

FY16 Budget Development: Preliminary Capital Program

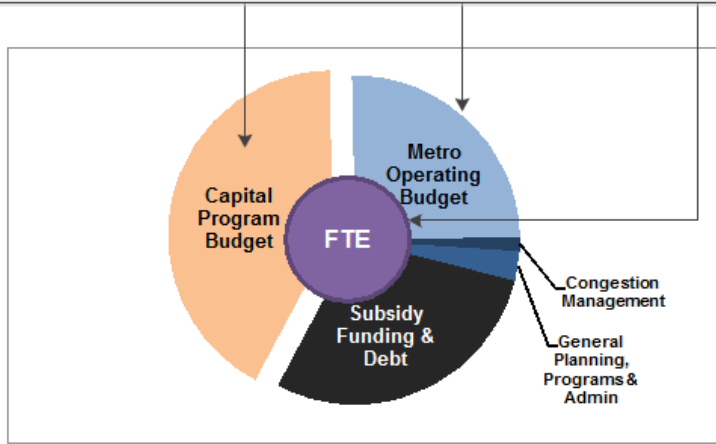
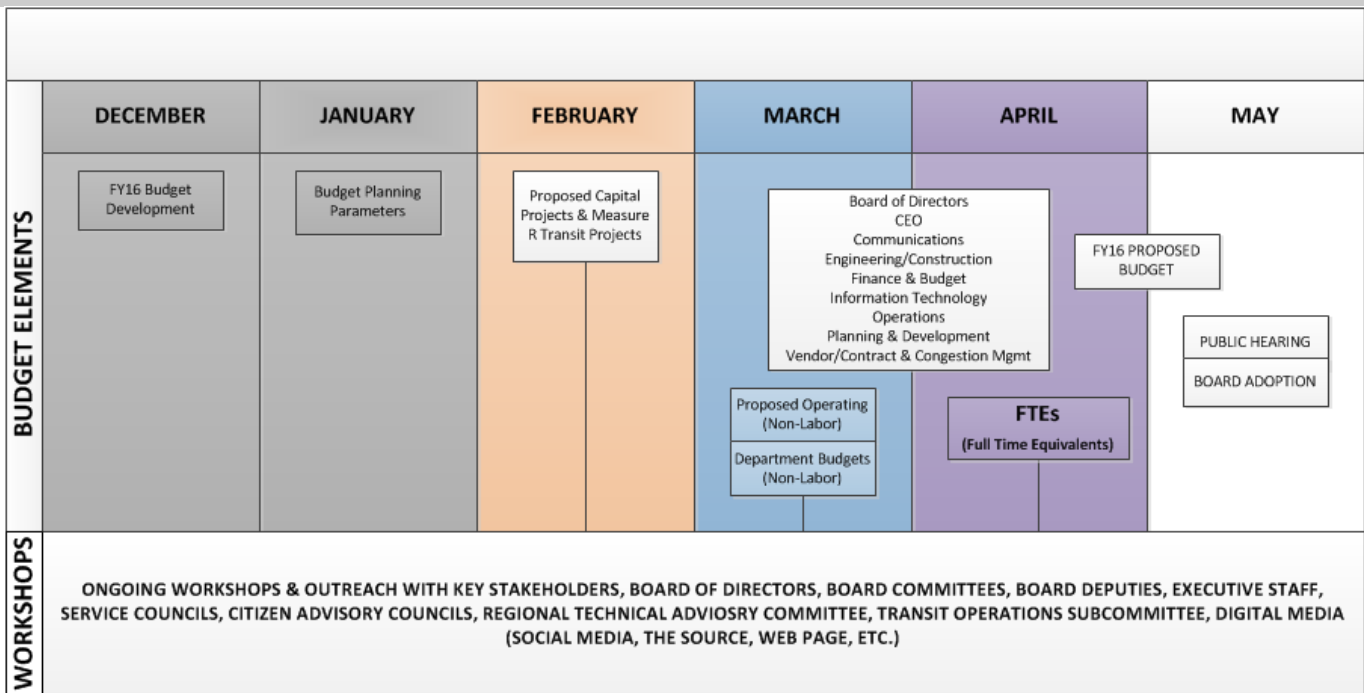
**Board Staff Briefing
February 12, 2015**



The Office of Management, Budget and
Local Programming

Metro

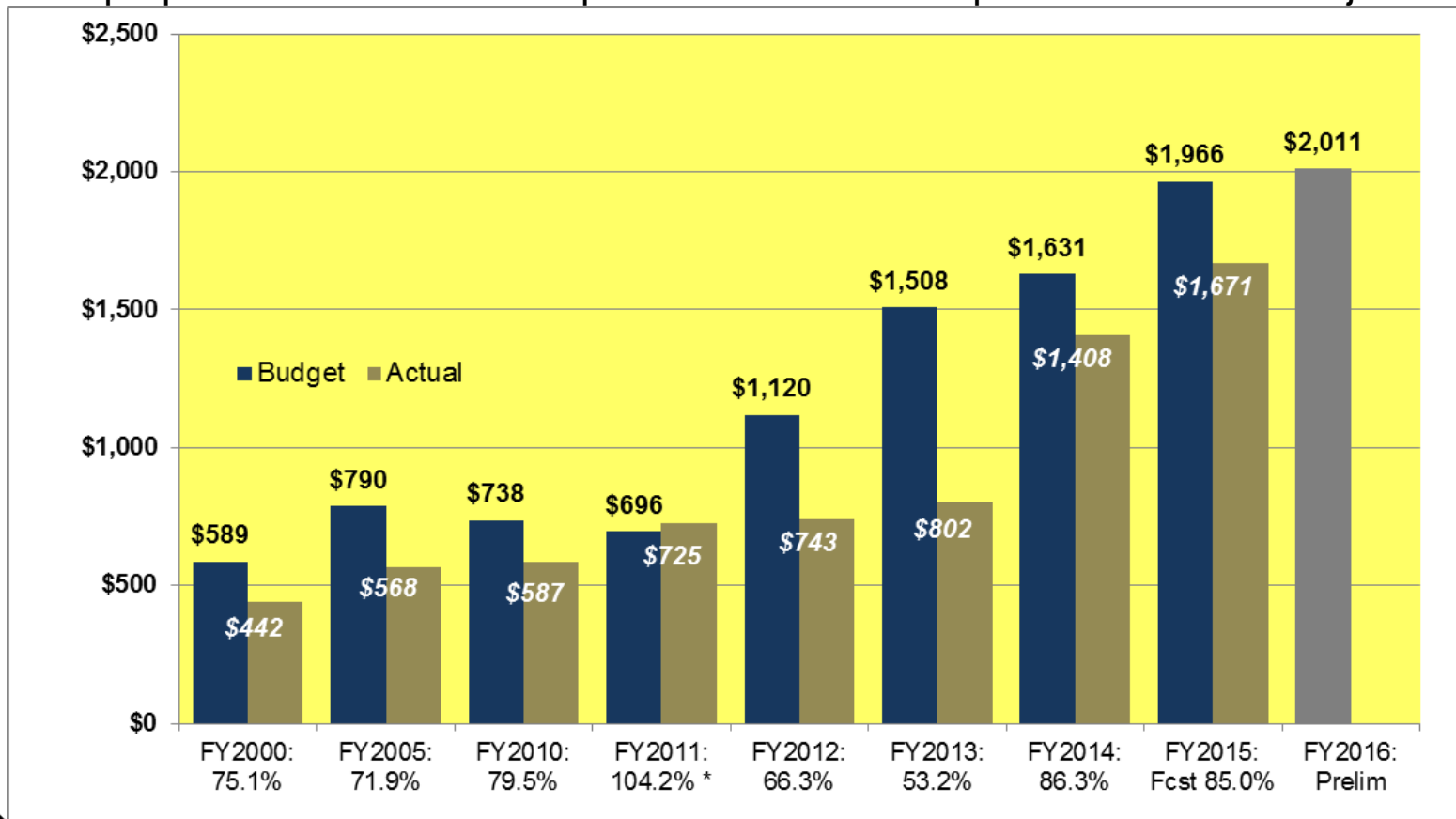
FY16 Budget Development Process



Metro Capital Investment

(dollars in millions)

- Metro Capital includes new transit system construction, existing state of good repair (SGR) replacements, maintenance and business infrastructure.
- From FY2000 to FY2015 the Capital Budget has grown 341%; budget allocation ramp-up includes construction phase of Measure R sponsored Transit Project



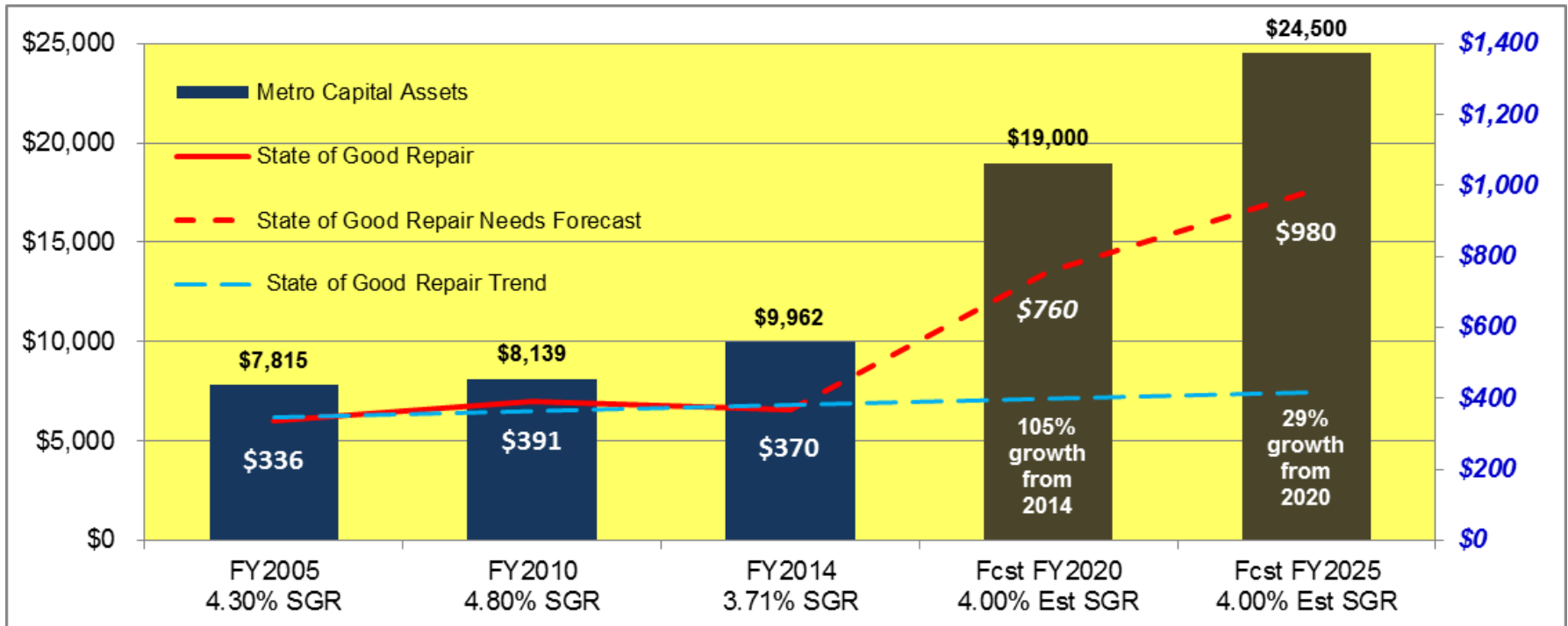
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* 2011 figure includes the purchase of Union Station

Transit Asset Basis

(dollars in millions)

- Metro owned transit assets will more than triple from \$7.8 billion in FY05 to \$24.5 billion by FY25 with the adopted projects in the works.
- Based on 4.0% avg ratio of SGR funding to asset value, the future needs will outpace available funding.



Data source for Metro Capital Asset figures: 2005, 2010 & 2014 Comprehensive Annual Financial Report

FY16 Capital Program Highlights

\$2.01 billion Capital Program

- 1) Revenue Service openings for Expo II & Foothill projects in FY16.
- 2) Continued Measure R progress for the Westside Subway Purple Line Ext (PLE) Sect 1, Crenshaw / LAX, Regional Connector & advancement of PLE Sec 2 for Full Funding Grant Agreement.
- 3) Backlog reduction for Asset Maintenance & Improvements projects for Bus, Blue, Gold, Green, Red/Purple and vehicle assets.
- 4) Continued Revenue Vehicle Acquisitions: Bus, Light Rail & Heavy Rail.
- 5) Continued construction: Universal City Pedestrian Bridge and Orange Line to Red Line Pedestrian Underpass and Security Kiosks installations for Metro Red Line stations.
- 6) Technology/Sustainability Improvements, progress on L.A. Union Station Renovations, Reroofing & HVAC Installations and Patsaouras Plaza Bus Station construction.

FY16 Preliminary Budget Plan

(dollars in millions)

| Preliminary Capital Budget Plan | Capital Expansion (Measure R) | Safety & Security | Asset Maintenance & Improvement | New Assets & Closeouts | Total |
|-----------------------------------|-------------------------------|-------------------|---------------------------------|------------------------|------------------|
| Capital Expansion | | | | | |
| Crenshaw / LAX | \$458.6 | \$0.0 | \$0.0 | \$0.0 | \$458.6 |
| Expo II | 327.8 | - | - | - | 327.8 |
| Foothill | 54.0 | - | - | - | 54.0 |
| Westside Subway | 353.5 | - | - | - | 353.5 |
| Regional Connector | 243.6 | - | - | - | 243.6 |
| Meas R Vehicles | 186.4 | - | - | - | 186.4 |
| Expo II Bikeway | 3.3 | - | - | - | 3.3 |
| Total Capital Expansion | \$1,627.1 | \$0.0 | \$0.0 | \$0.0 | \$1,627.1 |
| I-405 Highway | \$28.1 | \$0.0 | \$0.0 | \$0.0 | \$28.1 |
| State of Good Repair | | | | | |
| Bus | - | - | \$147.4 | \$14.6 | \$162.0 |
| Rail | | | | | |
| Blue Line | - | 14.1 | 25.2 | 0.0 | 39.3 |
| Gold Line | - | - | 1.3 | 1.4 | 2.7 |
| Green Line | - | 1.4 | 2.1 | - | 3.5 |
| Red/Purple Line | - | 12.3 | 15.9 | 1.1 | 29.3 |
| Multiple Lines | - | 1.2 | 40.4 | 2.9 | 44.5 |
| Systemwide | - | 14.9 | 34.8 | 1.6 | 51.2 |
| Bike | - | - | - | 1.2 | 1.2 |
| Infrastructure | - | 2.0 | 18.4 | 1.3 | 21.8 |
| Total State of Good Repair | \$0.0 | \$45.9 | \$285.5 | \$24.0 | \$355.5 |
| Grand Total | \$1,655.2 | \$45.9 | \$285.5 | \$24.0 | \$2,010.7 |
| | 82.3% | 2.3% | 14.2% | 1.2% | 100.0% |



Transit System Expansion

Measure R Funded Construction (\$ in millions)

| Project | Preliminary FY16 Budget Plan | Description |
|----------------------|------------------------------|---|
| Expo II | \$331.0 | Revenue Service planned in FY16 and has an estimated budget placeholder of \$331.0M* |
| Foothill | 54.0 | Revenue Service planned in FY16 and has has an estimated budget placeholder of \$54.0M* |
| Crenshaw / LAX | 458.6 | Ongoing design & construction for utility relocations, sitework, tunneling, stations, guideways and trackwork. Start of Southwestern Yard design efforts |
| Westside Subway | 353.5 | Sect 1: \$290.9M: Continued advanced utility relocations, ongoing design and construction. Sect 2: \$62.6M continued FFGA efforts and conceptual design. |
| Regional Connector | 243.6 | Continued advanced utility relocations with ongoing design and construction for utility relocations, sitework, stations, guideways, trackwork and support facilities. |
| Measure R Vehicles | 186.4 | Vehicle deliveries in progress to support Expo & Foothill openings. |
| Total Transit | \$1,627.1 | |
| I-405 | 28.1 | Punchlist and closeout |
| Total Meas R | \$1,655.2 | |



* Expo II & Foothill budgets are Nov 2014 estimates. Placeholder budgets will be replaced by Expo Board & Foothill Board adopted budgets expected in May 2015.

Asset Improvements & Maintenance

Asset Maintenance & Improvements (\$ in millions)

| Category | Preliminary FY16 Budget Plan | Description |
|----------------|------------------------------|---|
| Bus | \$147.4 | Option purchase 350 40' Bus Buy, Bus Midlife & Bus Engine Replacement programs, Fuel Storage Tank Enhancement, Silverline Improvements, Bus Division Maintenance, Patsaouras Plaza Bus Station Construction and Paver Replacement |
| Rail | 84.9 | Blue Line Station Refurbishments, Blue Line Light Rail Vehicle overhauls, Blue Line Overhead Catenary Rehabilitation, Heavy Rail Midlife and Component Overhauls, Rail Communication System upgrades & Elevator / Escalator Modernizations at Civic Center and Pershing Square. |
| Systemwide | 34.8 | Non Revenue(NR) Fleet Vehicle Replacements, NR Maintenance Shop Equipment & Improvements and Inventory Management upgrades. |
| Infrastructure | 18.4 | ITS hardware, ITS business system improvement programs, Union Station and Gateway Building Renovations. |
| Total | \$285.5 | |

Safety & Security

Safety and Security (\$ in millions)

| Category | Preliminary FY16 Budget Plan | Description |
|---------------------------------|------------------------------|---|
| Systemwide, Multi Modal and Bus | \$18.1 | Systemwide, Multi-modal & Bus is \$18.1M: NoHo Metro Red Line to Orange Line Pedestrian Underpass, Purchase Card Industry Compliance, Fare Gate Installations, Emergency Ops Booth at Divisions, Emergency Ops Center, SCADA System |
| Blue Line | 14.1 | Blue Line is \$14.1M: Pedestrian / Swing Gate Installations, Signal System Rehab and Transit Passenger Information Systems Installations. |
| Red / Purple | 12.3 | Universal City Pedestrian Bridge, MRL Tunnel Lighting Rehab, Gas Analyzer Upgrades and continued Operator Cab Camera Installations. |
| Green Line | 1.4 | Continued Signal System Rehab Phase I & II program and Transit Passenger Information System Installations. |
| Total | \$45.9 | |

FY16 Capital Program: New Assets and Closeouts

New Assets and Closeouts (\$ in millions)

| Category | Preliminary FY16 Budget Plan | Description |
|----------------------------------|------------------------------|---|
| New Assets & Improvements | \$16.3 | Division 13 Completion, Nextrip Electronic Signage, Silver Line BRT Freeway Station Sound Enclosures, Light Rail Transit Freeway Station Sound Enclosures, Lankershim Depot at MRL NoHo and Cesar Chavez Bus Stop Improvements. |
| Technology Improvements | 1.5 | Internet Based Customer Help Desk, TAP Near Field Communications (NFC) Application Development, Parking Guidance System at Metro Owned Park-n-Ride Lots and Bus Stop Information System Project. |
| Sustainability Installations | 0.9 | Bus & Rail Facilities Sub Metering Projects, Orange Line Reclaimed Water Project, Public Plug-In Vehicle Charge Stations, EV Charging Stations at Rail Facilities and Wayside Energy Storage Substations (WESS). |
| Bike Projects | 1.2 | Lockers and Rack Installations at Rail Stations, Bike Access Improvements for Rail and Union Station Metro Bike Hub. |
| Other Improvements | 1.8 | Ticket Vending Machine Installations and TVM Software Upgrades for Multiple Tickets and Language. |
| Large Capital Project Closeouts: | 2.4 | El Monte Transit Center, Gold Line Eastside Extension, Metro Red Line Seg 2 and 3 NH. |
| Total | \$24.0 | |

FY15 Mid Year Performance as of Dec 2014

| Category | Mid Year Actual | Mid Year Budget | % Expended | Status |
|---|-----------------|-----------------|--------------|--|
| Capital Expansion: Measure R Transit | \$509.9M | \$713.3M | 71.5% | Progress on the Regional Connector, Crenshaw / LAX, Westside Purple Line Ext Sec 1, Expo II & Foothill projects |
| SGR: Maintenance & Improvements | \$160.5M | \$115.0M | 139.5% | 550 40' Foot Bus Buy, Bus Facility Imps & Maintenance, Bus Midlife (<i>both ahead of FY plan but within LOP</i>), MBL Station Refurbishments, MBL Turnout Installation, MBL Light Rail Vehicle Fleet Midlife & Heavy Rail Vehicle Midlife. |
| SGR: New Assets | \$47.4M | \$41.6M | 113.9% | Division 13 progress, Patsaouras Plaza Bus Station & Union Station Reroofing and HVAC projects (<i>both ahead of FY plan but within LOP</i>). |
| SGR: Safety and Security | \$20.9M | \$23.1M | 90.5% | On track progress Bus Division Back Up Generator, Blue Line Traction Power Sub Station, MGL Signal System Rehab, MRL Operator Cab Camera Installations, Video Security Systems Upgrades |
| Total | \$738.7M | \$893.0M | 82.7% | |

Questions

Next Steps:

Continued Board staff updates on Budget Development

Mar – Operating Budget Development Status

Apr – Proposed FY16 Agency Budget

May – Public Hearing and Board Adoption of FY16 Budget

Questions to Quintin Sumabat – Director of Budget: Capital Program

Data as of Jan 15, 2015. Preliminary FY16 Capital Project details are available on the OMB Capital Program website for reference.