

Long Range Transportation Plan Financial Forecast Assumptions

Metro Board Workshop
May 14, 2009



Metro

2008 Long Range Transportation Plan Financial Forecast

- Review January 2009 LRTP staff recommendation
 - Pulled from January 2009 agenda
- Review forecast changes since January analysis
- Discuss assumptions going forward
- Review Measure R Attachment A

2008 LRTP Measure R Transit Project Schedule Comparison

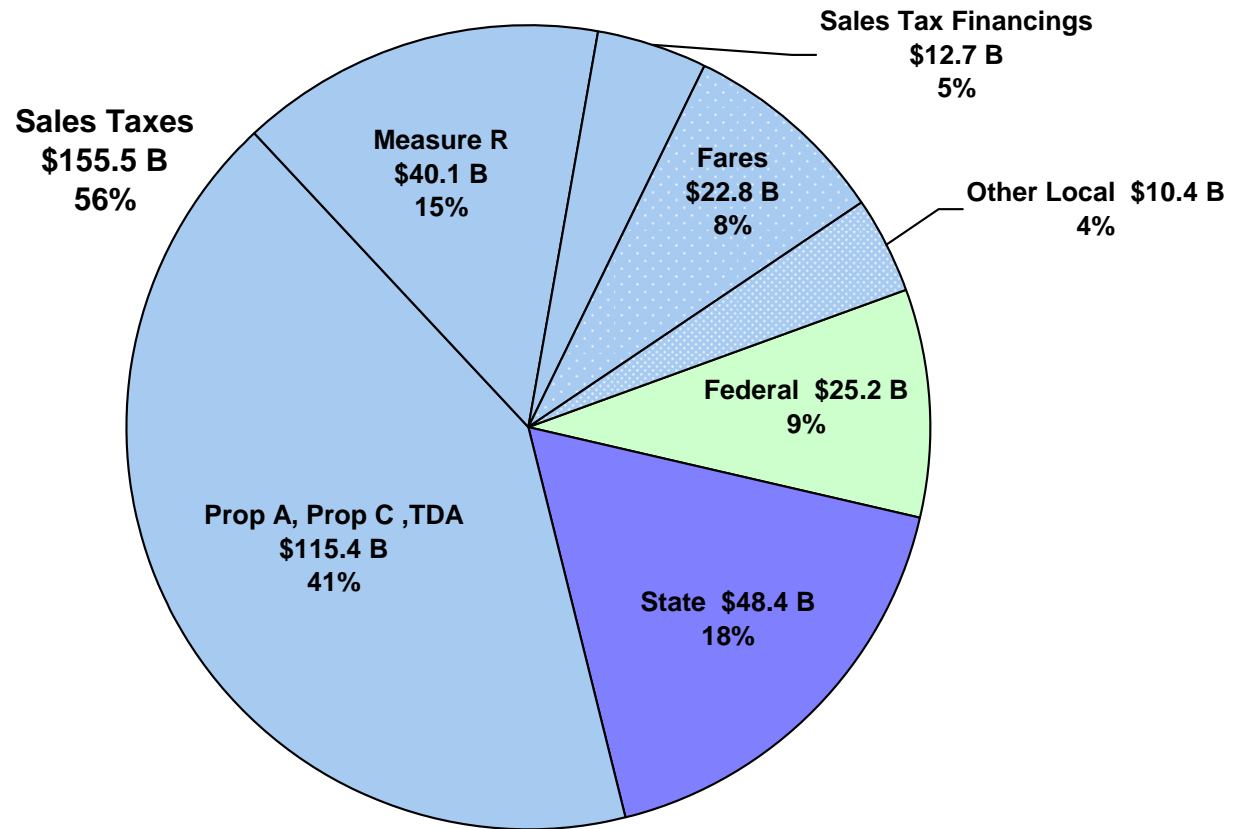
Project Description (Alphabetical Order)	Opening Fiscal Year	
	Measure R	1 st Attempt (Jan '09)
Crenshaw Transit Corridor BRT or LRT (mode is TBD) Seg 1- 1 mile, Green Line to LAX Seg 2- 7.3 mile	2016-18	2018 2029
Eastside Light Rail Pedestrian Access and Linkages	2013	2013
Exposition LRT Phase II to Santa Monica (alternative is TBD, cost will depend on alternative selected)	2013-15	2015
Gold Line Eastside Extension	2033-35	2035
Gold Line Foothill Extension	2015-17	2017
Green Line Extension to LAX (assumes first segment completed as part of the Crenshaw Corridor project)	2015-28	2018 – 2022 (depending on LAX contribution)
Green Line Extension: Redondo Beach Station to South Bay Corridor	2033-35	2035

2008 LRTP Measure R Transit Project Schedule Comparison

Project Description (Alphabetical Order)	Opening Fiscal Year	
	Measure R	1 st Attempt (Jan '09)
Regional Connector	2023-25	2018
San Fernando Valley I-405 Corridor Connection	2038-39	2038
San Fernando Valley North/South	2014-16	2013
Phase I (Canoga)		2013
Phase II (East)		
West Santa Ana Branch Corridor	2025-27	TBD
Westside Subway Extension	"To be opened in segments"	2019
Segment 1 to Fairfax		2026
Segment 2 to Century City		2032
Segment 3 to Westwood		

2008 Long Range Transportation Plan Financial Forecast

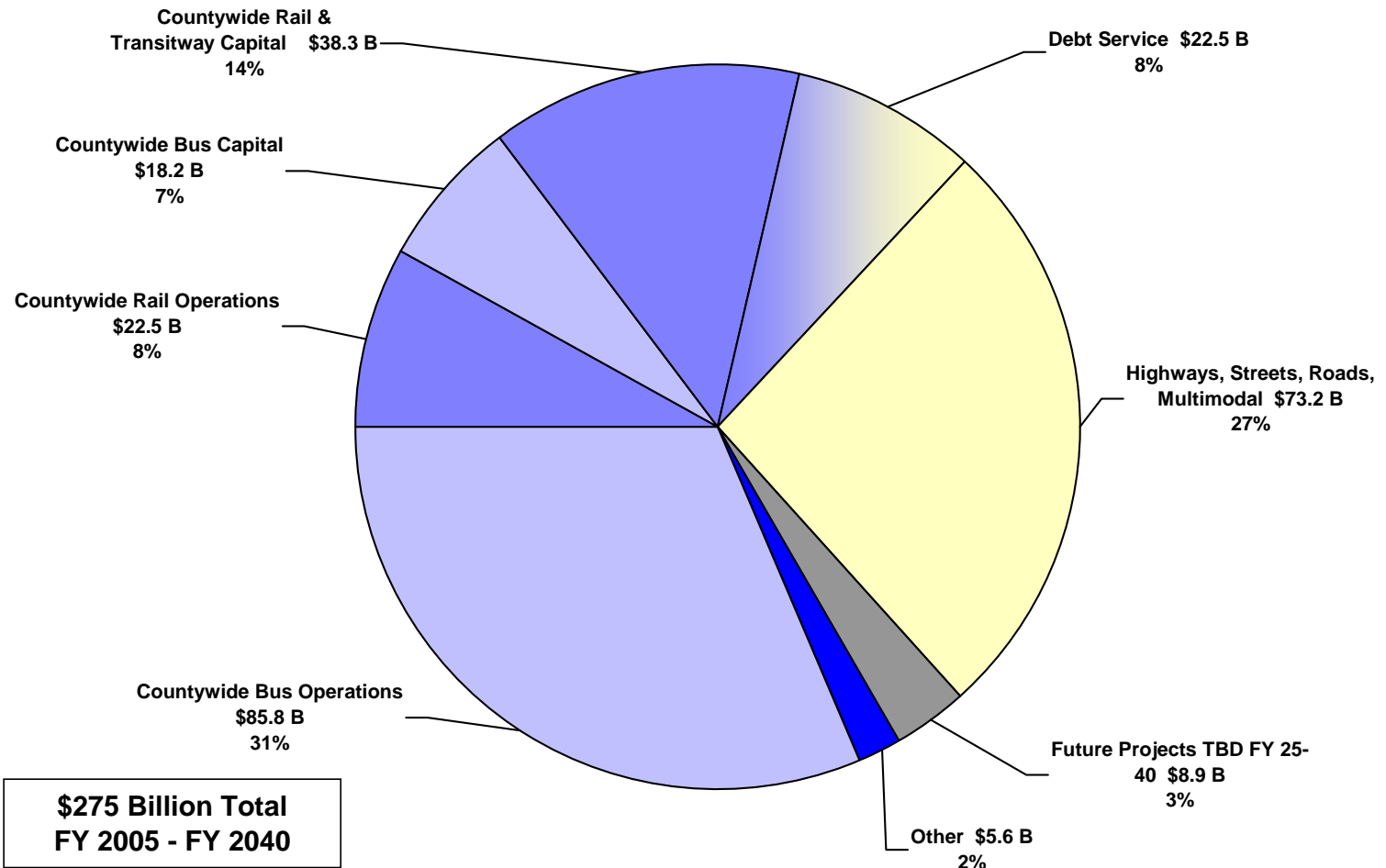
Federal, State and Local Revenue Forecast
Based on UCLA September 2008 Taxable Sales Forecast
(Actual receipts through June 2008)



\$275 Billion Total
FY 2005 - FY 2040

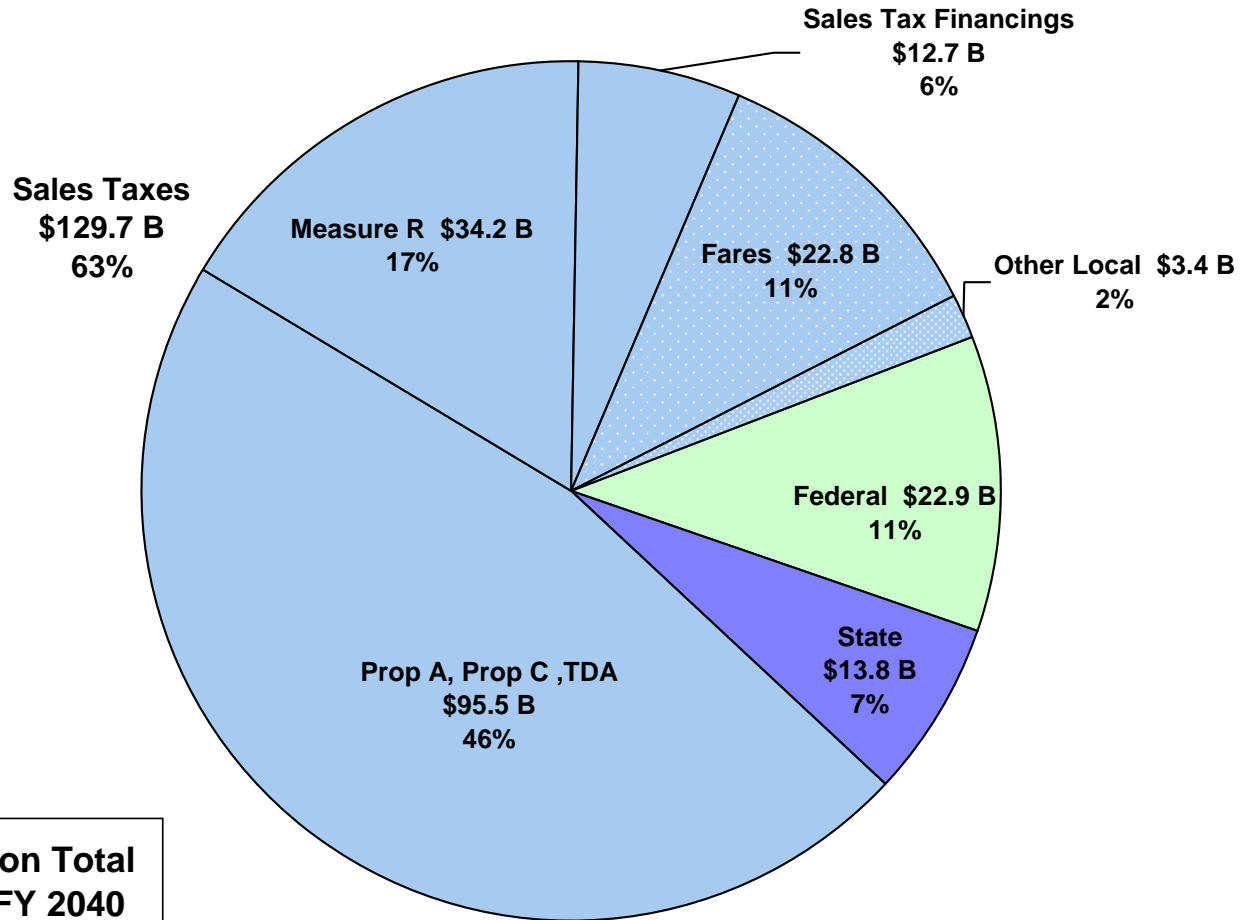
2008 Long Range Transportation Plan Financial Forecast

Summary of Forecasted Uses by Mode



2008 Long Range Transportation Plan Financial Forecast

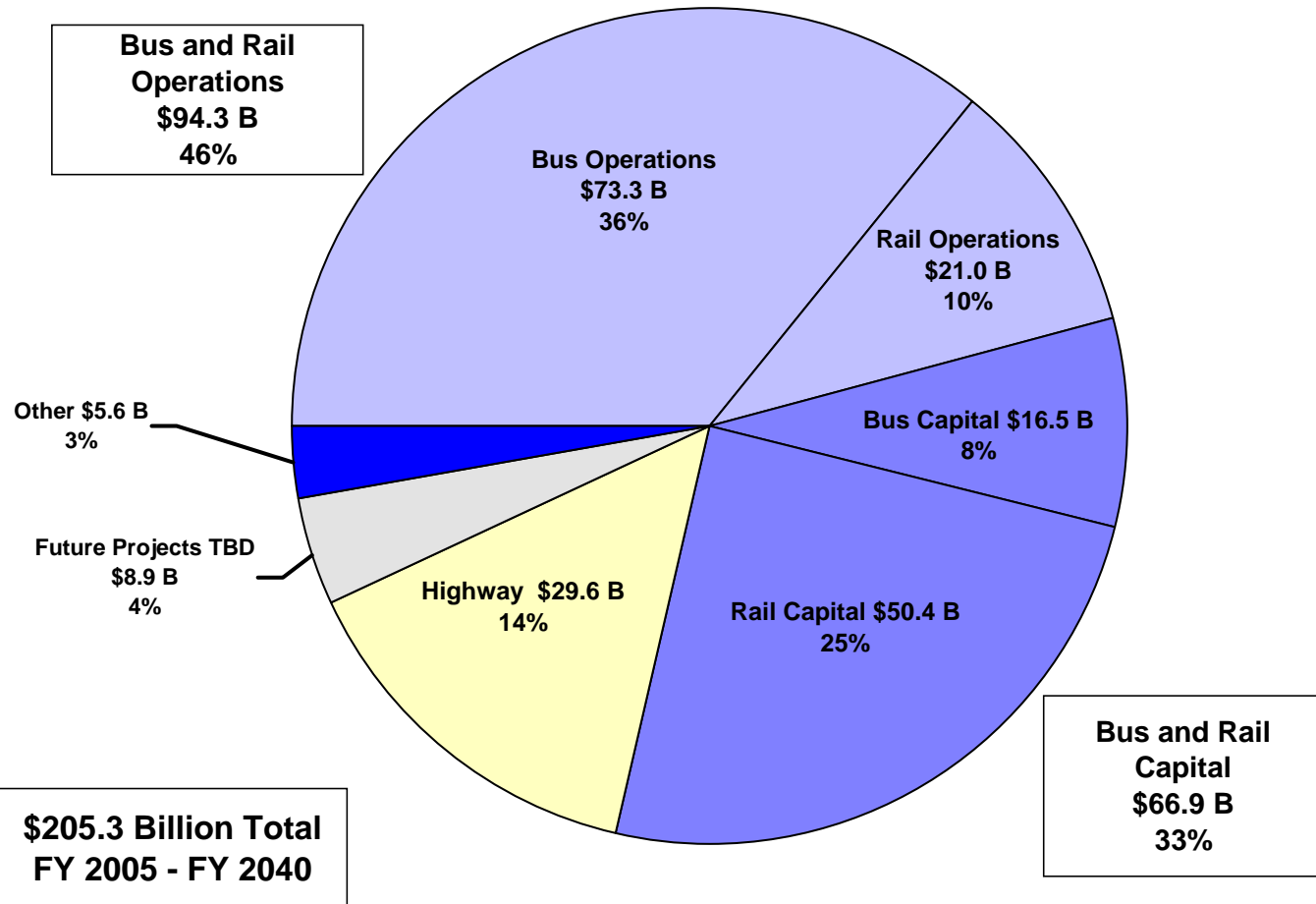
Metro Controlled Federal, State and Local Revenue Forecast



2008 Long Range Transportation Plan Financial Forecast

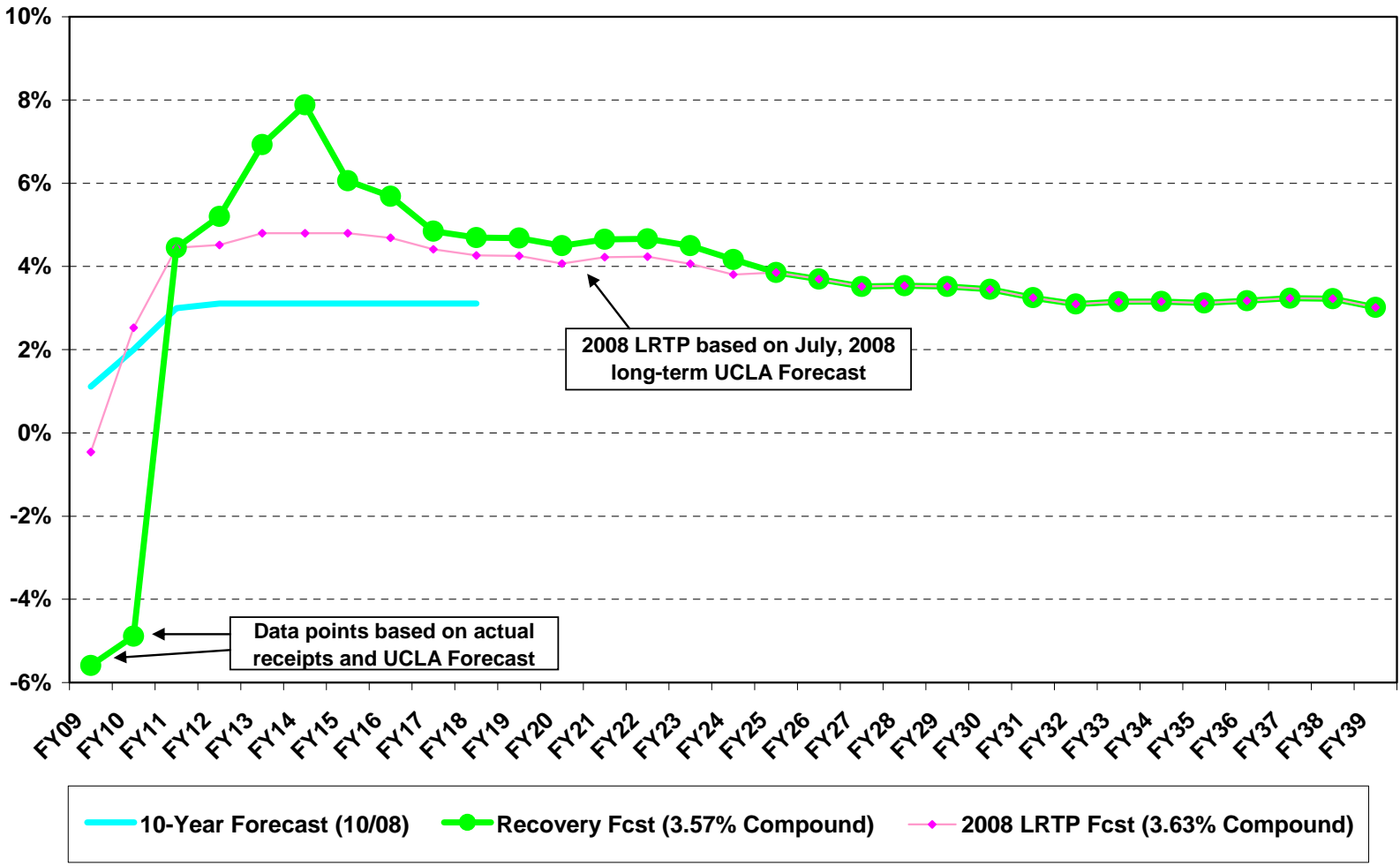
With Measure R, 75% of LA County's entire public transportation investment is Metro controlled.

Summary of Metro Controlled Uses by Mode

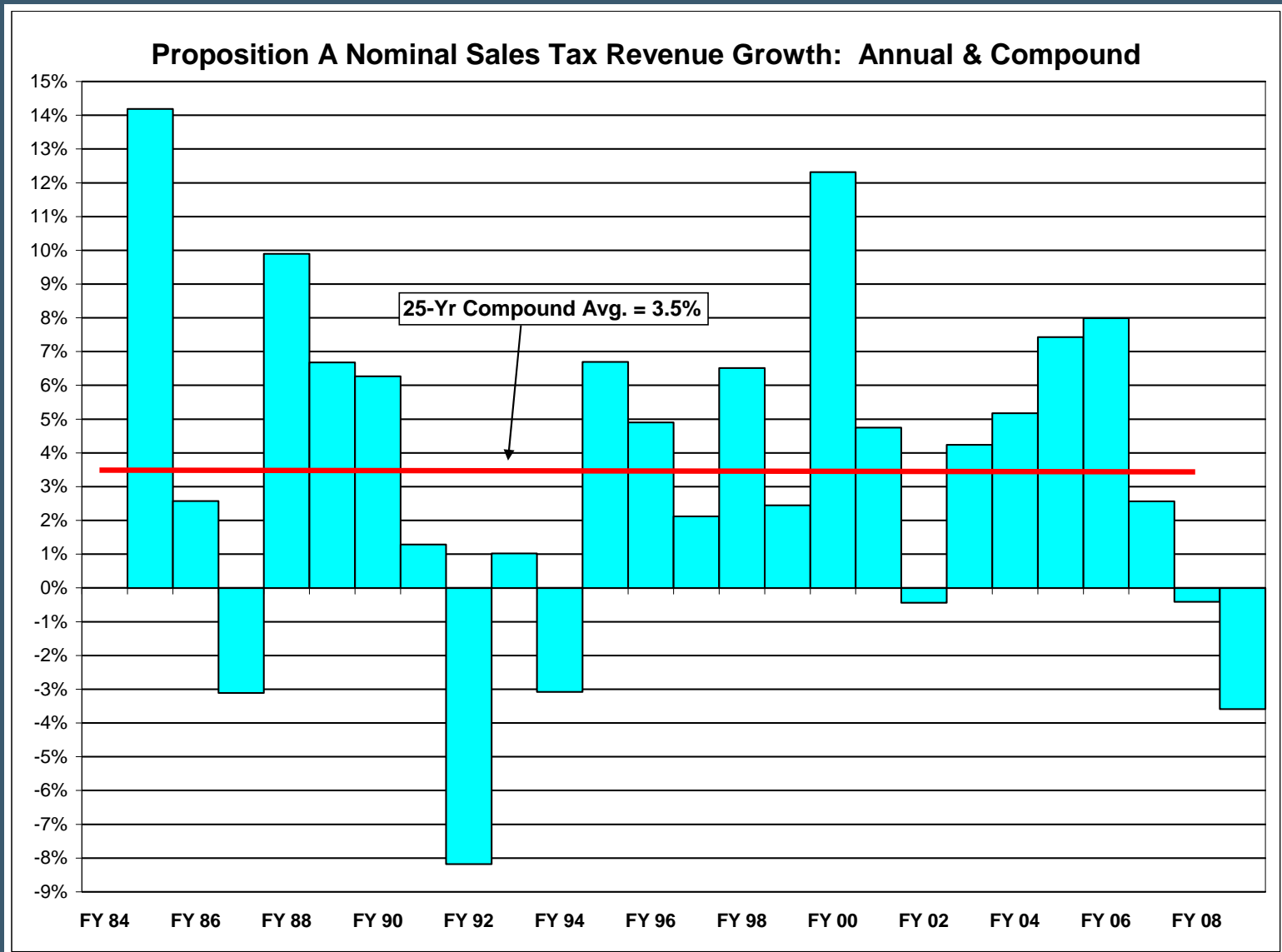


Sales Tax Growth Forecast

Projected Rate of Growth for Annual Sales Tax Revenue, FY09 - FY39

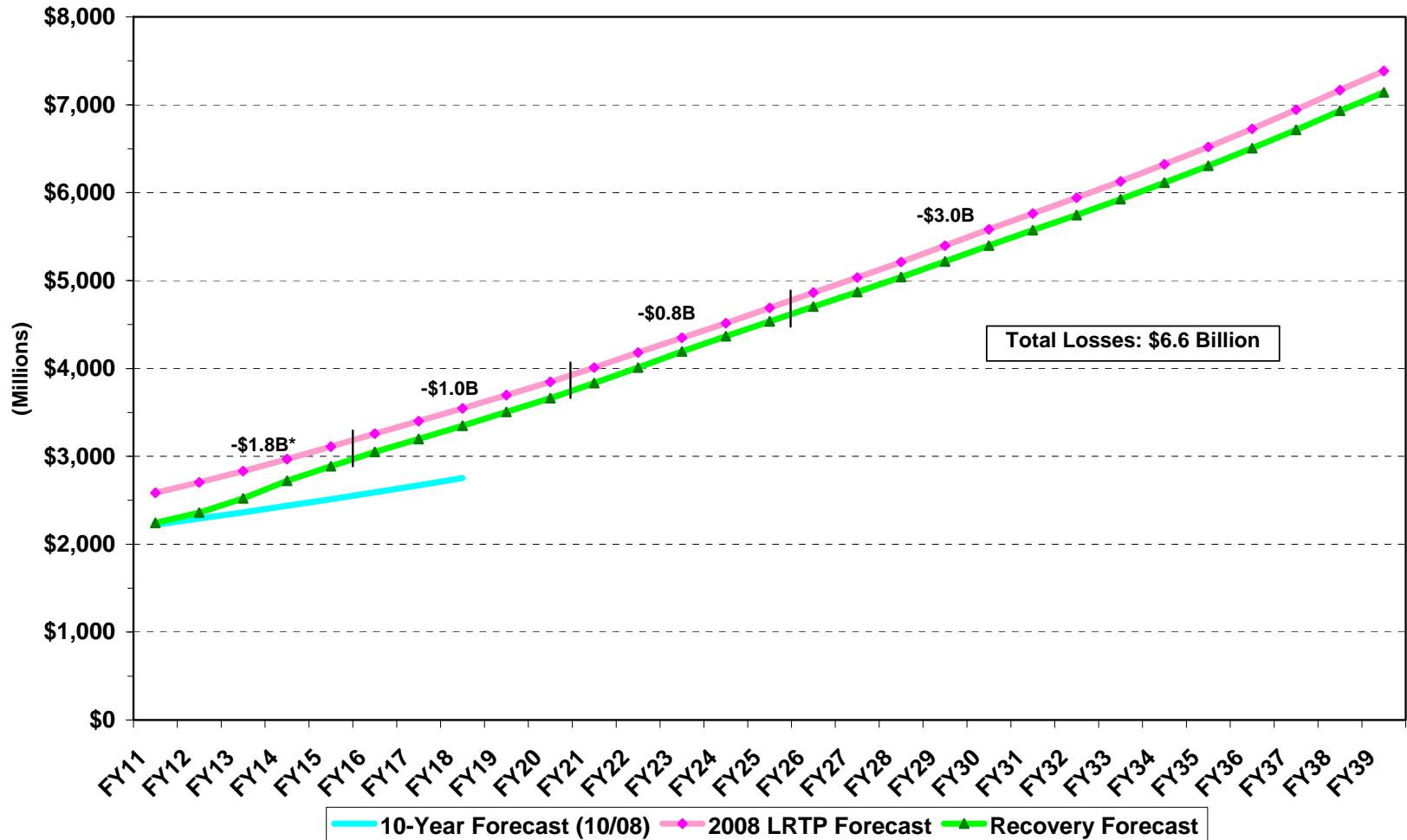


Sales Tax Revenues Historical Growth Rates



Sales Tax Revenues Forecast

Sales Tax Revenue Forecast Comparison, FY11-FY39



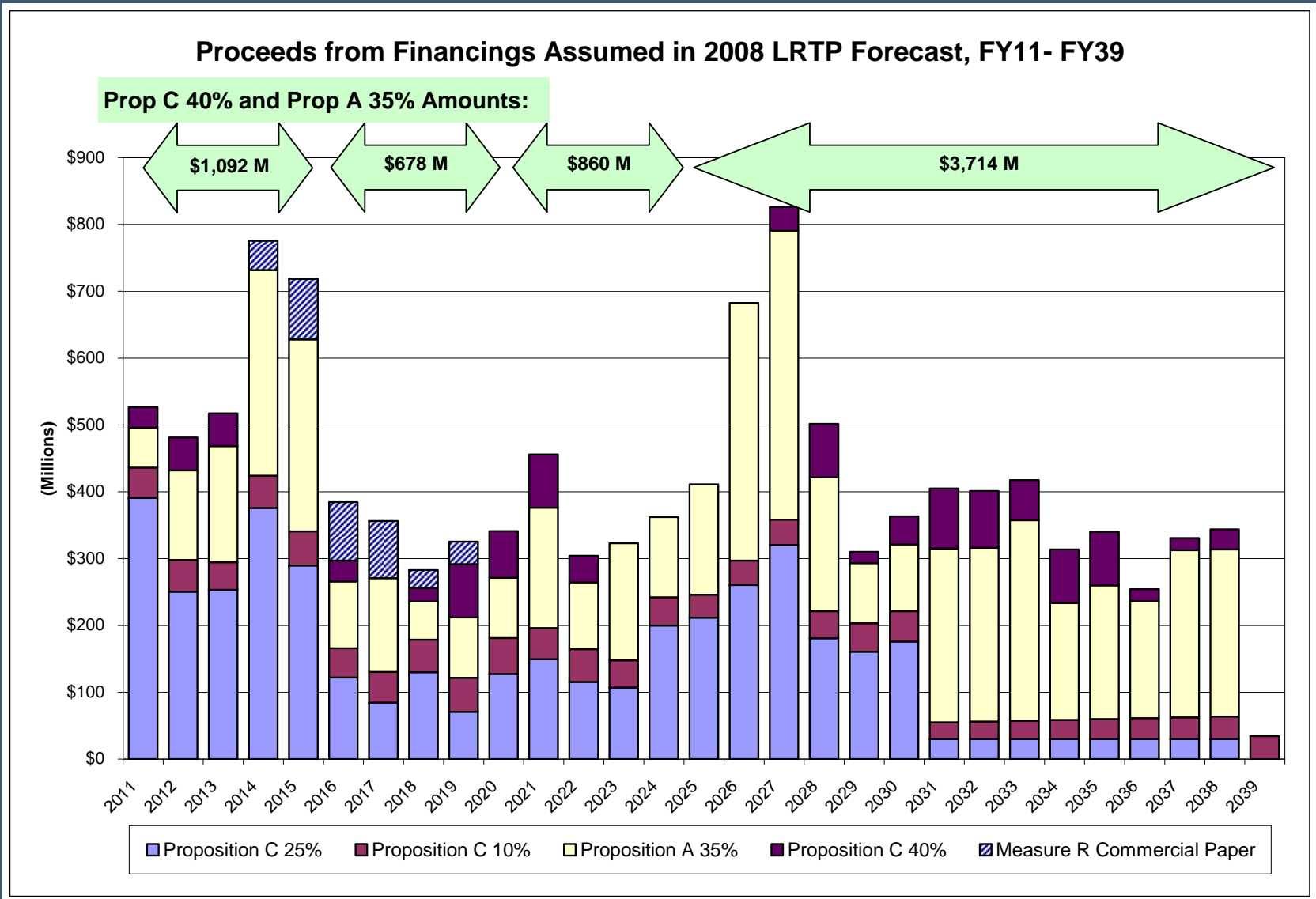
* Numbers are cumulative losses between the 2008 LRTP Forecast and Recovery Forecast. FY10 losses are included in the first period.

Impact of Sales Tax Decline by Program

	% of Sales Tax (net of administration)	2008 LRTP Forecast FY 10-39	Recovery Forecast FY 10-39	Difference
Measure R Programs				
New Rail and/or Bus Rapid Transit Capital Projects	35%	\$ 13,828	\$ 13,221	\$ (607)
Metrolink Capital Improvement Projects within Los Angeles County	3%	\$ 1,185	\$ 1,133	\$ (52)
Metro Rail Capital - System Improvements, Rail Yards, and Rail Cars	2%	\$ 790	\$ 755	\$ (35)
Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls	20%	\$ 7,902	\$ 7,555	\$ (347)
Rail Operations (New Transit Projects)	5%	\$ 1,975	\$ 1,889	\$ (87)
Bus Operations	20%	\$ 7,902	\$ 7,555	\$ (347)
Subtotal		\$ 33,582	\$ 32,107	\$ (1,474)
Prop A Programs				
Rail Development Program	35%	\$ 13,400	\$ 12,807	\$ (593)
Discretionary	40%	\$ 15,315	\$ 14,636	\$ (678)
Subtotal		\$ 28,715	\$ 27,443	\$ (1,271)
Prop C Programs				
Transit Construction and Operations	40%	\$ 15,882	\$ 15,180	\$ (702)
Rail and Bus Security	5%	\$ 1,985	\$ 1,897	\$ (88)
Commuter Rail	10%	\$ 3,971	\$ 3,795	\$ (176)
Transit Improvements to Highways	25%	\$ 9,926	\$ 9,487	\$ (439)
Subtotal		\$ 31,764	\$ 30,359	\$ (1,405)
TDA Programs		\$ 20,246	\$ 19,015	\$ (1,231)
TOTAL		\$ 114,306	\$ 108,925	\$ (5,381)
Local Return				
Measure R	15%	\$ 5,926	\$ 5,666	\$ (260)
Prop A	25%	\$ 9,572	\$ 9,148	\$ (424)
Prop C	20%	\$ 7,941	\$ 7,590	\$ (351)
TOTAL		\$ 23,439	\$ 22,404	\$ (1,035)
Administration		\$ 3,401	\$ 3,259	\$ (142)
GRAND TOTAL		\$ 141,147	\$ 134,588	\$ (6,559)
			Change	-4.6%

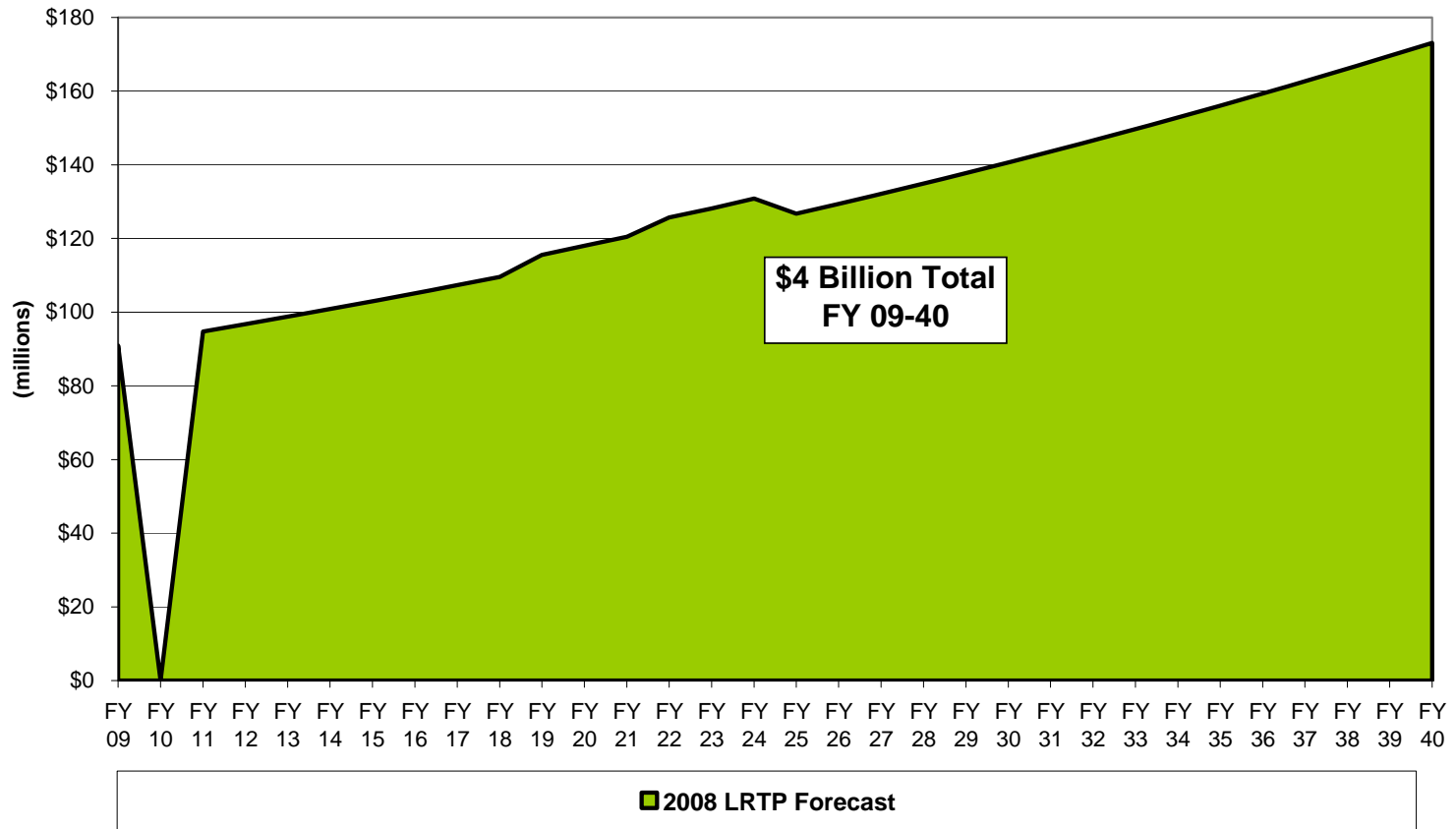


Declining Sales Taxes Also Limit Proceeds from Financings



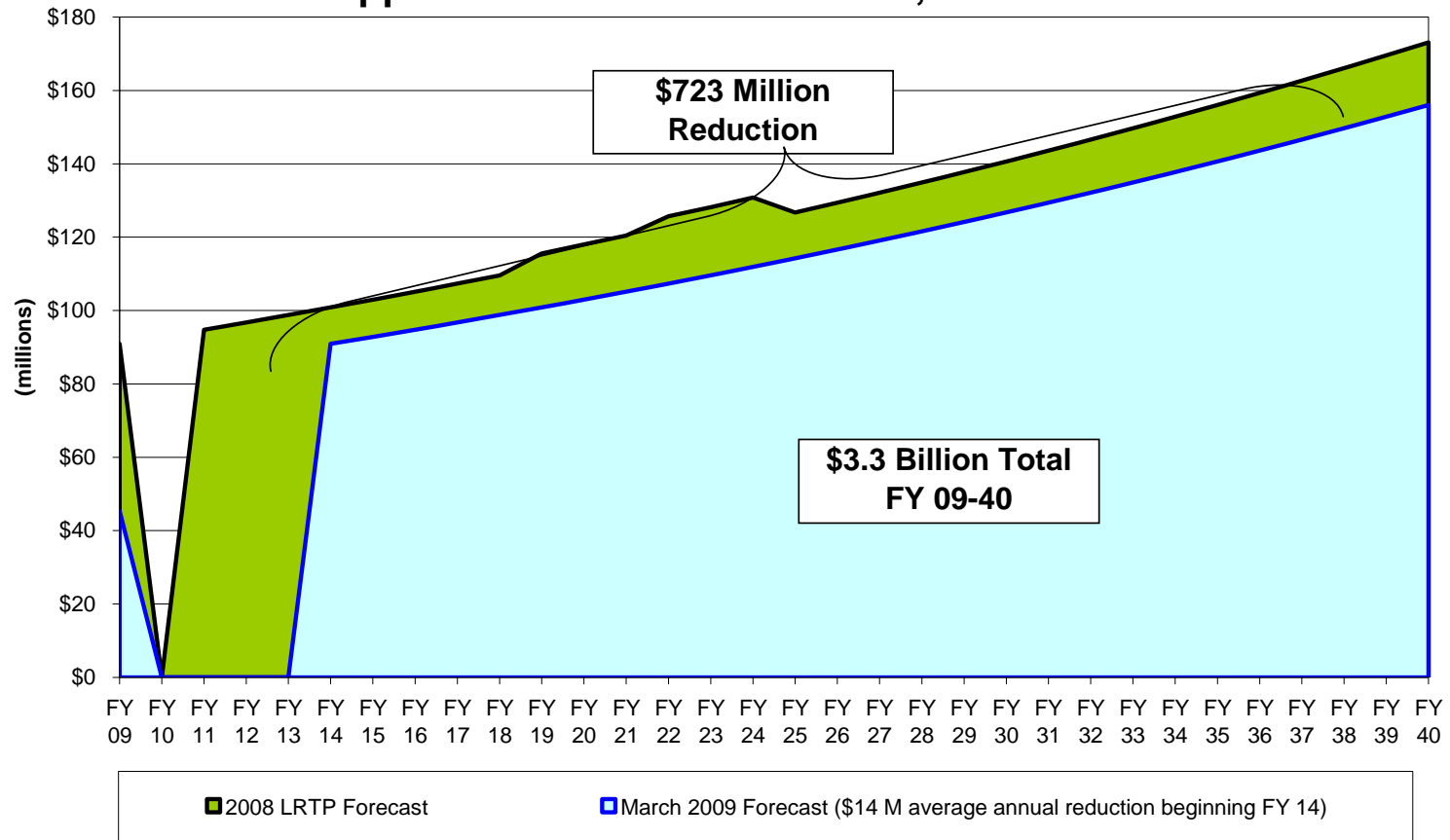
State Transit Assistance

**State Transit Assistance (STA) Funds to Los Angeles County
2008 LRTP Forecast: FY 09-40
Approximate Share: 75% Metro, 25% Munis**



State Transit Assistance March 2009 Forecast

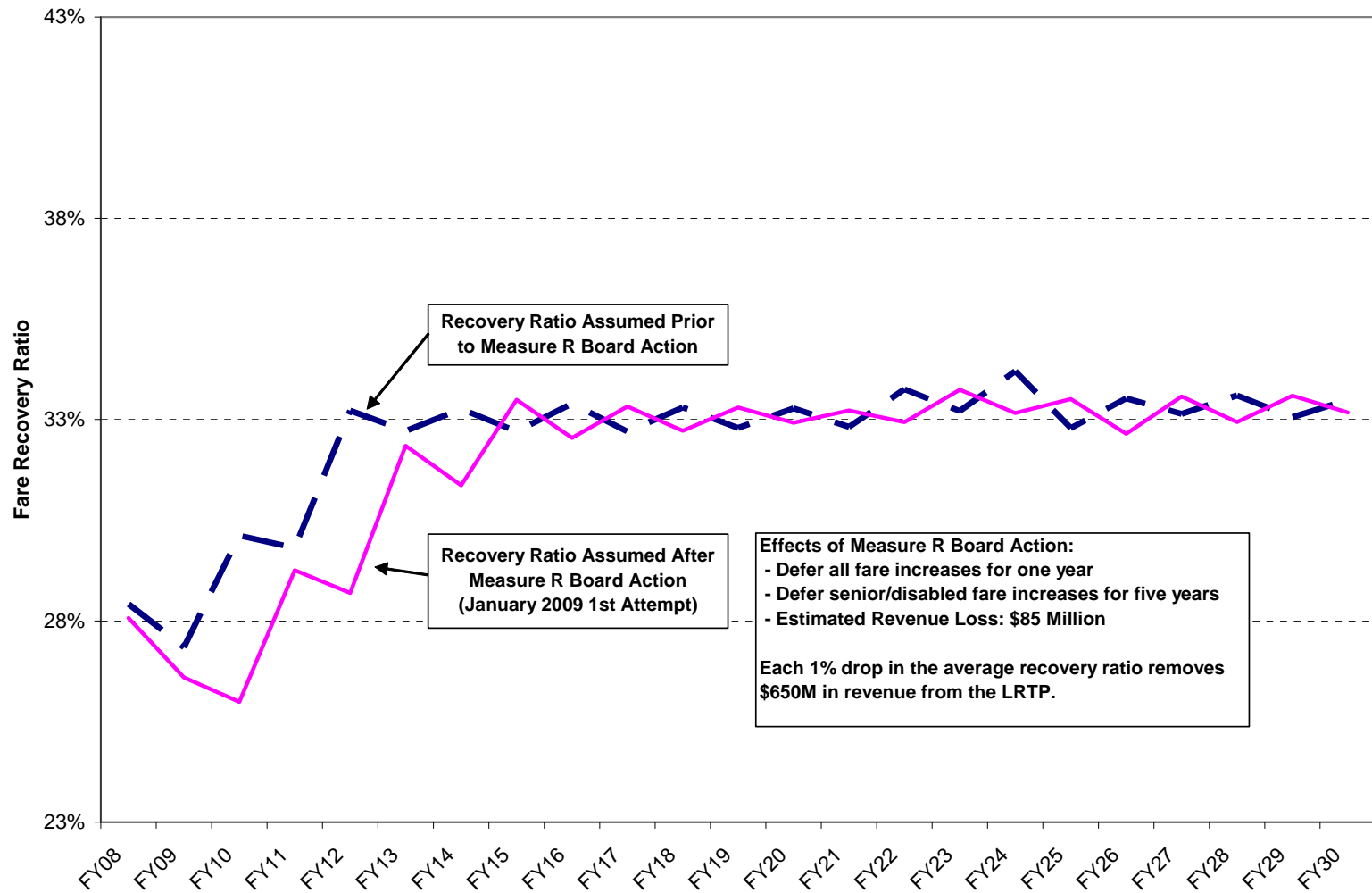
**State Transit Assistance (STA) Funds to Los Angeles County
2008 LRTP Forecast Compared to March 2009 Forecast
Approximate Share: 75% Metro, 25% Munis**



Senate Bill X3 7, chaptered 2/20/09, suspends STA for FY 10 through FY 13. Forecast beginning FY 14 assumes same \$306.4 million statewide level as original FY 09 State Budget.

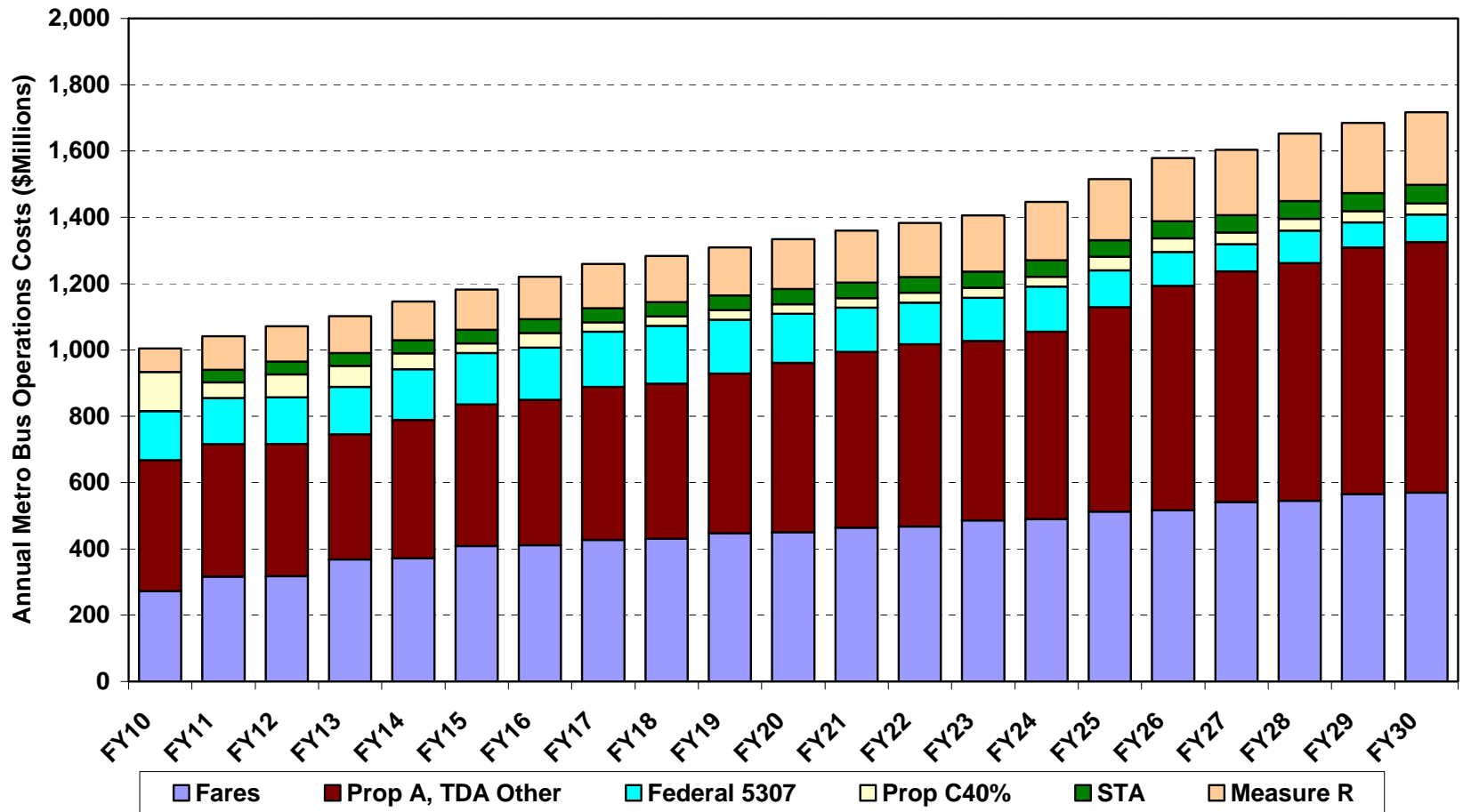
Fare Recovery Ratio

Fare Recovery Ratio - 33% Target



Metro Bus Operations Costs – With Fare Increases

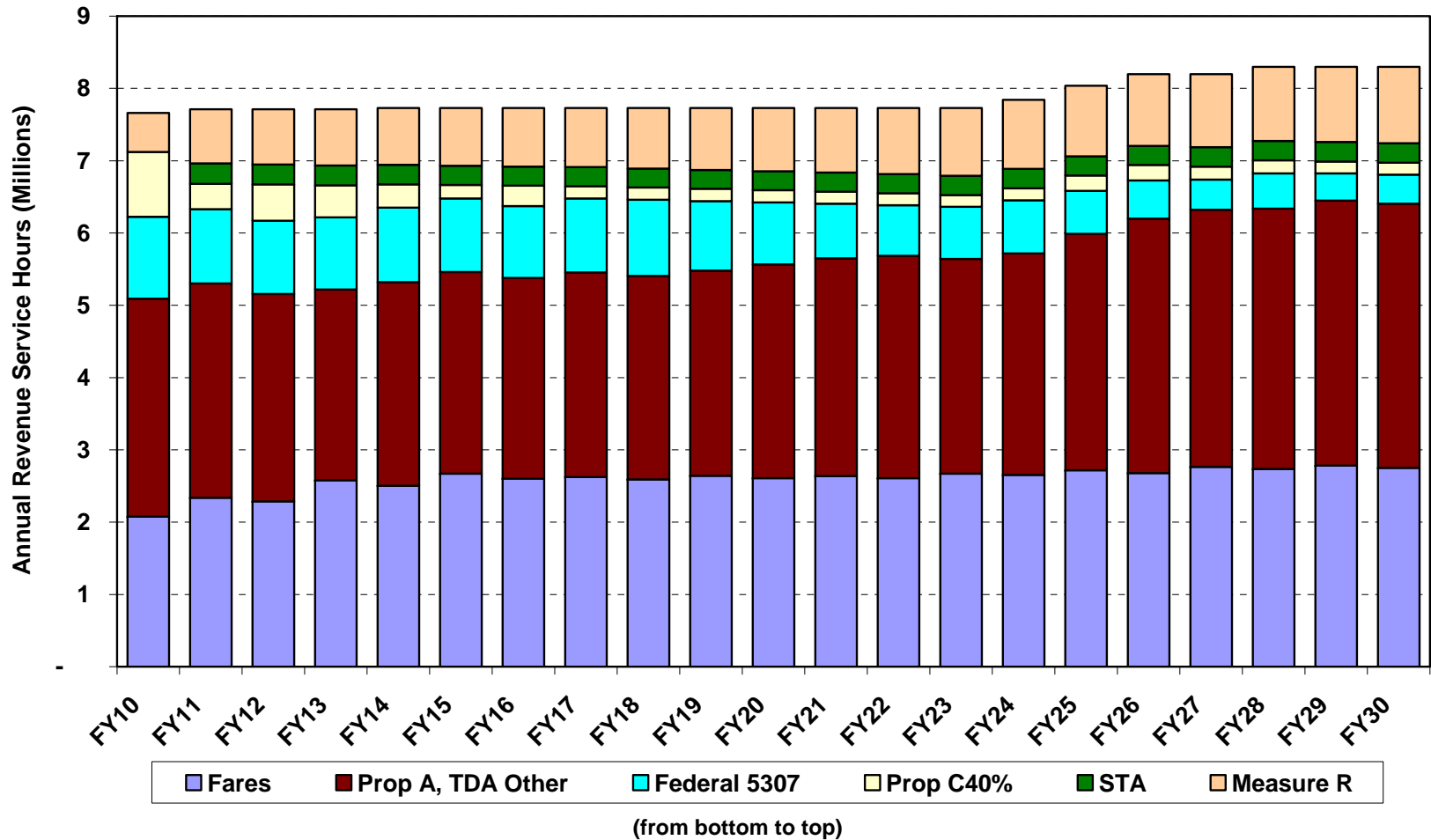
Metro Bus Operations Costs FY10-30
by Funding Source



(from bottom to top)

Metro Bus Revenue Service Hours

Metro Bus Revenue Service Hours FY10-30
by Funding Source

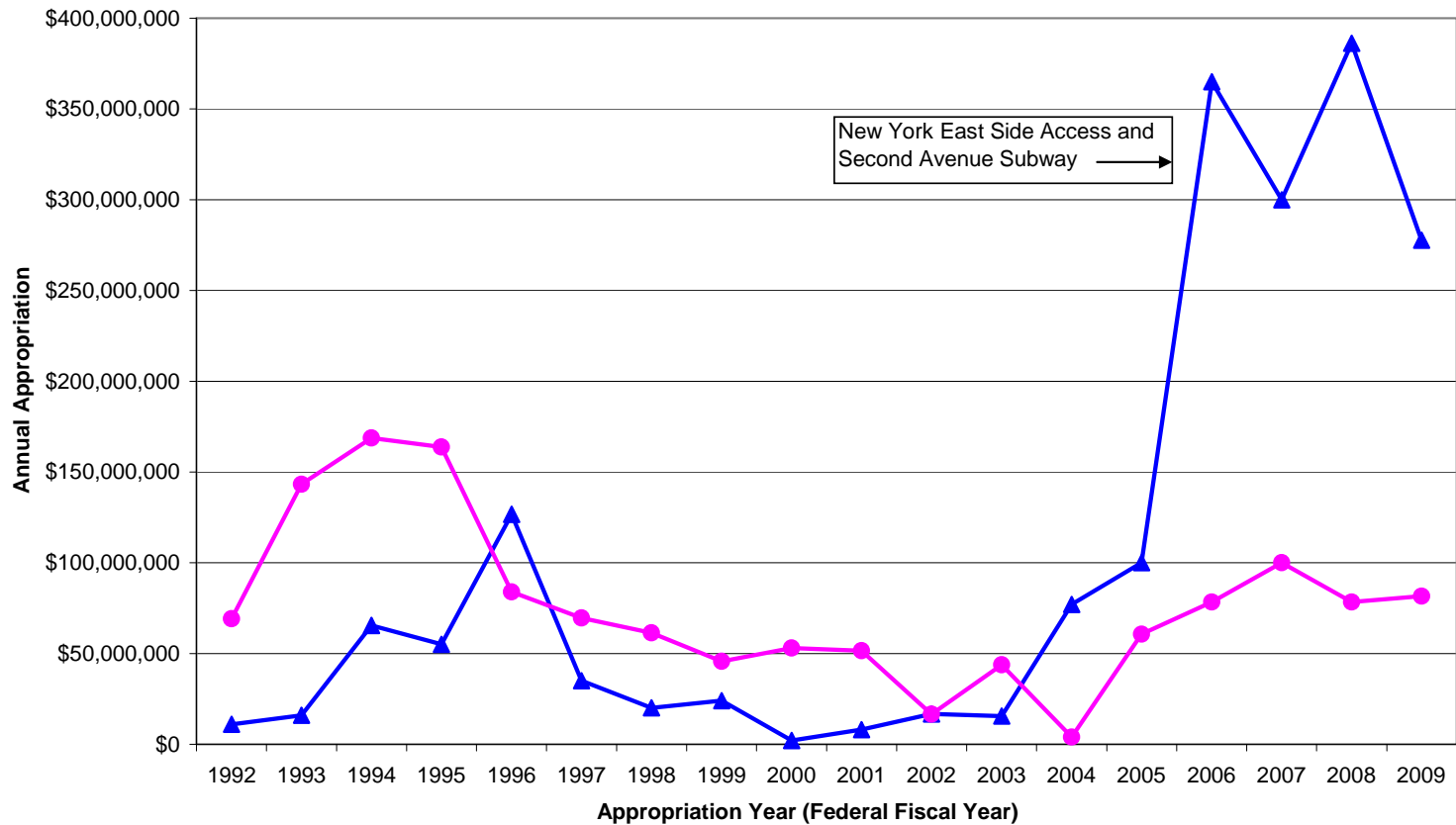


Transit Capital Project Costs Escalation Options

Option	FY 10	FY 11	FY 12	FY 13	FY 14	Beyond	Total Cost Estimate	Cumulative Cost Savings
2008 LRTP	4%	4%	4%	4%	4%	3%	\$19.4 B	N.A.
1 (Recommended)	1%	2%	3%	→			\$18.0 B	\$ 1.4 B
2	1%	1.5%	3%	→			\$17.9 B	\$ 1.5 B
3	0%	1%	2%	3%	→		\$17.5 B	\$ 1.9 B

New Starts for NY MTA vs LA Metro

New Starts Appropriations by Federal Fiscal Year



New York East Side Access and Second Avenue Subway →

▲ New York ● Los Angeles

Through FY 05, Los Angeles averaged \$74 M per year compared to New York's average of \$41 M. Beginning FY 06, however, Los Angeles averaged \$85 M per year compared to New York's average of \$332 M.

New Starts Funding Assumption - \$200 M

New Starts Funds by Federal Transportation Act

(millions)

	ISTEA through SAFETEA-LU FFY 1992-2009	ISTEA FFY 1992-1997	TEA-21 FFY 1998-2003*	SAFETEA-LU FFY 2005-2009	APTA Proposal Less 30%	APTA Proposal Less 20%	APTA Proposal FFY 2010-2015
National Authorization Total	\$ 18,477	\$ 4,969	\$ 6,092	\$ 7,416	\$ 14,840	\$ 16,960	\$ 21,200
National Authorization Annual Average	\$ 1,087	\$ 828	\$ 1,015	\$ 1,483	\$ 2,473	\$ 2,827	\$ 3,533
LA Appropriation Total	\$ 1,369	\$ 698	\$ 272	\$ 399			
LA Appropriation Annual Average	\$ 81	\$ 116	\$ 45	\$ 80			
LA % of Total Authorization	7.4%	14.1%	4.5%	5.4%			
Annual Amount If LA % were 4.5%					\$ 110	\$ 126	\$ 158
Annual Amount If LA % were 5.4%					\$ 133	\$ 152	\$ 190
Annual Amount If LA % were 7.4%					\$ 183	\$ 209	\$ 262

*In FFY 2004, Congress simply extended TEA-21 for one year. Los Angeles County did not receive an appreciable amount of New Starts funds in that year, so the data is omitted.

Next Steps

- **Confirm assumptions**
- **Begin re-running financial forecast**
- **Review financial assumptions at Board Workshop on May 14, 2009**
- **Complete financial forecast revision**
- **Present revised forecast in June, 2009**

Measure R

Proposed One-Half Cent Sales Tax for Transportation
Outline of Expenditure Categories
Sunsets in 30-Years: Fiscal Year (FY) 2010 - 2039
(millions)

ATTACHMENT A

Subfund	Program	% of Sales Tax (net of administration)	First Year Amount	10-Year Amount	30-Year Amount
Transit Capital	New Rail and/or Bus Rapid Transit Capital Projects - project definition depends on final environmental review process	35%	\$ 241	\$ 2,930	\$ 13,790
Transit Capital	Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion)	3%	\$ 21	\$ 251	\$ 1,182
Transit Capital	Metro Rail Capital - System Improvements, Rail Yards, and Rail Cars	2%	\$ 14	\$ 167	\$ 788
Highway Capital	Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls	20%	\$ 138	\$ 1,675	\$ 7,880
Operations	Rail Operations (New Transit Project Operations and Maintenance)	5%	\$ 34	\$ 419	\$ 1,970
Operations	Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.)	20%	\$ 138	\$ 1,675	\$ 7,880
Local Return	Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit. (Local Return to the Incorporated Cities within Los Angeles County and to Los Angeles County for the Unincorporated Area of the County on a Per Capita Basis.)	15%	\$ 103	\$ 1,256	\$ 5,910
TOTAL PROGRAMS		100%	\$ 689	\$ 8,373	\$ 39,400
1.5% for Administration			\$ 11	\$ 127	\$ 600
GRAND TOTAL			\$ 700	\$ 8,500	\$ 40,000

Measure R (cont.)

Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan

ATTACHMENT A

30 Years, Fiscal Year (FY) 2010 - 2039

As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008

(\$ in millions)

for reference
only - not
priority order

Subfund	Potential Project in Alphabetical Order by Category (project definition depends on final environmental process)	Cost Estimate	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
			Minimum	Additional	Total	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
1	Transit Projects: New Rail and/or Bus Rapid Transit Capital Projects. Could include rail improvements or exclusive bus rapid transit improvements in designated corridors.									
2		Escalated \$								
3	Eastside Light Rail Access (Gold Line)	\$ 30	\$ 30	\$ -	\$ 30	\$ -	\$ -	\$ -	FY 2010	FY 2013
4	Exposition Boulevard Light Rail Transit	\$ 1,632 ^a	\$ 925	\$ -	\$ 925	\$ -	\$ 353	\$ 354	FY 2010-12	FY 2013-15
5	Metro and Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock (Metro's share to be used for clean fuel buses)	\$ 150	\$ 150	\$ -	\$ 150	\$ -	\$ -	\$ -	FY 2010	FY 2039
6	Regional Connector (links local rail lines)	\$ 1,320	\$ 160	\$ -	\$ 160	\$ 708	\$ 186	\$ 266 ^b	FY 2014-16	FY 2023-25
7		Current 2008 \$								
8	Crenshaw Transit Corridor - project acceleration	\$ 1,470	\$ 235.5	\$ 971.5	\$ 1,207	To be determined		\$ 263 ^c	FY 2010-12	FY 2016-18
9	Gold Line Eastside Extension	\$ 1,310	\$ -	\$ 1,271	\$ 1,271			\$ 39	FY 2022-24	FY 2033-35
10	Gold Line Foothill Light Rail Transit Extension	\$ 758	\$ 735		\$ 735			\$ 23	FY 2010-12	FY 2015-17
11	Green Line Extension to Los Angeles International Airport	\$ 200	\$ -	\$ 200	\$ 200			TBD ^d	FY 2010-12	FY 2015-28 ^d
12	Green Line Extension: Redondo Beach Station to South Bay Corridor	\$ 280	\$ -	\$ 272	\$ 272			\$ 8	FY 2028-30	FY 2033-35
13	San Fernando Valley I-405 Corridor Connection (match to total project cost)	TBD	\$ -	\$ 1,000	\$ 1,000			\$ 31	FY 2030-32	FY 2038-39
14	San Fernando Valley North-South Rapidways (Canoga Corridor) - project acceleration	\$ 188	\$ 32 ^e	\$ 150	\$ 182			\$ 6	FY 2010-12	FY 2014-16
15	San Fernando Valley East North-South Rapidways - project acceleration	\$ 70	\$ 68.5 ^e	\$ -	\$ 68.5			\$ 2	FY 2013-15	FY 2016-18
16	West Santa Ana Branch Corridor (match to total project cost)	TBD	\$ -	\$ 240	\$ 240			\$ 7	FY 2015-17*	FY 2025-27*
17	Westside Subway Extension - to be opened in segments	\$ 4,200 ^f	\$ 900	\$ 3,174	\$ 4,074	\$ 126	FY 2013-15	FY 2034-36		
18	Capital Project Contingency (Transit)-Escalation Allowance for lines 8-17 to be based on year of construction	\$ 7,331	\$ 173	\$ 3,103	\$ 3,276	\$ 2,200	\$ 1,015	\$ 840 ^g	FY 2010	FY 2039
19	Total New Rail and/or Bus Rapid Transit Capital Projects	\$ 18,939 ^h	\$ 3,408.5	\$ 10,381.5	\$ 13,790	\$ 2,908	\$ 1,554	\$ 1,965	FY 2010	FY 2039



Measure R (cont.)

Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan

ATTACHMENT A

30 Years, Fiscal Year (FY) 2010 - 2039

As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008

(\$ in millions)

for reference only - not priority order	Subfund	Potential Project in Alphabetical Order by Category (project definition depends on final environmental process)	Cost Estimate	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
				Minimum	Additional	Total	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
20		Highway Projects: Capital Projects - Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls									
21			Escalated \$								
22		Alameda Corridor East Grade Separations Phase II	\$ 1,123	\$ 200	\$ 200	\$ 400	\$ 200	\$ 336	\$ 187 ⁱ	As funds become available	
23		BNSF Grade Separations in Gateway Cities	\$ 35	\$ -	\$ 35	\$ 35	\$ -	\$ -	\$ -	As funds become available	
24		Countywide Soundwall Construction (Metro regional list and Monterey Park/SR-60)	\$ 250	\$ 250	\$ -	\$ 250	\$ -	\$ -	\$ -	FY 2010 FY 2039	
25		High Desert Corridor (environmental)	\$ 33	\$ -	\$ 33	\$ 33	\$ -	\$ -	\$ -	As funds become available	
26		Interstate 5 / St. Route 14 Capacity Enhancement	\$ 161	\$ 90.8	\$ -	90.8	\$ 15	\$ 41	\$ 14 ^j	FY 2010 FY 2013-15	
27		Interstate 5 Capacity Enhancement from I-605 to Orange County Line	\$ 1,240	\$ 264.8	\$ -	\$ 264.8	\$ 78	\$ 834	\$ 63 ^j	FY 2010 FY 2016-17	
28		I-5 Capacity Enhancement from SR-134 to SR-170	\$ 610	\$ 271.5	\$ -	\$ 271.5	\$ 50	\$ 264	\$ 24 ^j	FY 2010 FY 2013	
29		I-5 Carmenita Road Interchange Improvement	\$ 389	\$ 138	\$ -	\$ 138	\$ 97	\$ 154	\$ - ^j	FY 2010 FY 2015	
30			Current 2008 \$								
31	Highway Capital Projects	Highway Operational Improvements in Arroyo Verdugo subregion	\$ 170	\$ -	\$ 170	\$ 170	To be determined			As funds become available	
32		Highway Operational Improvements in Las Virgenes/Malibu subregion	\$ 175	\$ -	\$ 175	\$ 175					
33		Interstate 405, I-110, I-105, and SR-91 Ramp and Interchange Improvements (South Bay)	\$ 906	\$ -	\$ 906	\$ 906					
34		Interstate 5 North Capacity Enhancements from SR-14 to Kern County Line (Truck Lanes)	\$ 2,800	\$ -	\$ 410	\$ 410					
35		Interstate 605 Corridor "Hot Spot" Interchanges	\$ 2,410	\$ -	\$ 590	\$ 590					
36		Interstate 710 North Gap Closure (tunnel)	\$ 3,730	\$ -	\$ 780	\$ 780					
37		Interstate 710 South and/or Early Action Projects	\$ 5,460	\$ -	\$ 590	\$ 590					
38		State Route 138 Capacity Enhancements	\$ 270	\$ -	\$ 200	\$ 200					
39		Capital Project Contingency (Highway)-Escalation Allowance for lines 31-38 to be based on year of construction	\$ 2,575	\$ -	\$ 2,575.9	\$ 2,576					
40			Total Capital Projects Highway: Carpool Lanes, Highways, Goods Movements, Grade Separations, and Soundwalls	\$ 22,337	\$ 1,215.1	\$ 6,664.9					\$ 7,880



Measure R (cont.)

Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan

ATTACHMENT A

30 Years, Fiscal Year (FY) 2010 - 2039

As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008

(\$ in millions)

for reference only - not priority order	Subfund	Operating and Capital Programs	Percent of New Sales Tax Net Revenues	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
				Minimum	Additional	Total Escalated	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
41	Ops	Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.)	20%	\$ -	\$ 7,880	\$ 7,880 ^k	Not Applicable		FY 2010	FY 2039	
42	Ops	Rail Operations (New Transit Project Operations and Maintenance)	5%	\$ -	\$ 1,970	\$ 1,970 ^k			FY 2010	FY 2039	
43	Local Return	Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit.	15% ^l	\$ 250	\$ 5,660	\$ 5,910 ^k			FY 2010	FY 2039	
44	Tran. Cap.	Metro Rail Capital Projects - System Improvements, Rail Yards, and Rail Cars	2%	\$ -	\$ 788	\$ 788 ^k			FY 2010	FY 2039	
45	Tran. Cap.	Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion)	3%	\$ 70	\$ 1,112	\$ 1,182 ^k			FY 2010	FY 2039	
46	Subtotal Transit and Highway Capital Projects		\$ 41,276^m	\$ 4,623.6	\$ 17,046	\$ 21,670	\$ 2,908	\$ 1,554	\$ 2,253	FY 2010	FY 2039
47	Subtotal page 4			\$ 320.0	\$ 17,410	\$ 17,730					
48	1.5% for Administration		N/A	\$ 10	\$ 590	\$ 600				FY 2010	FY 2039
49	Total			\$ 4,953.6	\$ 35,046	\$ 40,000	\$ 2,908	\$ 1,554	\$ 2,253	FY 2010	FY 2039

Notes:

- The Exposition Blvd Light Rail Transit project includes the following funds: Prop 1B Transit Modernization funds (\$250 M), State Transportation Improvement Program funds (\$103 M), Metro Propositions A and C funds (\$354 M).
- Systemwide ridership forecasts indicate need for a Regional Connector downtown. This expenditure plan assumes that Metro Long Range Transportation Plan funds freed-up from the Exposition Phase II project by passage of this sales tax will be redirected to the Regional Connector project by the Metro Board.
- Local funding for the Crenshaw Transit Corridor assumes a 3% local contribution (\$44 M) and a Metro Long Range Transportation Plan contribution (\$219 M).
- Local funding target and project schedule to be determined due to potential LAX contribution. First segment is included in the Crenshaw project.
- The San Fernando Valley North-South Rapidways minimum of \$100 M is divided between the East and Canoga segments.
- Unescalated cost estimate to Westwood.
- Assumes a 3% local contribution to the Escalation Allowance (\$225 M) and a Metro Long Range Transportation Plan contribution for project scheduling risk (\$615 M).
- Total new rail and/or bus rapid transit capital projects cost estimate subject to change when cost estimates are developed for the San Fernando Valley I-405 Corridor Connection (line 13) and the West Santa Ana Branch Corridor (line 16).
- The precise amounts of Federal and local funding for the Alameda Corridor East Grade Separations Phase II project are subject to change.
- For projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of this sales tax shall remain in the subregion in which the project is located for projects or programs of regional significance (per AB 2321).
- Amounts are estimates. Actual amounts will be based on percentage of actual sales tax receipts net of administration.
- Local Return to the incorporated cities within Los Angeles County and to Los Angeles County for the unincorporated area of the County on a per capita basis per annual California Department of Finance population data.
- The total project cost estimate for the transit and highway capital projects of \$41.2 B includes \$12.9 B in as yet unidentified federal, state, local, and public-private partnership funds for highway projects.

Legend: Ops = Operations; Tran. Cap. = Transit Capital; SR = State Route; I = Interstate

* The West Santa Ana Branch matching funds would be accelerated by utilizing Long Range Transportation Plan resources freed-up by the use of new sales tax funds on the Interstate 5 Capacity Enhancement from I-605 to Orange County Line project (line 27).

