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**PLANNING AND PROGRAMMING COMMITTEE
JANUARY 16, 2008**

**SUBJECT: 2008 LOS ANGELES COUNTY TRANSPORTATION
IMPROVEMENT PROGRAM**

**ACTION: APPROVE PROGRAMMING OF PROPOSITION 1B TRANSIT
MODERNIZATION FUNDS**

RECOMMENDATION

Approve programming of up to \$201.6 million in Proposition 1B Public Transportation Modernization Improvement, and Service Enhancement Account that the Los Angeles County Metropolitan Transportation Authority ("LACMTA") is entitled to receive as a transit operator (Transit Modernization) bond funds (see Attachment A).

ISSUE

At its meeting on November 29th, the LACMTA Board of Directors deferred approval of \$201.6 million for two items on the list of Proposition 1B Transit Modernization Funds (see Attachment A) to allow the Board to consider these items concurrently with the Board approval of 2008 Long Range Transportation Plan (LRTP).

POLICY IMPLICATIONS

The recommendation would implement LACMTA bus capital priorities that the Board of Directors has previously established. The Transit Modernization funds build on Board actions from the 2001 Long Range Transportation Plan (LRTP) and the 2003 Short Range Transportation Plan (SRTP) for Los Angeles County.

OPTIONS

The Board of Directors could elect to defer the recommended programming of \$201.6 million again to a later time. However, we do not recommend deferring this action further for two principal reasons:

- 1) If no programming request for Los Angeles County is submitted, substantial state funding could be deferred; and,
- 2) Ready-to-go projects will be delayed if the funds are not programmed promptly.

FINANCIAL IMPACT

Approving the \$201.6 million in recommended programming will help implement LACMTA's Long Range Transportation Plan, move bus capital projects forward, and avoid project cost increases.

BACKGROUND

California voters approved Proposition 1B (Prop 1B) in the November 2006 general election. Prop 1B enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to authorize \$19.925 billion of state general obligation bonds for specified purposes, including state transportation improvement program augmentation and transit improvements.

The \$3.6 billion, Prop 1B Transit Modernization Program will be available statewide, and the State Controller will allocate bond funds using an existing State Transit Assistance (STA) formulas. These Transit Modernization bond funds are not STA funds. Transit Modernization bond funds will be available for capital projects such as rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation or replacement.

Caltrans has developed guidelines and project requirements for this Transit Modernization program. Eligible projects must be capital projects that are ready-to-go, will result in an operable segment or project, and otherwise be fully funded. The deadline for the first of two FY 2008 project nomination cycles is December 28, 2007. LACMTA staff will submit an application for these funds in anticipation of the LACMTA Board's ultimate approval of the recommendation. Applying early in no way compromises the LACMTA Board's ability to determine the ultimate use of the funds because substantive changes to the recommendation can be accommodated by withdrawing the application and re-applying in the second FY 2008 cycle. Provided the Board approves the staff recommendation, this path forward will enable the LACMTA to access these funds up to five months earlier than would otherwise be possible.

Attachment A shows two projects for which we intend on submitting applications with Board approval of our recommended Transit Modernization programming. The "Miscellaneous Transit Projects" identified in Attachment A will be those LACMTA bus capital projects either already approved in the FY 2008 Budget or future bus projects that we will be bringing back to the Board for further consideration through the budget process. The staff recommendation for these funds is expected to be a combination of funding for bus purchase and mid-life rebuild needs.

NEXT STEPS

If the Board of Directors approves our recommendation, the Transit Modernization Program will be implemented according to the following schedule:


December 28, 2007	LACMTA and Others Submit TM Project Requests to Caltrans
January 2008	Caltrans Releases Adopted TM List to State Controller
February 2008	State Controller's Office Allocates TM Funds

In implementing this portion of the Transit Modernization Program, we will strategically assign state funds to Board-approved projects. This flexibility will enable us to maximize the amount and timing of funding available for the LACMTA.

ATTACHMENT

A. Transit Modernization Project List

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**2008 Los Angeles County Transportation Improvement Program
PROPOSITION 1B TRANSIT MODERNIZATION FUNDS**

FY 2008 thru FY 2010 and Beyond
(\$' 000s)

Project Description	Total	FY 08**	FY 09**	FY 10** & Beyond
Miscellaneous Transit Projects (Bus Purchase, Bus Mid-Life Rebuilds, and others TBD)	116,600	27,500	53,500	35,600
Union Bus Division Construction	85,000	5,000	36,000	44,000
Grand Total	201,600	32,500	89,500	79,600

** NOTE - Annual programmed amounts for projects are estimated and may be revised depending upon individual project needs and State funding availability, without changing total programmed amounts for projects.

