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**AD HOC CONGESTION PRICING COMMITTEE  
FEBRUARY 18, 2009**

**SUBJECT: LOS ANGELES COUNTY CONGESTION REDUCTION DEMONSTRATION  
PROJECT (LA CRD): FASTLANES ON I-10 AND I-110**

**ACTION: APPROVE LIFE OF PROJECT BUDGET AND AMEND THE FY09 BUDGET**

**RECOMMENDATION**

Authorize the Chief Executive Officer to:

- A. Establish a life-of-project (LOP) budget for the FastLanes on I-10 and I-110, Capital Project 210120, in the amount of \$30,100,000; and
- B. Amend the FY09 budget to add in \$3,000,000 of revenues and expenditures to be funded with Federal CRDP funds to begin implementation of the project in FY09, subject to approval by Caltrans.

**RATIONALE**

This action will set a Life of Project (LOP) budget for the FastLanes on I-10 and I-110 project (CP 210120) in the amount of \$30,100,000, which will primarily provide for conversion of the existing High Occupancy Vehicle (HOV) lanes on I-10 and I-110 to High Occupancy Toll (HOT) lanes. Although the final scope of work is still being refined, in general, the project will include Project management, design, installation, and construction of the toll infrastructure, toll technology, and operational improvements needed to complete the conversion of the existing HOV lanes to FastLanes.

The commencement of project management activities in this fiscal year are critical in order to support the delivery of the FastLanes project by December 31, 2010. As a result, the LOP budget request is recommended in parallel with the Caltrans funding approval process. At its September 2008 Board meeting, the Board of Directors approved the programming of \$290.6 million to implement projects under the LA CRD. The projects include transit improvements and the conversion of HOV lanes on Interstate 10 and Interstate 110 to HOT lanes. Funding for the September 2008 LA CRD programming action was obtained from a \$210.6 million grant from the United State Department of Transportation (USDOT), and \$80 million in State of California Proposition 1B Transit Modernization funding. Since the September 2008 programming action, the Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) have approved Southern California Association of Government's Amendment #1 to the 2008 Regional Transportation Plan and Amendment

#08-01 to the 2008 Regional Transportation Improvement Plan. This approval includes the conversion of the HOT lanes on I-10 and I-110 in support of the LA CRD Project.

As listed in Attachment A of the September 2008 programming report, several of our projects will be funded as part of the LA CRD, including, but not limited to, purchase of buses, improvements to the El Monte Busway and facilities, construction of the Union Division, and improvements to the Harbor Transitway. In addition, the LA CRD also funds projects managed by other agencies, such as expansion of capacity and lane reconfigurations on I-10 and I-110 (Caltrans), Metrolink improvements, municipal agency bus purchases, and the City of Los Angeles Intelligent Parking Management Program.

### **FINANCIAL IMPACT**

Upon Board approval, funding of \$3,000,000 required for FY09 activities will be added to the FY09 budget. The source of funds for implementing the project in FY09 and future fiscal years will be the Congestion Mitigation Air Quality (CMAQ) funds programmed for the LA CRD. These funds are contingent upon approval by Caltrans. Since this is a multi-year project, the Project Manager will be responsible for budgeting the costs in future years.

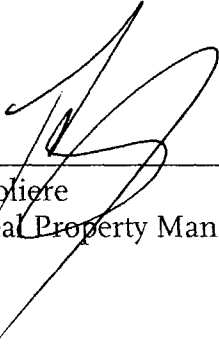
### **ALTERNATIVES CONSIDERED**

The Board of Directors may choose not to authorize the project at this time. This alternative is not recommended since staff would not be able to access or draw down the \$3.0 million in CMAQ funds and we would risk losing the \$210.6 million in LA CRD funds. In addition, the December 31, 2010 USDOT delivery deadline would be in jeopardy unless we initiate all the project management tasks required to deliver the project.

### **ATTACHMENTS**

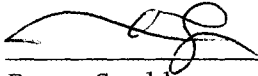
- A. FastLanes on I-10 and I-110: Life of Project Budget Status

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Chief Executive Officer

Attachment A  
 CP 210120 FastLanes on I-10 and I-110  
 Funding/Expenditure Plan

Dollars in (000's)	FY09 Incurred to date	FY09 Forecast	FY10	FY11	FY12+	Total	%
<b>Uses of Funds</b>							
Project Adm	0	100	750	750	0	1,600	5.3%
Design/Specs/Other Prof Svcs	0	2,500	500	0	0	3,000	9.9%
Construction/Equipment	0	0	15,000	10,000	0	25,000	83.1%
Contingency	0	0	450	50	0	500	1.7%
<b>Total Project Cost</b>	<b>0</b>	<b>2,600</b>	<b>16,700</b>	<b>10,800</b>	<b>0</b>	<b>30,100</b>	<b>100%</b>
<b>Sources of Funds</b>							
CMAQ	0	2,600	16,700	10,800	0	30,100	100.0%
							0.0%
<b>Total Project Funding</b>	<b>0</b>	<b>2,600</b>	<b>16,700</b>	<b>10,800</b>	<b>0</b>		<b>100%</b>