

**Board Report**

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**File #:**2016-0087, **File Type:**Program

Agenda Number:

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**PLANNING AND PROGRAMMING COMMITTEE  
FEBRUARY 17, 2016****SUBJECT: 2016 STATE TRANSPORTATION IMPROVEMENT PROGRAM****ACTION: APPROVE FUNDING PRIORITIZATION****RECOMMENDATION**

Approve the prioritization of the adopted Los Angeles County 2016 State Transportation Improvement Program (STIP) to respond to the reduced STIP Fund Estimate.

**ISSUE**

On December 15, 2015, Metro submitted the 2016 Regional Transportation Plan (RTIP) to the California Transportation Commission (CTC). On January 21, 2016, 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 RTIP consistent with this new Fund Estimate. Metro staff is proposing to prioritize the projects submitted in the 2016 RTIP as well as Los Angeles County projects included in the Interregional Transportation Improvement Program (ITIP).

**DISCUSSION****Background**

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

Metro submitted the 2016 RTIP for Los Angeles County on December 15, 2015. On January 21,

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2016, the CTC adopted a revised Fund Estimate which reduced the overall STIP programming capacity by \$754 million over the five-year period. The CTC requested region resubmit their RTIPs based on this new Fund Estimate. We are proposing resubmitting the 2016 RTIP and ITIP projects consistent with priorities established by the CTC as well as Metro's Long Range Transportation Plan.

The STIP contains two portions. 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 consists of the remaining 25% of the STIP and is directly programmed by Caltrans. The CTC adopts the ITIP, which is consistent with the Interregional Transportation Strategic Plan (ITSP). The ITSP was adopted in October 2015. Los Angeles County has two projects which are in the ITIP. The first is the Burbank Airport/Rail Station Pedestrian Grade Separation Project, which has \$7M programmed in FY2019. The second project is the Double Track near Northridge Station Project, which has \$63M programmed in FY2016. Given the zero fund estimate, the CTC will also be reconsidering delivery dates for these projects. The CTC held the Southern California hearing about the 2016 ITIP portion in Los Angeles on November 4, 2015.

#### Proposed 2016 STIP Priorities for Los Angeles County

At the December CTC meeting, the CTC adopted an Allocation Plan for FY2016 projects due to the adopted STIP Fund Estimate. The Allocation Plan acts as a priority setting exercise for CTC staff to manage allocation requests throughout the Fiscal Year. The FY2016 Allocation Plan established the following priorities:

- 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

In addition to these priorities, Metro staff is also seeking to have projects that received previous allocations and are under contract to be given the same priority as AB3090 cash reimbursements and PPM. Given the broad statewide consensus on this Allocation Plan, Metro staff recommends prioritizing our 2016 STIP projects accordingly:

- 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 will remain 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.

- The Light Rail Vehicle Purchase is programmed for FY2018 (\$50.0M) and FY2019 (\$52.4M) in RTIP funding. We are recommending reducing the FY2018 programmed amount to \$21.7M and the FY2019 amount to \$26.2M. The balance of \$54.5M will be divided over the two remaining program years of FY2020 and FY2021. This reprogramming is not expected to negatively impact the delivery of the rail cars. While transit vehicles purchases are typically a lower priority, Metro staff believes this project will be viewed as a high priority by the CTC as it has received several allocations, is under contract, and has initiated the construction of the vehicles.
- 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 project. By reclassifying these two projects as safety projects, the CTC should view both as high priority for allocation.
- Burbank Airport/Rail Station Pedestrian Grade Separation Project, which 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.
- The Raymer to Bernson Double Track near Northridge Station Project, which 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 our ability to manage the funding shortfall presented by the new STIP Fund Estimate. Once this project is ready, it will be classified as an intercity rail project, and should receive priority for ITIP funding.

### **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. While approximately \$37M is proposed to be deferred until FY2020 and \$83.6M is proposed to be deferred until FY2021 due to declining state revenues, the reprogramming actions taken in December by the Metro Board will deliver the existing RTIP program. We will continue working with Caltrans to mitigate any potential cost increases due to this delay.

### **Impact to Budget**

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

**ALTERNATIVES CONSIDERED**

The Metro Board could elect to reprioritize the projects listed above. 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.

..Next\_Steps

**NEXT STEPS**

With Board approval of our recommendation, we will proceed with the following 2016 Los Angeles County STIP 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

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