



Board Report

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FINANCE, BUDGET, AND AUDIT COMMITTEE MARCH 20, 2024

SUBJECT: FISCAL YEAR 2025 BUDGET DEVELOPMENT STATUS UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the Fiscal Year 2025 (FY25) Budget Development Status Update.

ISSUE

This report continues the monthly updates to the Board on the FY25 Budget development process, culminating in a planned May 2024 Board Adoption. This report focuses on Metro's diverse portfolio of major infrastructure projects included in Transit Infrastructure Development (TID), Highway Multimodal Development, and Regional Rail Programs. Additionally, this report provides an overview of Metro's Regional Allocation and Pass Throughs (Subsidy) funding programs.

This report also provides an update on Metro's comprehensive budget outreach efforts.

BACKGROUND

The annual budget request reflects the twelve-month financial increments required for advancing through each project's development phase. It serves to monitor the cash flow requirements for activities in each project phase and considers factors such as the existing level of board authorization, the respective project delivery schedule, and the identification of eligible and available funding sources. These funding sources may include Federal, State, and Local grants, sales taxes, and various financing mechanisms.

Most of the projects within the major capital programs adopt a multiyear Life of Project (LOP) budget, which seeks Board approval independently from the annual budget process. The purpose of the LOP budget is to outline the financial resources necessary for the entire duration of the project.

DISCUSSION

Major Capital Investment

LA County's capital expansion plan is one of the nation's most ambitious and transformative transportation construction and enhancements program. The report below covers the following programs:

Transit Infrastructure Development (TID): The FY25 Budget provides funding for planning and constructing new transit projects for LA County per the voter approved Measure R and Measure M sales tax ordinances.

Highway Multimodal Development: The FY25 Budget provides funding from voter approved Measure R and Measure M sales tax ordinances to advance design and construction activities for Multimodal Highway projects in LA County, along with HOV and ExpressLanes and Bus Only Lane projects.

Regional Rail: The FY25 Budget supports commuter rail projects such as Metro-led commuter rail projects and ongoing subsidy support for Metrolink’s operating and State of Good Repair (SGR)/capital components.

The major capital projects typically make up one third of the annual budget. The FY25 Preliminary Budget represents the annual incremental cashflow requirement to advance these capital projects based on the phase of each project.

Transit Infrastructure Development

The Transit Infrastructure Development (TID) Program consists of expansion and enhancements of transit lines outlined in the Measure R (MR) and Measure M (MM) Ordinances, as well as those capital projects critical to operating these expansion lines once in service. These initiatives involve various project development stages, which are divided into planning, construction, and operational phases.

Typically, the planning phase commences with a feasibility study followed by alternative analyses, ultimately leading to environmental clearance and selection of Locally Preferred Alternative by the Board. Subsequently, the project moves into the construction phase before being handed over to Operations upon completion.

Fig 1:

Transit Infrastructure Development

Summary	FY24 Budget	FY25 Preliminary	\$ Change	% Change
1 Transit Construction	\$ 2,240.3	\$ 1,560.3	\$ (680.1)	-30.4%
2 Transit Planning	213.5	439.0	225.5	105.6%
3 Program Support/Admin	19.7	22.5	2.8	14.3%
4 Grand Total	\$ 2,473.5	\$ 2,021.7	\$ (451.8)	-18.3%

For FY25, the preliminary budget for the TID program stands slightly over \$2.0 billion, reflecting a decrease of \$451.8 million or 18.3% compared to the FY24 budget as shown in Figure 1. The decline in the Transit Construction budget can be attributed to the nearing completion of several projects leading to a reduction in cash flow requirements along with the recent openings of the K Line and Regional Connector. In addition, newer projects have not yet progressed into the major construction phase, which is the phase with the highest cost. The FY25 preliminary numbers are still under development and may be updated based on Board actions between now and the FY25 budget

adoption.

The FY25 budget request is geared towards supporting the ongoing construction of key projects such as the Purple Line Extension, Foothill Extension Phase 2B, and Airport Metro Connector, all of which have started to prepare for systems integration. East San Fernando Valley LRT will continue with right-of-way acquisitions and may begin its heavy construction phase in FY25.

On the other hand, there is an increase of \$225.5 million, representing a 105.6% increase, in funding allocated to planning and studies. This reflects increased funding for projects in the environmental and design phase, including the Sepulveda Corridor, Southeast Gateway Line, and the C Line Extension to Torrance project. As these projects progress into the construction phase, there will be a corresponding rise in cash flow requirements.

A more detailed project discussion can be found in Attachment A.

Highway Multimodal Development

The FY25 preliminary Budget of \$602.9 million represents a \$0.7 million or 0.1% increase over the FY24 Budget as shown in Figure 2. The FY25 preliminary budget reflects Metro's ongoing investments in HOV and ExpressLane construction, the expansion of bus-only lanes, subregional street improvements, as well as safety enhancements to freeways, interchanges, and arterial streets.

Further, a March 2021 Board Item (2021-0008) clarified the eligibility criteria for Measure R and M street and freeway projects and broadened the range of safety, pedestrian, and active transportation enhancements that municipalities and partner agencies may incorporate into freeway, surface street and subregional road improvement projects.

In FY25, the Highway Multimodal Development budget supports groundbreaking for the construction phase of the I-105 ExpressLanes project, the expansion of bus-only lanes and bus infrastructure throughout LA County, including customer-oriented amenities to bus stop shelters. This preliminary budget also supports the re-imagining of the I-710 South and I-605 Hot Spots projects, and ongoing construction for the I-5 North (North County) and the SR-57/SR-60 confluence projects.

Fig 2:

Highway Multimodal Development Project (\$ in millions)		FY24 Budget	FY25 Preliminary	\$ Change	% Change
1	Bus Improvements	\$ 12.2	\$ 36.6	\$ 24.4	199.3%
2	Capacity Improvements	185.4	126.0	(59.4)	-32.0%
3	Express/HOV Improvements	105.1	143.5	38.5	36.6%
4	General Planning	4.6	3.2	(1.4)	-30.0%
5	Local Subregion/Street/Safety/Op Improvements	271.1	263.2	(7.9)	-2.9%
6	Property Maintenance	1.2	1.3	0.1	11.1%
7	Traffic Noise Reduction	22.7	29.1	6.4	28.4%
8	Total Highway Multimodal Development	\$602.3	\$ 602.9	\$ 0.7	0.1%

See Attachment B for additional Highway project details.

Multimodal Highway capital projects are subject to market conditions generating cost escalations, namely rising labor and material costs. Unforeseen conditions, extreme weather impacts, and more stringent environmental regulations also pose financial risks to highway construction projects..

Metro Regional Rail

Metro oversees the planning, programming, and implementation of commuter rail projects in LA County that are or will be operated by external agencies such as the Southern California Regional Rail Authority (Metrolink), Amtrak, California High Speed Rail Authority, and commercial freight carriers. Metro also manages and coordinates capital improvement projects along approximately 150 miles of Metro owned, and Metrolink operated railroad right-of-way.

The preliminary FY25 budget of \$56.7 million is a \$101 million or 64.1% decrease from the FY24 Budget. The decrease is primarily driven by reduced cash flow needs for the Link Union Station project, as the project completes a value-engineering process in anticipation of procuring the Construction Manager / General Contractor (CM/GC) contract in FY25. Other decreases are driven by the Rosecrans/Marquardt Grade Separation project, which will achieve substantial completion in FY25. This grade crossing had been rated the number one grade crossing safety concern in the State. This project is on track for completion on time and under budget and represents a major achievement of Metro’s Regional Rail group.

Other major activities include the transition from final design to construction for the Doran Street Grade Separation Project as well as the first segment of the Brighton to Roxford double tracking project in the east San Fernando Valley. The Lone Hill to White double tracking project in the San Gabriel Valley will complete the final design and pursue funds for the construction phase in anticipation of the construction contract procurement.

The Regional Rail group will also advance preliminary engineering for a high-speed rail service from Palmdale via the High Desert Corridor to the future Apple Valley station of Brightline’s high-speed rail

line to Las Vegas, and an in-fill Metrolink station at the LA General Medical Center.

Fig 3:

Regional Rail Project (\$ in millions)	FY24 Budget	FY25 Preliminary	\$ Change	% Change
1 Link Union Station	\$ 96.0	\$ 10.4	\$ (85.6)	-89.2%
2 Rosecrans & Marquardt Grade Separation	29.0	6.0	(23.0)	-79.3%
3 Brighton to Roxford Double Track	10.2	6.7	(3.5)	-34.3%
4 High Desert Corridor	2.8	10.7	7.9	282.1%
5 Doran Street Grade Separation	8.2	7.9	(0.4)	-4.3%
6 Lone Hill to CP White Double Track	5.8	6.7	0.9	15.8%
7 Other Metro Regional Rail	6.0	8.4	2.4	39.3%
8 Total Metro Regional Rail	\$157.9	\$ 56.7	\$(101.2)	-64.1%

Metrolink Commuter Rail

Metrolink is developing its FY25 operating and capital budget. Metro will work with Metrolink and the other partner agencies to align subsidy levels with eligible financial resources.

The combined effects of the pandemic, telecommuting, and inflationary pressure on material and labor costs have impacted commuter rail agencies. While urban transit ridership in Los Angeles County has significantly rebounded, the shift towards telecommuting reduces the fares collected.

Metrolink’s subsidy requirement will be reviewed to maintain a sustainable financial model for LA County’s commuter rail services, within the eligible funding sources available. An update will be included next month to the Board and the final budget will be brought forward for specific Board approval.

Regional Allocations and Pass Throughs

The Regional Allocations and Pass Throughs program represents resources distributed to regional partners to carry out local transportation needs. This component is directly tied to locally imposed and collected sales taxes as well as Metro oversight and distribution of local, State and federal pass-through grant funding. This program includes:

- Pass-through funding awarded to local jurisdictions and municipal and local transit operators through Local Agency Programs (i.e., Local Return) and Regional Transit Funding (i.e. Regional Transit Formula and Access Services).
- Pass-through funding for Major Projects being implemented by local agencies, including the Alameda Corridor East Grade Separation Phase II, Antelope Valley Metrolink Line Projects, Inglewood Transit Connector, and Sankofa Park.
- Grants allocated to local agencies through Other Local Programs such as the Congestion Reduction Demonstration (CRD) Toll Revenue grant program, Open Streets grant program,

Active Transportation Program (ATP), Federal Pass-Throughs, and the Transit Oriented Development (TOD) Planning grant initiative.

The FY25 preliminary budget of \$1.979 billion is a decrease of \$79.1 million, 3.8% below the FY24 Budget as shown in Figure 4. About 84% of this program is comprised of Local Agency Programs and Regional Transit Funding. Current economic conditions are signaling a slowing in sales tax growth for FY25. Thus, direct subsidies, provided by local and State sales tax-based programs that are passed through to Los Angeles County transit operators and local jurisdictions, are expected to decrease slightly. The table below summarizes the FY25 Preliminary Regional Allocations and Pass Throughs Budget.

Fig 4:

Regional Allocations and Pass Throughs					
(\$ in millions)					
	FY24 Budget	FY25 Preliminary	\$ Change	% Change	
1 Local Agency Programs	\$ 962.2	\$ 921.4	\$ (40.8)	-4.2%	
2 Regional Transit	781.3	735.6	(45.7)	-5.8%	
3 Major Projects*	164.3	181.5	17.2	10.5%	
4 Other Local Programs	87.1	82.1	(5.0)	-5.8%	
5 Regional Federal Grants	30.4	23.8	(6.6)	-21.7%	
6 Fare Assistance	32.5	34.3	1.8	5.5%	
7 Program Total	\$ 2,057.8	\$ 1,978.7	\$ (79.1)	-3.8%	

* Still Under Development

Local Agency Programs

The two funding programs that make up Local Agency Programs include Local Return and Transit Development Act (TDA) Article 3 and Article 8 funding. This subprogram will decrease by \$40.8 million, a decrease of 4.2% over the FY24 budgeted amounts. Most of this decrease is due to an estimated reduction of \$32.9 million in sales tax revenue for the Local Return program compared to FY24 amounts for LA County jurisdictions.

Regional Transit Funding, Including Access Services

Similar to Local Agency Programs, Regional Transit Funding programs are projected to decrease during FY25 by \$45.7 million, a 5.8% decrease, primarily from the lower expected sales taxes. This subprogram is comprised of the annual transit formula funding allocated to the Los Angeles County municipal and local transit operators as well as Access Services. Formula programs for the municipal and local transit operators included in this subprogram include Proposition A Discretionary funding, Measure M 20%, Measure R 20%, SB1 State of Good Repair, TDA Article 4, and other fund programs. Staff also continues to work in partnership with the Bus Operators Subcommittee (BOS) and the Local Transit Systems Subcommittee (LTSS) to understand the residual impacts of COVID-19 and to determine the appropriate allocation methodology for the FY25 transit fund allocations.

In addition, preliminary funding of \$169.4 million is proposed for Access Services operations in Los Angeles County, including the direct Metro subsidy to support Access riders on Metrolink within the County, an increase of \$8 million over the FY24 Budget. The final budget amount is subject to

Access Services' final budget request. The main cost drivers that could force Access Services to submit a budget request greater than the preliminary estimate include a backlog in purchasing replacement vehicles due to supply chain disruptions caused by the pandemic and greater than anticipated ridership demand that is currently being experienced in FY24 and could continue into FY25.

Final distribution amounts will be brought forward for specific Board approval in June, detailing subsidy funding amounts for each municipal and local operator, including Access Services and local jurisdictions.

Regional Transit Funding: Major Projects

This subprogram is comprised of the Alameda Corridor East Grade Separation Phase II, the Antelope Valley Line Projects, Inglewood Transit Connector, and Sankofa Park. It is estimated that these multi-year projects will need more funding (10.5%) during FY25 compared to FY24 due to project progress as depicted in Figure 5.

Fig 5:

Major Projects		FY24 Budget		FY25 Preliminary		\$ Change		% Change	
(\$ in millions)									
1	Alameda Corridor East Phase II	\$	14.1	\$	14.1	\$	-		0.0%
2	Antelope Valley Metrolink Line Projects		25.0		16.3		(8.7)		-34.8%
3	Inglewood Transit Connector*		114.7		150.0		35.3		30.8%
4	Sankofa Park Project		10.5		1.1		(9.4)		-89.2%
5	Total	\$	164.3	\$	181.5	\$	17.2		10.5%

*Still Under Development

Other Local Programs & Regional Federal Grant Programs

Due to the pass-through nature, annual variability of local and federal grant programming, and uses by local jurisdictions, -5.8% or \$5 million less funding is being requested for FY25 activities in the following subprograms: ATP-related grants, Call for Projects, CRD Toll Revenue Grant Program, Federal Earmarks, and TOD Planning Grants. Additionally, a decrease of 21.7% or \$6.6 million less funding is projected for Regional Federal Grants.

Fare Assistance - Low Income Fare is Easy (LIFE) Program

The LIFE program is anticipated to continue to grow during the coming year, and the budget request has increased accordingly to \$34.3 million to support the Board approved expansion and improvements to the program. This represents a 5.5% increase over the FY24 budgeted amount for the program and includes the fare subsidies to transit operators participating in the LIFE program.

FY25 Public Budget Outreach Update

Metro's commitment to public outreach and engagement on the budget development remains strong, with initiatives for FY25 commencing early in the Fall of 2023. In keeping with this commitment, Metro organized a Telephone Town Hall on October 19, 2023.

The engagement process expanded significantly with the My Metro Budget activity - an interactive budget feedback and educational tool - which has garnered over 3,400 responses along with over 2,900 written comments, nearly triple the number of responses from last year. This approach to public engagement is ongoing and will continue to evolve, ensuring that community input is effectively incorporated into budget discussions.

Public participation is an ongoing process that actively seeks to solicit the interests and values of the public in its annual budget through various channels. The budget briefings and key stakeholder meetings bring together members of these groups and the communities they serve at large to share their feedback and budget priorities.

OMB's budget outreach and engagement initiatives spanned the agency, and many Metro departments partnered to help foster collaboration and dialogue around budget-related matters, with safety, service, and cleanliness being key areas of concern. The methods outlined in Attachment C contain updates on all of the outreach activities mentioned in last month's budget update.

EQUITY PLATFORM

The FY25 EZBB development begins with the evaluation process that provides flexibility to focus resources on Metro's core missions, key initiatives, and priorities. Budget Equity is a top priority in the FY25 Budget development as Metro carries out its initiatives and impacts all communities throughout Los Angeles County. Furthermore, the FY25 Budget will align with principles highlighting how public transit can be equitable, sustainable, economically productive, safe, and Americans with Disabilities Act accessible.

As part of the FY25 EZBB evaluation process, the ongoing Metro Budget Equity Assessment Tool (MBEAT) is in its fourth fiscal year of evaluating equity in Metro's Annual Budget. Staff also incorporated a more detailed geographic equity measure into budget development by conducting Equity Focus Communities (EFC) Budget Assessments for both the FY23 Actuals and the proposed FY25 Budget. Once the FY24 Actuals are completed, staff will also conduct an EFC Budget Assessment on that. Implementation of MBEAT and the EFC Budget Assessment will assess budget items for potential equity impacts, benefits access to opportunities, and ability to reduce potential barriers or harms.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following Metro Strategic Plan Goal:
Goal # 5: Provide responsive, accountable, and trustworthy governance within the Metro Organization.

NEXT STEPS

Staff continues to review and refine the FY25 Preliminary Budget as it advances through the EZBB process, being mindful of the promise embodied in the two Ordinances and the revenue projections identified in previous month's budget status report.

Next month's budget development update will address Metro Transit Operations & Maintenance, Metro Transit Capital Improvements, Congestions Management, and Planning & Administrations Programs.

ATTACHMENTS

Attachment A - Transit Infrastructure Development Project

Attachment B - Highway Multimodal Development Project

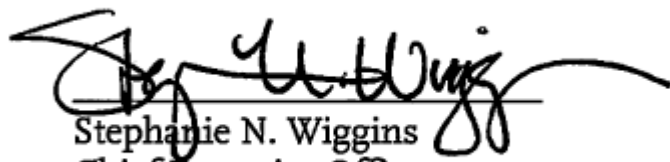
Attachment C - FY25 Budget Outreach

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Attachment A

Transit Infrastructure Development (TID) Projects

TID Projects in Construction Phase:

- *Airport Metro Connector*

The Airport Metro Connector is a station hub at Aviation Bl / 96th Street on the Crenshaw/LAX Transit line which will allow riders to transfer quickly from the Metro network to the LAX Automated People Mover. This station hub will include the light rail station, bus plaza, bicycle parking, customer service center, and passenger pick-up and drop-off area. FY25 preliminary budget of \$143.5 million supports construction activities and system integration.

- *D Line (Purple) Extension*

This project encompasses three sections of the D (Purple) Line subway extension, expanding westward from the current terminus at Wilshire / Western station, and collectively adding seven new stations. The FY25 preliminary budget of \$691.7 million supports the ongoing progress of tunneling, station box, and trackwork construction activities along the 9.1-mile extension, as well as system integration for Sections 1 and 2. The Revenue Service Dates for Sections 1, 2, and 3 are slated for 2025, 2025, and 2027, respectively. Additionally, the Division 20 Portal Widening project involves the construction of a new turnback facility to accommodate the headway requirements for the entire D Line.

- *East San Fernando Valley LRT*

The East San Fernando Valley LRT project spans a total of 9.2 miles with 14 stations, extending northward from the G Line Van Nuys station to the Sylmar/San Fernando Metrolink station. This project is divided into two segments, with the first interim operating segment (IOS) covering a 6.7-mile stretch from the G Line Van Nuys station to San Fernando Road in Pacoima. The most advanced design phase has been completed and will be further developed using the Progressive Design Build delivery method, for which the contract has been awarded. The preliminary budget of \$280.2 million supports right-of-way acquisition and construction activities.

- *G Line (Orange) BRT Improvements*

The G (Orange) Line BRT Improvements will provide better transit service in the San Fernando Valley area with grade separations on major streets, better signal priority

technology, electric bus connectivity and four-quad gating system for faster trips. The Metro Board has selected the Valley Transit Partners – a Joint Venture of Stacy and Witbeck, Inc., Flatiron West, and Modern Railway Systems as the contractor for this project. FY25 preliminary budget of \$105.9 million supports property acquisitions, early site work and potholing, and construction activities beginning 2024.

- *L Line (Gold) Foothill Extension*

The L (Gold) Line Foothill Extension will provide 12.3 miles of new rail to the east beyond the current end point of the L Line in Azusa, adding six stations. The preliminary budget of \$146.7 million supports improvements to Azusa Depot, retaining wall work, and heavy construction activities beyond Azusa. Design of the extension is substantially complete. A targeted Substantial Completion of the extension to Pomona is planned for 2025, and an extension to Montclair is planned by 2028.

- *North Hollywood to Pasadena BRT Connector*

Metro is planning Bus Rapid Transit (BRT) to connect the cities of Los Angeles (North Hollywood and Eagle Rock communities), Burbank, Glendale, and Pasadena. Environmental review was completed in 2022 and a budget of \$113.9 million will support final design and construction activities.

TID Projects in Planning Phase:

The Planning Studies FY25 preliminary budget of \$394.2 million supports conceptual engineering, environmental clearance, and right-of-way acquisition on MR and MM projects.

- *E Line Light Rail Transit Phase 2*

This project plans for an extension of the Metro L Line (Gold) east through the cities of Commerce, Montebello, Pico Rivera, Santa Fe Springs, and Whittier. The draft environmental impact report was released in June 2022 and work is proceeding on the final environmental impact report and conceptual engineering. The FY25 budget request is for \$44.8 million.

- *Sepulveda Transit Corridor*

The project aims to improve transit between the San Fernando Valley and the Westside. Currently in the environmental review phase, Metro is collaborating with private-sector design teams on high-quality transit alternatives. The FY25 budget of \$165.6M supports technical studies, including a Draft Environmental Impact Report (DEIR) expected in late 2024/early 2025, a Planning and Environmental Linkages (PEL) study engaging federal agencies early, and an Environmental Impact Statement (EIS) addressing transportation needs comprehensively.

- *Southeast Gateway Line*

The Southeast Gateway Line, a new light rail transit route linking southeast LA County to downtown Los Angeles, underwent a renaming campaign initiated by Metro in August 2023. This effort aimed to capture community input and align the project's name with the character, culture, and experiences of the communities it serves. As a result, the project has been officially renamed the Southeast Gateway Line. The FY25 budget of \$136.5 million supports essential planning activities, including EIS/EIR, right-of-way acquisition or relocation, community outreach, and more.

- *North San Fernando Valley BRT*

Metro is proposing to implement improvements to the bus network in the north San Fernando Valley to provide higher-quality services and transit infrastructure. These improvements reimagine the existing network to better serve customers and complement those in the NextGen Bus Plan occurring in other parts of Metro's network, but are planned to be funded using Measure M funds, as an alternative to a single-line BRT project following outreach and evaluation of alternatives. The project has filed a notice of exemption. The FY25 budget is divided into two parts: \$2.0 million allocated to TID program for support of preliminary engineering and stakeholder engagement, and an additional \$20.6 million designated to support NextGen bus improvements, which are included in other programs.

		Expenditure	FY24	FY25	Life of	Ordinance
Program	Project	thru FY23	Budget	Preliminary	Project	Start Date
					Budget	(Fiscal
						Year)
1	Transit Construction					
2	A Line (Gold) Foothill Extension 2A & 2B	\$ 1,801.7	\$ 214.8	\$ 146.7	\$ 2,331.8	2010
3	Airport Metro Connector	507.7	174.7	143.5	898.6	2010
4	E Line (Expo) LRT	2,291.7	6.0	3.0	2,301.0	2010
5	K Line (Crenshaw/LAX) Light Rail Transit ⁽¹⁾	2,688.7	342.9	21.2	2,739.5	2010
6	D Line (Purple) Extension ⁽²⁾	6,265.0	1,059.3	691.7	10,030.8	2013
7	East San Fernando Valley LRT ⁽³⁾	132.3	285.6	280.2	496.9	2013
8	Regional Connector	1,737.9	18.8	37.7	1,829.1	2014
9	G Line (Orange) BRT ⁽³⁾	61.8	74.5	105.9	149.7	2019
10	North Hollywood to Pasadena BRT Connector	16.2	60.7	113.9	-	2020
11	Rail & Bus Operations Control Center Upgrade	-	3.1	16.5	-	N/A
Transit Construction Subtotal		\$ 15,503.0	\$ 2,240.3	\$ 1,560.3	\$ 20,777.2	
12	Transit Planning					
13	Eastside Access ⁽⁴⁾	\$ 39.3	\$ 5.3	\$ 0.6	\$ 29.7	2010
14	Southeast Gateway Line	77.6	37.9	136.5	-	2015
15	North San Fernando Valley BRT	8.0	3.3	2.0	-	2019
16	Countywide BRT Planning	0.1	3.0	2.4	-	2020
17	E Line Eastside LRT Phase 2	56.7	22.1	44.8	-	2022
18	Sepulveda Corridor	130.9	71.2	165.6	-	2024
19	Vermont Transit Corridor	5.3	6.4	20.1	-	2024
20	C Line Extension to Torrance	30.1	43.8	57.7	-	2026
21	K Line Northern	26.4	18.6	8.2	-	2041
22	SGV Feasibility Study	2.9	1.9	1.0	-	N/A
Transit Planning Subtotal		\$ 377.3	\$ 213.5	\$ 439.0	\$ 29.7	
23	Program Support/Admin					
		-	19.7	22.5	-	
24	Grand Total	\$ 15,880.3	\$ 2,473.5	\$ 2,021.7	\$ 20,806.9	
North San Fernando Valley BRT Improvements ⁽⁵⁾		-	17.5	20.6	-	

Notes: Totals may not add due to rounding

(1) K Line expenditure through FY23 reflects dispute settlement, while budget resides in FY24 .

(2) D Line (Purple) Extension includes all three sections, Division 20 Portal Widening & other supporting projects.

(3) LOP budget for East San Fernando LRT & G (Orange) Line BRT is for pre-construction phase only.

(4) LOP budget of \$29.7M is for Eastside Access Phase 3 only; other numbers include all three phases.

(5) Components of the NSFV are reflected in Highway Multimodal Development & Capital Improvement Programs.

Attachment B

Highway Multimodal Development

The Highway Multimodal Development Program continues to evolve, as legacy expansion projects move towards completion or undergo rescoping with robust community participation, new ExpressLanes advance through the design and implementation phase, and multimodal components are integrated into freeway and street projects.

The Highway Multimodal Development Program differs from the Transit Construction Program in that completed projects represent non-Metro owned capital assets despite similarities in delivery and construction phases. For most Highway projects, Metro oversees the planning and early engineering phases, then transitions the project to Caltrans to execute right-of-way acquisitions and construction. Upon completion, Highway projects are capitalized as a Caltrans asset with Caltrans assuming primary responsibility for operations and maintenance.

The FY25 preliminary Highway Multimodal Development budget of \$602.9 million represents a \$0.7 million or 0.1% increase over the FY24 Budget. This essentially flat year-over-year level of funding support features substantial budget increases for bus-only lane implementation, enhancements to bus stop shelters throughout LA County, as well as funds to support I-105 ExpressLanes project construction phase. Ongoing support for the SR-57/SR-60 confluence project construction is partially offset by decreases in funding support for the I-5 North (North County) as that project advances towards completion, as well as decreases driven by re-forecasting across multiple projects based on historical spend rates.

Highway Multimodal Development					
Project (\$ in millions)	Exp thru FY23	FY24 Budget	FY25 Preliminary	Subregion	
1 MR/MM Projects					
2 Countywide Soundwall Constructions	\$ 136.8	\$ 22.7	\$ 29.1	sc	
3 High Desert Corridor (environmental)	37.2	0.1	-	nc	
4 Highway Demand Based Program (SG)	-	0.1	0.1	sg	
5 Highway Efficiency Program	11.9	6.2	1.6	av, lvm, nc	
6 Highway Operational Improvements in Arroyo Verdugo Subregion	59.1	7.5	5.0	av	
7 Highway Operational Improvements in Las Virgenes/Malibu Subregion	129.7	3.0	2.1	lvm	
8 I-105 ExpressLane from I-405 to I-605	47.6	81.1	128.6	sc	
9 Sepulveda Pass Transit Corridor (Ph 1 - I-405 ExpressLane)	15.4	9.0	7.6	sf	
10 Interstate 405, I-110, I-105 and SR-91 Ramp & Interchange Improvements (South)	193.8	53.5	30.6	sb	
11 I-5 Capacity Enhancement from SR-134 to SR-170	197.2	12.5	4.4	av, sf	
12 I-5 Carmenita Road Interchange Improvement	23.5	0.6	-	gc	
13 Interstate 5 Capacity Enhancement from I-605 to Orange County Line	138.2	20.1	12.0	gc	
14 Interstate 5 North Capacity Enhancements from SR-14 to Kern County Line (Truc)	199.1	105.2	52.5	nc	
15 Interstate 5/St. Route 14 Capacity Enhancement (North County)	2.8	3.5	1.0	nc	
16 Interstate 605 corridor "Hot Spot" Interchanges (Gateway Cities)	213.0	89.5	109.4	gc	
17 Interstate 710 South and/or Early Action Projects (Gateway Cities)	180.1	23.7	38.4	gc	
18 South Bay Highway Operational Improvements	0.4	10.0	0.5	sb	
19 SR-57/SR-60 Interchange Improvements	111.5	66.2	87.5	sg	
20 SR-71 Gap from I-10 to Rio Rancho Road (Southern Segment)	50.1	25.0	20.0	sg	
21 *SR-71 Gap from I-10 to Rio Rancho Road (Northern Segment)	-	-	10.0	sg	
22 SR-710 N Corridor Mobility Improvements	3.1	12.7	4.8	av, cc, sg	
23 State Route 138 Capacity Enhancements (North County)	72.8	10.0	5.0	nc	
24 SR-14 Safety Improvements	0.0	-	4.0	nc	
25 Transportation System and Mobility Improvement Program (South Bay)	37.8	19.5	5.5	sb	
26 MR/MM Projects Total	\$ 1,861.2	\$ 581.7	\$ 559.7		
27 Other					
28 Caltrans Property Maintenance	\$ 11.1	\$ 1.2	\$ 1.3		
29 Highway Planning	155.3	4.5	3.1		
30 I-210 Barrier Replacement	15.0	2.2	1.7		
31 I-405 Carpool Lane	1,456.7	0.5	0.5		
32 NextGen Bus Lanes	7.5	12.2	36.6		
33 Total Highway Multimodal Development	\$ 3,506.8	\$ 602.3	\$ 603.0		

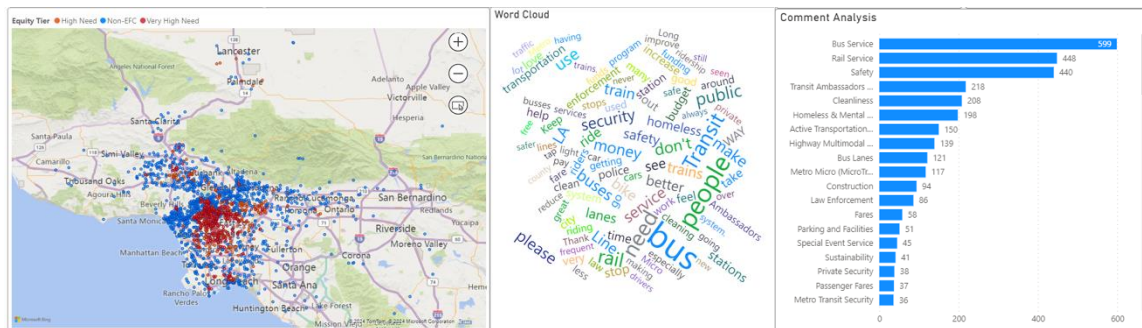
* new project number for SR-71 northern segment will be approved following budget approval

Subregion Key
AV = Arroyo Verdugo
CC = Central City
GC = Gateway Cities
LVM = Las Virgenes-Malibu
NC = North County
SB = South Bay
SC = System Connectivity
SF = San Fernando

Attachment C

My Metro Budget activity

There is still time remaining to participate and leave feedback with the My Metro Budget activity. Similar to last year, Metro is committed to incorporating these valuable budget responses and comments into the formulation of the FY25 Budget. To facilitate a comprehensive review and evaluation process, OMB staff have developed an interactive dashboard. This tool enables filtering of comments based on cabinet, region, and demographics, in addition to word clouds that highlight popular themes for distinct groups and sectors. The dashboard also includes detailed demographic and geographic information to pinpoint the origins and equity needs of respondents behind the comments.



My Metro Budget Activity Comments

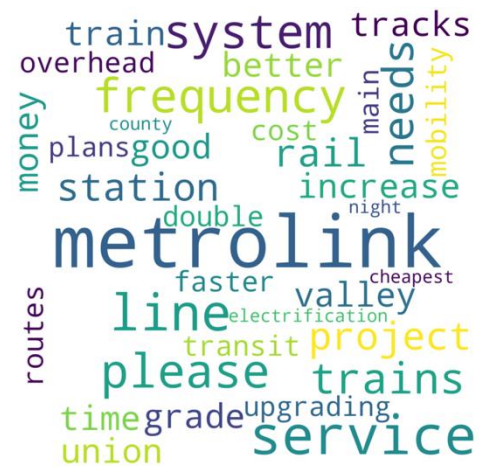
Comments – Regional Rail

This is a word cloud for comments related to Regional Rail. Our recent feedback analysis revealed three prominent themes emerging from customer comments: increasing service frequency, improving Union Station frequency, and expanding track improvement projects.

Increasing Service Frequency: A substantial number of customers expressed their need for more frequent train services during peak hours to accommodate daily commutes and travel plans effectively.

Improving Union Station Frequency: Numerous comments highlighted the need to enhance train frequencies at Union Station to address congestion and delays during peak hours.









Expanding Track Improvement Projects: Customer feedback emphasized the importance of investing in track improvement projects to address issues such as maintenance requirements, aging infrastructure, and congestion.





Metro

Public Outreach & Stakeholder Engagement Calendar

October 2023	November 2023	December 2023	January 2024
<ul style="list-style-type: none"> > CEO's Telephone Town Hall > Over 3,600 participants 	<ul style="list-style-type: none"> > Launch My Metro Budget Activity Available in 9 language 	<ul style="list-style-type: none"> > Community group engagement – My Metro Budget Physical Marketing Cards to: <ul style="list-style-type: none"> * Metro Station Staff * Metro Micro * GoPass * LIFE * On The Move Riders Program * Metro Youth Council * Women & Girls Governing Council * TAP Vendors 	<ul style="list-style-type: none"> > Social Media Launch of My Metro Budget Activity > Outreach to Equity Focus Communities, and Metro Groups 
<p>February 2024</p> <p>WE ARE HERE</p> <ul style="list-style-type: none"> > Regional Service Councils – Briefings in all Regions + San Gabriel Valley + San Fernando + South Bay Cities + Westside Cities + Gateway Cities > Accessibility Advisory Committee > Metro Youth Council 	<p>March 2024</p> <ul style="list-style-type: none"> > Community Advisory Committee 	<p>April 2024</p> <ul style="list-style-type: none"> > CEO's Telephone Town Hall > San Gabriel Valley COG > Bus Operators Subcommittee > Streets & Freeways > Community Advisory Council > Gateway Cities COG > Telephone Town Hall + Westside Cities COG 	<p>May 2024</p> <ul style="list-style-type: none"> > Regional Service Councils, Briefing > Technical Advisory Committee > Valley Industry & Commerce Association > Local Transit Systems Subcommittee > Accessibility Advisory Committee > San Gabriel Valley COG > Budget Public Hearing 

> Note: Updated as additional meetings are scheduled.
 > Ongoing Public Participation



FY25 Budget Development Monthly Update

- Transit Infrastructure Development
- Multimodal Highway Development
- Regional Rail
- Regional Allocations & Pass Throughs

Represent Approx. 60% of the annual budget

Finance, Budget and Audit Committee

March 20th, 2024

Transit Infrastructure Development (\$2.0B)

Planning

\$439.0M

C Line Ext. to Torrance	\$ 57.7
Countywide BRT Planning	\$ 2.4
E Line Eastside LRT Phase 2	\$ 44.8
Eastside Access	\$ 0.6
K Line Northern	\$ 8.2
North SFV BRT	\$ 2.0
Sepulveda Corridor	\$165.6
SGV Feasibility Study	\$ 1.0
Southeast Gateway Line	\$136.5
Vermont Transit Corridor	\$ 20.1

In Construction

\$977.0M

D Line (Purple) Ext. Sec. 2 &3	\$460.6
East San Fernando Valley LRT	\$280.2
G Line (Orange) BRT	\$105.9
NoHo to Pasadena BRT	\$113.9
Rail & Bus Ops Control Center	\$ 16.5

Nearing Completion

\$521.3M

Airport Metro Connector	\$143.5
A Line (Gold) Ext. to Pomona	\$146.7
D Line (Purple) Ext. Section 1	\$231.1



- \$61.9M budget for closeout projects such as K Line (Crenshaw/LAX), Regional Connector, etc.

- FY25 Budget of \$2.0B reflects a -\$451.8M or -18.3% reduction from FY24.
- Transit Construction totaling \$1,560.3M is decreasing due to the nearing completion of several projects has led to a reduction in cash flow requirements, and newer projects have not yet progressed to major construction phase
- Planning & studies totaling \$439.0M is increasing by \$225.5M, 105.6%, to support Southeast Gateway Line & other transit planning projects.

Multimodal Highway Program (\$602.9M)



**Bus
Improvements**

\$36.6M

+\$24.4m (199.3%)



**Capacity
Improvements**

\$126M

-\$59.4m (-32.0%)



**Express /
HOV
Improvements**

\$143.5M

+\$38.5m (36.6%)



**General
Planning**

\$3.2M

-\$1.4m (-30.0%)



**Local
Subregional
Improvements**

\$263.2M

-7.9m (-2.9%)



**Traffic Noise
Reduction &
Property
Maintenance**

\$30.4M

+6.6m (28.4%)

Overview:

- FY25 Preliminary \$ Highway Budget is essentially flat compared to FY24
- Investments in Bus-Only Lanes and NextGen Bus Initiative is 200% higher than FY24
- Decrease in Capacity Improvement investments construction continues for legacy projects
- Increase in ExpressLanes investments driven by the I-105 ExpressLanes project

Regional Rail (\$56.7M)



Link Union Station:

- Value engineering
- Procure CM/GC contract

\$10.4M

-\$86m (-89.2%)



Grade Separation Projects:

- Rosecrans: closeout activities
- Doran St: procure construction contract

\$13.8M

-\$23m (-62.7%)



Double Tracking Projects:

Brighton to Roxbury and Lone Hill to CP White in final design, transition to construction

\$13.4M

-\$2.6m (-16.2%)



High Desert Corridor Rail Service Plan and Other Metro Regional Rail Projects

\$19.1M

+\$10m (116.6%)



Metrolink's FY25 Budget is still under development and will be available upon receipt

Currently In Development

Overview:

- Double Tracking and Grade Separation projects transitioning from Final Design to Construction Phase
- High Desert Corridor finalizing Service Development Plan and proceeding with preliminary design
- Metrolink's operating budget is still under development and will be brought forward for Board approval when finalized.

Regional Allocations & Pass Throughs (\$1.98B)



Local Agencies
Local Return & TDA
3 & 8

\$921.4M
-\$40.8m (-4.2%)



Regional Transit
Municipal & Local
Operator Funds &
Access Services

\$735.6M
-\$45.7m (-5.8%)



Major Projects
Alameda Corridor II,
AV Metrolink Line,
ITC, Sankofa Park

\$181.5M
+\$17.2m (10.5%)



Other Local Programs
Call for Projects,
ATP-Transit, CRD
Toll, Federal Pass-
Thru, TOD Grants

\$82.1M
-\$5.0m (-5.8%)



Regional Federal Grants
JARC, New Freedom,
5310, STPL Exchange

\$23.8M
-6.6m (-21.7%)



Fare Assistance
LIFE

\$34.3M
+1.8m (5.5%)

Overview:

- FY25 budget of \$1.98B reflects a -\$79.1M or -3.8% reduction from FY24
- Primarily tied to sales tax projections – FY25 revenues lower than FY24 Budget
- Metro as County Transportation Agency allocates resources to local agencies to implement projects
 - 89% passed through (transit agencies & local jurisdictions per Fed/State law & Board policy)
 - 11% for Access Services & LIFE Program
- Final Access Services & Transit Fund allocations will be presented to Board for action in June

FY25*

4,100+ Respondents

+2,900 increase

3,400+ Comments

+1,200 increase

20 min average time spent on activity

+1.75 min increase

45% EFC Response Rate

+1% increase

*Responses to Date (Mar 11, 2024)

***FY25 collection period:
December 2023 - May 2024**

Public Outreach & Stakeholder Engagement Calendar

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Schedule & Next Steps



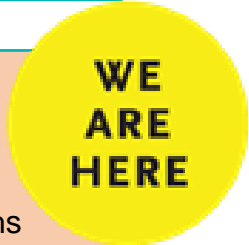
- Near-Term Update
- FY24 EZBB
- Prelim. Sales Tax & CPI Forecast
- Public Outreach & Engagement



- Sales Tax Forecast, Resources Assumptions
- Cost Inflation Estimates
- Other Expense Assumptions



- Transit Infrastructure
- Multimodal Hwy Investments
- Regional Rail
- Regional Allocations & Pass-Throughs



- Metro Transit - Operations & Maintenance (O&M) and Capital Improvement Program (CIP)
- Congestion Management
- Planning & Administration



- Consolidated Agency-wide Expenses & FTEs
- Proposed Budget Book
- Public Hearing
- Board Adoption