



SUPPLEMENTAL AGENDA

PLANNING & PROGRAMMING COMMITTEE

Wednesday, October 15, 2003 – 1:00 p.m.

32. CONSIDER:

- A. approving a two-tiered approach to the **grant Anticipation Revenue Vehicle (GARVEE) bond projects**. Tier 1, with a GARVEE amount of up to \$146.2 million, will be used if the California Transportation Commission (CTC) establishes a restrictive county-by-county GARVEE bond debt service cap at their October 30, 2003 meeting. Otherwise, both Tier 1 and Tier 2, with a combined GARVEE amount of up to \$188.2 million, will be submitted for CTC approval at their December 11, 2003 meeting; and

- B. authorizing the Chief Executive Officer to propose to the California Transportation Commission (CTC) an advance of \$45.5 million in Proposition C 25% funds for up to 12 Los Angeles County State Transportation Improvement Program (STIP) project. The advance would be repaid with STIP replacement project(s) in future year(s) through the CTC's AB 3090 process.

NOTE: This item will also be considered by the FINANCE & BUDGET COMMITTEE, Thursday, October 16, 2003 – 10:30 a.m.

ADJOURNMENT



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

PLANNING AND PROGRAMMING COMMITTEE
OCTOBER 15, 2003
FINANCE AND BUDGET COMMITTEE
OCTOBER 16, 2003

**SUBJECT: FINANCING PROPOSAL FOR DEFERRED LOS ANGELES
COUNTY STATE TRANSPORTATION IMPROVEMENT
PROGRAM PROJECTS**

ACTION: APPROVE TWO-PART FINANCING PROPOSAL

RECOMMENDATIONS

- A. Approve a two-tiered approach to the Grant Anticipation Revenue Vehicle (GARVEE) bond projects shown in Attachment A. Tier 1, with a GARVEE amount of up to \$146.2 million, will be used if the California Transportation Commission (CTC) establishes a restrictive county-by-county GARVEE bond debt service cap at their October 30, 2003 meeting. Otherwise, both Tier 1 and Tier 2, with a combined GARVEE amount of up to \$188.2 million, will be submitted for CTC approval at their December 11, 2003 meeting.
- B. Authorize the Chief Executive Officer (CEO) to propose to the California Transportation Commission (CTC) an advance of \$45.5 million in Proposition C 25% funds for up to 12 Los Angeles County State Transportation Improvement Program (STIP) projects as shown in Attachment B. The advance would be repaid with STIP replacement project(s) in future year(s) through the CTC's AB 3090 process.

ISSUE

This past September, the MTA Board of Directors requested that we return with a short list of GARVEE bond projects to present to the CTC if the original Board-approved GARVEE amount of \$214.8 million needs to be reduced. In response to that request, we have separated the previously Board-approved GARVEE bond projects into two-tiers, as shown in Attachment A. Tier 1 in Attachment A is a joint Caltrans and MTA recommended short list.

The MTA Board also asked that we return for approval of the AB 3090 list shown in Attachment B. As before, both recommended actions mitigate the immediate impacts of the State's transportation funding shortfall in Los Angeles County.

POLICY IMPLICATIONS

The MTA's decision to proceed with a two-tiered priority list for GARVEE bond financing could influence the course of upcoming CTC GARVEE bond policy

decisions. The CTC staff report discussing a proposed county-by-county annual GARVEE bond debt service cap is shown in Attachment C. At the CTC's September 2003 meeting, MTA and Metropolitan Transportation Commission representatives both spoke against the proposed county-by-county GARVEE bond caps. While the existence of Los Angeles County's two tiers may nominally invite a lower CTC cap for the County, they nevertheless will enable the MTA staff to be more responsive to the issue of a GARVEE bond cap, should our stated opposition fail or require a compromise.

ALTERNATIVES CONSIDERED

The MTA Board of Directors could choose to proceed without the two-tiered GARVEE bond priorities shown in Attachment A. Instead, the MTA could put forward one unified list of GARVEE bond projects to the CTC. On balance, we recommend the two-tiered approach because we believe the added MTA flexibility could expedite the Tier 1 projects in Attachment A if the CTC limits the County's GARVEE bond capacity. It is important to note that all of the Tier 2 projects are sponsored by Caltrans, which has a strong voice in CTC decision-making. The MTA's action would support immediate delivery of the Tier 2 projects, but also would recognize that Caltrans must ultimately support the Tier 2 projects before the CTC.

The MTA Board also could choose not to proceed with financing some or all of the STIP projects proposed for Proposition C funding through the CTC's AB 3090 process. These projects are shown in Attachment B. We recommend proceeding with Proposition C funding for the projects in Attachment B for the following reasons:

- The Caltrans Route 101 from Los Angeles Street to Center Street project is on the critical path for the Gold Line Extension to the Eastside. Without the recommended action, the critical path nature of this project may force the MTA to decide to pay for the project anyway, without the benefit of a CTC replacement project.
- The cities of Agoura Hills, Downey, Los Angeles, Redondo Beach, Santa Clarita, and South Gate all have developed ready-to-go projects in response to the MTA Call for Projects process. Providing available Proposition C 25% funds would assist these agencies in delivering transportation congestion relief and would preserve the integrity of the MTA Call for Project commitments.
- The County of Los Angeles, the Southern California Regional Rail Authority, and the San Gabriel Valley Council of Governments all have cooperatively developed complex multi-agency projects utilizing a variety of fund sources. Resolving a shortfall in one fund (the STIP) by using another MTA source (Proposition C) insures that highly leveraged project financing arrangements remain intact and important regional transportation improvements are delivered on schedule.

FINANCIAL IMPACT

The two-tiered approach to the GARVEE bond list in Attachment A has no added financial impact beyond that which the MTA Board of Directors acknowledged and accepted in September 2003. The AB 3090 portion of the recommended financing proposal in Attachment B also has no added financial impact because it uses Proposition C 25% funds made available from de-obligated and deferred projects. The funding involved with the recommended financing proposal can only be used for capital purposes.

The \$45.5 million of local sales tax funding that is needed to secure AB 3090 authorizations from the CTC now includes a \$4.0 million Metrolink Maintenance Facility project, which was previously included in the September Board action as a GARVEE bond project. As Caltrans has recently determined that this project is ineligible for the GARVEE bond approach, we are now recommending funding it through the AB 3090 process. The \$4.0 million is also to be obtained from de-obligated and deferred projects.

NEXT STEPS

With MTA Board authorization, the financing proposal described herein would be implemented based on the following schedule:

CTC Policy Discussion/Action on GARVEE Bond Caps	October 30, 2003
CTC STIP Amendment Notice and Hearing	October 30, 2003
CTC STIP Amendment and Allocation Approval (earliest date)	December 11, 2003
MTA AB 3090 Advances Available (earliest date)	December 12, 2003
State Treasurer Issues GARVEE Bonds	January 2004
MTA Board Discussion/Action on Other STIP Projects	January 2004

ATTACHMENTS

- A. Two-Tiered Priority for GARVEE Bond Eligible Los Angeles County STIP Projects
- B. STIP Projects Proposed for Advance Funding with Proposition C Funds
- C. CTC Staff Report on AB 3090 Cash Reimbursements and GARVEE Debt Service

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Programming and Policy Analysis



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Countywide Planning & Development



Roger Snoble
Chief Executive Officer

**Two-Tiered Priority List for GARVEE Bond Eligible
Los Angeles County STIP Projects
(000)**

TIER I

Sponsor	Project Description	Ready to Bid Date	GARVEE/STIP		Other Funds		Total
			IIP	RIP	Local	Federal	
Caltrans	Route 5 Carpool Lanes, From Rt 118-Rt 14	Apr-03	0	10,433	3,561	20,616	34,610
Caltrans	Route 5 Western Avenue Interch, Glendale	Jun-04	4,300	0	0	314	4,614
Caltrans	Route 14 Carpool Lanes, Pearblossom Hwy - Ave P-8	Jan-04	0	32,275	4,020	4,539	40,834
Caltrans	Route 134 Hollywood Way Interchanges, Burbank	Jun-04	3,500	0	0	165	3,665
Caltrans	Route 405 Auxiliary Lane from Rt 10-Waterford	Jan-04	20,941	26,598	0	11,923	59,462
Caltrans	Route 405/101 Connector, Gap Closure	Aug-03	9,124	17,587	0	12,200	38,911
Glendale	Route 134 Grade Separation on San Fernando Road	Oct-03	16,375	0	0	12,625	29,000
Los Angeles	Centinela Avenue Widen	Oct-03	0	2,607	1,379	0	3,986
Vernon	Atlantic/Bandini Intersection Improvements	Jan-03	0	2,437	3,703	4,579	10,719
TOTAL			54,240	91,937	12,663	66,961	225,801
GARVEE BOND %*			37.1%	62.9%			

TIER II

Sponsor	Project Description	Ready to Bid Date	GARVEE/STIP		Other Funds		Total
			IIP	RIP	Local	Federal	
Caltrans	Route 1 Hughes Terrace-Fiji Way, widening	Jan-04	0	6,691	768	1,169	8,628
Caltrans	Route 1 Hughes Terrace-Sepulveda, widening	Jan-04	0	3,078	353	1,319	4,750
Caltrans	Route 10 Carpool lane, fibre-optic relocation	Aug-03	0	175	20	0	195
Caltrans	Route 90 Playa Vista Access	Jan-04	0	13,618	1,562	3,347	18,527
Caltrans	Route 105 NB Sepulveda Bl off-ramp widening	Jan-04	9,480	0	2,223	2,796	14,499
Caltrans	Route 138 Longview Rd-146th St E widening	Dec-03	0	5,755	660	3,188	9,603
Caltrans	Route 210 Carpool Lane Mitigation	Oct-03	0	1,720	197	0	1,917
Caltrans	Route 210 San Dimas Canyon-Towne Avenue Landscape	Oct-03	0	1,500	172	0	1,672
TOTAL			9,480	32,537	5,955	11,819	59,791
GARVEE BOND %*			22.6%	77.4%			
GRAND TOTAL			63,720	124,474	18,618	78,780	285,592
GRAND TOTAL GARVEE BOND				188,194			
GARVEE BOND %*			33.9%	66.1%			

STIP = State Transportation Improvement Program

IIP = Interregional Improvement Program (Caltrans)

RIP = Regional Improvement Program (MTA)

Local = Proposition C 25% Funds or City Funds

*GARVEE Bond Debt service is split between the MTA and Caltrans based upon the RIP/IIP %, respectively.

**Los Angeles County State Transportation Improvement Program Projects
Proposed for Advance With Proposition C Funds (AB 3090)**

(000)

Con Yr	Prog	Agency	Rte	PPNO	Project	Ready to Bid Date	Total	Program Year		Component	
								Prior	FY 04	R/W	Const
03	RIP	Agoura Hills	loc	2875	Central traffic signal system	Jan-04	724	724	0	0	724
04	RIP	Caltrans	101	567P	LA St-Center St, South Bound improvements	Dec-03	21,399	9,048	12,351	0	21,399
03	RIP	Downey	loc	2870	Lakewood Blvd. signal Interconnections	Sep-03	1,147	1,147	0	0	1,147
02	RIP	LA County	loc	2381	Gateway Cities Intersection Improvements	Jan-04	825	825	0	0	825
04	RIP	Los Angeles	loc	3096	Commercial St, Alameda-Center, widenint	Dec-03	1,200	0	1,200	0	1,200
02	RIP	Los Angeles	loc	2861	LA St realignment at Alameda St .	Sep-03	1,369	1,369	0	0	1,369
04	RIP	Redondo Beach	loc	3126	PCH/Catalina Ave. Intersection Improvements	Dec-03	1,047	0	1,047	0	1,047
02	RIP	Santa Clarita	rail	2901	Newhall Metrolink, expand parking	Sep-03	100	100	0	0	100
02	RIP	Santa Clarita	loc	2379	Rehab, Replace and Widening RR bridges	May-04	1,999	1,999	0	0	1,999
04	RIP	SCRRA (1)	rail	3201	Rolling stock mtnc facility, San Bernardino	Feb-04	3,976	0	3,976	0	3,976
04	RIP	SGVCOG	gsep	2318	Alameda Corr East grade separations	Oct-03	11,074	1,766	9,308	1,766	9,308
02	RIP	South Gate	loc	2362	Firestone Bl improvements	Jan-04	664	664	0	0	664
TOTAL							45,524	17,642	27,882	1,766	43,758
(1)	MTA will advance \$3.976 million and receive a non-SCRRA replacement Project. SCRRA will advance \$3.128 million from their own resources and will receive a non-MTA replacement Project.										

Memorandum

To: Chairman and Commissioners

Date: September 10, 2003



From: Diane C. Eidam

BOOK ITEM 3.12
INFORMATION

Ref: Report on AB 3090 Cash Reimbursements and GARVEE Debt Service

The attached chart presents the status of the Commission's cash commitments by fiscal year for AB 3090 reimbursements and for the payment of GARVEE bond debt service. These commitments now stand at \$74 million for FY 2004-05 and over \$100 million in each year from FY 2005-06 through FY 2008-09. In light of current cash flow projections, the suspension of project allocations, and the prospect of postponing projects through the 2004 STIP, the Commission may wish to consider the demands and implications of these commitments before approving additional commitments. Each new commitment of cash for either debt service or reimbursement means a priority commitment to one project that will delay the funding of other projects.

Under a GARVEE bond arrangement, the state issues bonds to pay the Federal portion of current project costs, with debt service on the bonds to be paid from future Federal transportation funds that would otherwise come to the STIP and SHOPP. The payment of GARVEE debt service takes precedent over payment for any other STIP or SHOPP purpose.

Under an AB 3090 arrangement, a local agency agrees to use local funds to cover the costs of a current STIP project. An AB 3090 arrangement may call for either an AB 3090 replacement project or an AB 3090 cash reimbursement. In the case of an AB 3090 replacement project, the local agency is programmed to receive a replacement project, usually in the year the original project was programmed. The replacement project has the same programming priority as the original project. In the case of an AB 3090 cash reimbursement, however, the local agency is programmed to receive a cash reimbursement in a specific fiscal year, and that reimbursement is guaranteed priority over any other STIP project allocation for that fiscal year.

In April 2003, the Commission adopted a policy that generally gives preference to AB 3090 replacement projects over cash reimbursements. In May 2003, the Commission amended that policy to limit cash reimbursements to more than \$200 million in any one fiscal year statewide and to no more than \$50 million in any one fiscal year for any one region. That policy did not address the cash demands of GARVEE bond debt service.

STIP CASH COMMITMENTS, AB 3090 AND GARVEE DEBT SERVICE

(\$1,000's)

County	Agency	PPNO	Project	Total	Project Totals by Fiscal Year					
					FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
AB 3090 Cash Reimbursements, Approved in Prior Programming										
Alameda	Caltrans	16R	AB 3090 reimbursement (880 HOV)(02S-74A)	11,800	0	11,800	0	0		
Los Angeles	LACMTA	3358	AB 3090 reimbursement (0S-52)(Eastside)	175,000	0	0	43,600	43,800	43,800	43,800
Los Angeles	LACMTA	9001	AB 3090 reimbursement (02S-63)(FY 03 PPM)	3,837	0	3,837	0	0	0	0
Sacramento	Sacramento	9L02A	AB 3090 reimbursement (02S-89)(N 3rd, Vine, recon)	1,891	0	1,891	0	0	0	0
			SUBTOTAL:	192,528	0	17,528	43,600	43,800	43,800	43,800
GARVEE Debt Service, September Agenda for Allocation Approval										
Riverside	Caltrans	121D	GARVEE debt (Rt 215, El Cerrito- Rt 60/91)(RIP, 85%)	109,403	0	14,986	17,025	25,805	25,798	25,789
Riverside	Caltrans	121D	GARVEE debt (Rt 215, El Cerrito- Rt 60/91)(IIP, 15%)	19,305	0	2,644	3,004	4,554	4,552	4,551
San Diego	Caltrans	672	GARVEE debt (Rt 15, mid seg)(RIP 75%)(02S-51)	85,400	0	17,080	17,080	17,080	17,080	17,080
San Diego	Caltrans	672	GARVEE debt (Rt 15, mid seg)(IIP 25%)(02S-51)	28,465	0	5,693	5,693	5,693	5,693	5,693
Santa Clara	SCVTA	409C	GARVEE debt (Rt 880 Coleman)(02S-60)	39,210	0	7,842	7,842	7,842	7,842	7,842
			SUBTOTAL:	281,783	0	48,245	50,644	60,974	60,965	60,955
AB 3090 Cash Reimbursements, September Agenda for Program Approval										
Riverside	Caltrans	121D	AB 3090 reimbursement (Rt 60/91/215)(02S-102)(RIP, 85%)	26,625	0	0	0	26,625	0	0
Riverside	Caltrans	121D	AB 3090 reimbursement (Rt 60/91/215)(02S-102)(IIP, 15%)	4,699	0	0	0	4,699	0	0
			SUBTOTAL:	31,324	0	0	0	31,324	0	0
GARVEE Debt Service, Other Programming Approved										
Santa Clara	SCVTA	443N	GARVEE debt (Rt 87 HOV North, Julian-Rt 280)(02S-60)	20,720	720	4,000	4,000	4,000	4,000	4,000
Santa Clara	SCVTA	443S	GARVEE debt (Rt 87 HOV, Rt 280-Rt 85)(02S-60)	24,328	828	4,700	4,700	4,700	4,700	4,700
			SUBTOTAL:	45,048	1,548	8,700	8,700	8,700	8,700	8,700
AB 3090 Cash Reimbursement, Proposal on September Agenda for Notice										
Los Angeles	SGVCOG	2318	Alameda Corr East, Temple St train diversion (SO)	1,766	0	0	1,766	0	0	0
			TOTAL, PROGRAMMED AND PENDING:	552,449	1,548	74,473	104,710	144,798	113,465	113,455

SUMMARY BY COUNTY

County	Total	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Alameda	11,800	0	11,800	0	0	0	0
Los Angeles	180,603	0	3,837	45,366	43,800	43,800	43,800
Riverside	160,032	0	17,630	20,029	61,683	30,350	30,340
Sacramento	1,891	0	1,891	0	0	0	0
San Diego	113,865	0	22,773	22,773	22,773	22,773	22,773
Santa Clara	84,258	1,548	16,542	16,542	16,542	16,542	16,542
Total	552,449	1,548	74,473	104,710	144,798	113,465	113,455