine subregions. The projects by subregion are as follows:

Gateway Cities:

- I-605/I-5 Interchange Improvements
- I-710 Early Action Project/Shoemaker
- I-605/SR-91 Interchange Improvements

North County:

- SR-138 Segment 6
- SR-138 Segment 13
- SR-138 Segment 4

San Fernando Valley:

- East San Fernando Valley Transit Corridor

San Gabriel Valley:

- SR-71

South Bay:

- I-405 Crenshaw Blvd. Ramp Improvement (Also included in the Measure R Expenditure Plan)

Arroyo Verdugo, Central Los Angeles, Gateway Cities, Las Virgenes/Malibu San Fernando Valley, San Gabriel Valley, South Bay, and Westside Cities:

- Bus Acquisition 1
- Bus Acquisition 2

5. Consistency with Board policies and directives

The projects identified for funding in the 2018 STIP are consistent with Board policies and directives. STIP funds are part of the state and federal funds assumed in the development of the Measure M Expenditure Plan. STIP funds as part of the funding plans of the Measure M projects will help to keep the projects fully funded and deliverable in a timely manner.

6. Consistency with Metro Long Range Transportation Plan and Southern California Association of Governments (SCAG) Regional Transportation Plan (RTP)

All of the projects identified for STIP funding are Measure M, Measure R and/or LRTP projects. Each project is consistent with the priorities set forth in the Metro LRTP and is included in the SCAG RTP.