



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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**APRIL 9, 2013**

**TO:** BOARD OF DIRECTORS

**THROUGH:** ARTHUR T. LEAHY *by [signature]*  
CHIEF EXECUTIVE OFFICER

**FROM:** *[signature]* DOUGLAS R. FAILING, P.E.  
EXECUTIVE DIRECTOR, HIGHWAY PROGRAM

*[signature]* MARTHA WELBORNE, FAIA  
EXECUTIVE DIRECTOR, COUNTYWIDE PLANNING

**SUBJECT:** INTERSTATE 5 CORRIDOR PROJECT FUNDING PLAN  
CHANGES

**ISSUE**

At the November 8, 2012, Board Staff Briefing on the I-5 Corridor Funding Plan staff was requested to conduct an analysis of maintaining subregional equity. The objective was to keep Proposition 1B project cost savings within each subregion in Los Angeles County. Staff has completed the analysis and is reporting the findings herein.

**BACKGROUND OR DISCUSSION**

At the December 13, 2012 regularly scheduled Board meeting, the Board approved the Interstate 5 Corridor Project Funding Plan Changes to minimize a potential loss of \$178 million of state funds for state highways improvements in Los Angeles County. The \$178 million was comprised of \$107 million in Corridor Mobility Improvement Account (CMIA) bid savings and \$71 million in bid savings from other funds on I-5 North. The \$107 million in CMIA savings included \$72 million from the I-5 South Corridor and \$35.1 million from the I-5 North. The \$35.1 million in CMIA savings from the I-5 North consisted of \$26.1 million pursuant to AB3X20, and \$9 million from the original CMIA amount for the project. The project savings reprogrammed to the I-405 project under AB3X20 had originally been programmed to the I-405 project.

Alternatives explored included retaining the CMIA funds within the I-5 corridor, or leaving the \$26.1 million on the table instead of transferring it to the I-405 project. Neither alternative was determined feasible due to limitations imposed by the State guidelines or potential impacts to other Metro funded projects. The plan approved by Metro board in November 2012 was based on the final agreement with Caltrans and California Transportation Commission (CTC) which retained \$168 million out of the \$178 million of State funds within Los Angeles County. The plan is summarized as follows:

1. Replace \$69 million in CMIA for the I-5 South with a commitment of SHOPP funds;
2. Replace the remaining \$3 million in CMIA for the I-5 South with rescinded federal earmark funding;
3. Redirect \$26.1 million (AB3X20) in I-5 North CMIA funds to Interstate 405; and
4. Jointly redirect \$71 million in I-5 North savings from the State Transportation Improvement Program, Proposition 1B State and Local Partnership Program, and Proposition C 25% to I-5 South project needs.

Based on staff's analysis, the local Measure R funds for the I-5 North remain on the project and available to the subregion at the completion of the project. There is no further action necessary to rebalance subregional equity. Since the sources of funds involved in Steps 1-3 above are CMIA, federal earmark funding, and SHOPP, bid savings or overruns are not within Metro's purview for reprogramming. The funding in Step 4 above was directed within the same I-5 project corridor. This also does not trigger the need for reprogramming.

### **NEXT STEPS**

Close out this issue.

Attachment: Item 25 adopted at December 13, 2012 Regular Board Meeting

**Metro**Los Angeles County  
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Los Angeles, CA 90012-2952213.922.2  
metro.net**PLANNING AND PROGRAMMING COMMITTEE  
NOVEMBER 14, 2012****SUBJECT: INTERSTATE 5 CORRIDOR PROJECT FUNDING PLAN CHANGES****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

Authorize the programming of \$178 million in new State Highway Operation and Protection Program (SHOPP) funding and bid savings on the I-5 North at Empire Project, as shown in Attachment A, to address requests by the California Transportation Commission and Caltrans related to the I-5 South and I-405 Sepulveda Pass Projects, according to the following:

- A. This project is being managed by Caltrans. The project is two-thirds state-funded and one-third Metro-funded; and
- B. The recommended action will not delay or reduce any Los Angeles County project.

**ISSUE**

On October 24, 2012, the California Transportation Commission (CTC) approved a \$72 million reduction of their Proposition 1B Corridor Mobility Improvement Account (CMIA) funding commitment to the Interstate 5 South project. A similar December 5, 2012 CTC action is pending to reduce CMIA funding by \$35 million on the I-5 North project. Additionally, CTC and LACMTA joint action is required to redirect an additional \$71 million in savings on the I-5 North project. The State has agreed to replace this funding with a like amount of SHOPP funds on these and other projects. This replacement funding will keep all CMIA projects funded but require the transfer of local funds by Metro.

Metro staff and members of the Board of Directors strongly urged the CTC to work with staff to prevent the loss of up to \$178 million in funding crucial to the completion of the I-5 South corridor project. In response, the CTC and Caltrans have committed to:

- Replace \$69 million in CMIA reductions to I-5 South with a combination of SHOPP commitments directly to I-5 South (\$35 million), indirectly through a funding exchange with the Interstate 10 Puente to Citrus project (\$34 million);
- Replace the remaining \$3 million in CMIA reductions to I-5 South with rescinded federal earmark funding;
- Redirect \$26 million in I-5 North CMIA funds to Interstate 405; and
- Jointly redirect \$71 million in I-5 North savings to I-5 South project needs.

In total, the CTC/Caltrans response to Metro efforts restores \$168 million of the \$178 million potential loss, leaving almost \$10 million without a mutually agreeable solution at this time.

## **DISCUSSION**

The I-5 Corridor extends from the Kern County Line in the north to the Orange County Line in the south. The I-5 North and South projects aim to close gaps in the carpool network as well as provide additional lane capacity. In 2008, Metro entered into a funding agreement with Caltrans to help fund the I-5 South Project, which extends from I-605 to the Orange County Line. Metro share is approximately one third of the total project cost. By making Metro whole, except for the almost \$10 million loss, the CTC and Caltrans are maintaining their commitment to these projects. Going forward, Caltrans must manage project costs, excess land sales, and identify additional funding to maintain the State's two-thirds commitment to the project.

Without the redirection of \$26 million in I-5 North CMIA funds to the I-405 project, the loss experienced by Metro would have been almost \$36 million, instead of \$10 million. The only mutually agreeable approach to this \$36 million in CMIA funding was a transfer back to the I-405 of \$26 million of CMIA bond funds from the I-5 North to the I-405 Sepulveda Pass HOV lane project. The \$26 million figure is the amount of CMIA funding remaining in Los Angeles County that is subject to a state law enacted to implement the federal 2009 American Recovery Reinvestment Act (ARRA). Under this state law, CMIA funds freed-up from the I-405 project must remain in Los Angeles County. However, these CMIA funds expire on December 31, 2012, a hard deadline imposed by voters in Proposition 1B. The funds are needed on the I-405 project for lane standardization and access improvements that the design phase showed to be necessary. No other mutually agreeable use of these expiring funds could be found in the time available.

## **DETERMINATION OF SAFETY IMPACT**

The reprogramming of funds will have no impact on the safety of Metro's patrons or employees. The lane standardization and access improvements on the I-405 project will improve the safety of that project.

## **FINANCIAL IMPACT**

Funding for the I-5 South Project is currently included in the \$23.5 million FY13 budget in Cost Center 0442 (Highway Capital), Account 54001 (Subsidies), Project 410001 (Widening, Orange County Line – Route 605 with Carmenita Interchange). Since the delivery of the projects will extend beyond FY13, the cost center manager and the Executive Director, Highway Program, will be responsible for project budgeting in future years.

### **Impact to Budget**

The sources of funds for this project are CMAQ, CMIA, Grandfathered State Transportation Improvement Program, Interregional Transportation Improvement Program, Measure R 20% Highway Funds, Proposition C 25%, Regional Improvement Program, State and Local Partnership Program, and Traffic Congestion Relief Program. No other sources of funds were considered as these funds have been identified for this project.

## **ALTERNATIVES CONSIDERED**

None of the alternatives considered enjoy three party support, CTC, Caltrans, and Metro. Metro staff originally sought to directly retain the CMIA funds on the I-5 corridor but failed to find a way to make that concept work given the State's highly structured transportation funding silo policies. Staff even considered leaving the \$26 million on the table instead of transferring it to the I-405 project, but determined doing so would force us to pick-up costs from another Metro funding source instead. In summary, Metro staff is not recommending any other alternative because doing so would unwind the complex three-party negotiations that led to the retention of \$168 million of the up to \$178 million of State funding originally put at risk by strict State transportation funding policies.

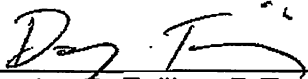
## **NEXT STEPS**

With the approval of the recommendation, staff will work with Caltrans and the CTC to reprogram the available funds to the I-5 South and make other necessary funding exchanges, budget actions, and funding agreements to make the three-party arrangement work.

**ATTACHMENT**

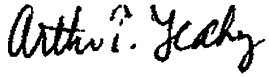
**A. Summary of Proposed CMIA Savings Exchange and other Programming Actions to Preserve Funding for Critical Highway Projects**

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Douglas R. Failing, P.E.  
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Arthur T. Leahy  
Chief Executive Officer

**Summary of Proposed CMIA Savings Exchange and Other Programming  
Actions to Preserve Funding for Critical Highway Projects**  
Figures in (\$000's)

Project Funding Source/Programming	Current Programming	Proposed Programming	Change	Key to Text
<b>I-5 North Burbank/Empire Segment</b>				
1 Interregional Improvement Program	\$ 14,042	\$ 13,270	\$ (772)	
2 Regional Improvement Program	\$ 157,193	\$ 120,850	\$ (36,343)	
3 State Proposition 1B SLPP	\$ 20,000	\$ 12,937	\$ (7,063)	
4 Proposition C 25%	\$ 169,058	\$ 142,353	\$ (26,705)	
5 <b>Subtotal</b>	<b>\$ 360,293</b>	<b>\$ 289,410</b>	<b>\$ (70,883)</b>	← "\$71 M"
6 CMIA	\$ 99,100	\$ 64,103	\$ (34,997)	← "\$35 M"
7 <b>Total</b>	<b>\$ 459,393</b>	<b>\$ 353,513</b>	<b>\$ (105,880)</b>	
<b>I-10 Puente to Citrus</b>				
8 CMAQ	\$ 139,000	\$ 104,800	\$ (34,200)	
9 Interregional Improvement Program	\$ 9,512	\$ 9,512	\$ -	
10 Regional Improvement Program	\$ 38,142	\$ 38,142	\$ -	
11 SHOPP	\$ -	\$ 34,200	\$ 34,200	
12 State Proposition 1B SLPP	\$ -	\$ -	\$ -	
13 Traffic Congestion Relief Program	\$ 157	\$ 157	\$ -	
14 Proposition C 25%	\$ -	\$ -	\$ -	
15 <b>Total</b>	<b>\$ 186,811</b>	<b>\$ 186,811</b>	<b>\$ -</b>	
<b>I-5 South Segment 2</b>				
16 CMAQ	\$ 77,439	\$ 111,639	\$ 34,200	
17 Federal Demonstration Funds	\$ -	\$ 3,297	\$ 3,297	← "\$3 M"
18 Interregional Improvement Program	\$ 17,443	\$ 17,443	\$ -	
19 Regional Improvement Program	\$ 106,136	\$ 142,479	\$ 36,343	
20 SHOPP	\$ -	\$ 28,000	\$ 28,000	
21 State Proposition 1B SLPP	\$ 36,156	\$ -	\$ (36,156)	
22 Traffic Congestion Relief Program	\$ 103,660	\$ 103,660	\$ -	
23 Proposition C 25%	\$ 5,799	\$ 60,887	\$ 55,088	
24 <b>Total</b>	<b>\$ 346,633</b>	<b>\$ 467,405</b>	<b>\$ 120,772</b>	
<b>I-5 South Segments 3 and 4 (Partial Project Programming Information)</b>				
25 CMIA	\$ 314,600	\$ 242,600	\$ (72,000)	← "\$72 M"
<b>I-5 South Segment 5</b>				
26 Interregional Improvement Program	\$ 11,326	\$ 11,326	\$ -	
27 Regional Improvement Program	\$ 51,278	\$ 51,278	\$ -	
28 SHOPP	\$ -	\$ 7,000	\$ 7,000	
29 State Proposition 1B SLPP	\$ 26,500	\$ 41,529	\$ 15,029	
30 Traffic Congestion Relief Program	\$ 955	\$ 955	\$ -	
31 Proposition C 25%	\$ 108,161	\$ 108,161	\$ -	
32 <b>Total</b>	<b>\$ 198,220</b>	<b>\$ 220,249</b>	<b>\$ 22,029</b>	



**Summary of Proposed CMIA Savings Exchange and Other Programming  
Actions to Preserve Funding for Critical Highway Projects**  
Figures in (\$000's)

Project Funding Source/Programming	Current Programming	Proposed Programming	Change
<b>I-405 Sepulveda Pass</b>			
33 ARRA	\$ 189,900	\$ 189,900	\$ -
34 Federal Demonstration Funds	\$ 117,000	\$ 117,000	\$ -
35 RSTP	\$ 10,100	\$ 10,100	\$ -
36 CMIA	\$ 614,000	\$ 640,100	\$ 26,100
37 Traffic Congestion Relief Program	\$ 90,000	\$ 90,000	\$ -
38 Proposition C 25%	\$ 13,000	\$ 13,000	\$ -
39 <b>Total</b>	<b>\$ 1,034,000</b>	<b>\$ 1,060,100</b>	<b>\$ 26,100</b>

← "\$26 M"

<b>Exposition Light Rail Transit Phase II<sup>(1)(2)</sup></b>			
40 Regional Improvement Program	\$ 47,800	\$ 47,800	\$ -
41 State Proposition 1B PTMISEA	\$ 48,900	\$ 48,900	\$ -
42 State Proposition 1B SLPP	\$ -	\$ 28,383	\$ 28,383
43 Local Agency Contribution	\$ 45,400	\$ 45,400	
44 Measure R	\$ 813,700	\$ 813,700	\$ -
45 Proposition A	\$ 238,000	\$ 238,000	\$ -
46 Proposition C 25%	\$ 115,300	\$ 86,917	\$ (28,383)
47 <b>Total</b>	<b>\$ 1,309,100</b>	<b>\$ 1,309,100</b>	<b>\$ -</b>

<b>Total Funding All Projects</b>			
48 ARRA	\$ 189,900	\$ 189,900	\$ -
49 CMAQ	\$ 216,439	\$ 216,439	\$ -
50 Federal Demonstration Funds	\$ 117,000	\$ 120,297	\$ 3,297
51 Regional Surface Transp. Impvt. Prog.	\$ 10,100	\$ 10,100	\$ -
52 CMIA	\$ 1,027,700	\$ 946,803	\$ (80,897)
53 Interregional Improvement Program	\$ 52,323	\$ 51,551	\$ (772)
54 Regional Improvement Program	\$ 400,549	\$ 400,549	\$ -
55 SHOPP	\$ -	\$ 69,200	\$ 69,200
56 State Proposition 1B PTMISEA	\$ 48,900	\$ 48,900	\$ -
57 State Proposition 1B SLPP	\$ 82,656	\$ 82,849	\$ 193
58 Traffic Congestion Relief Program	\$ 194,772	\$ 194,772	\$ -
59 Measure R	\$ 813,700	\$ 813,700	\$ -
60 Local Agency Contribution	\$ 45,400	\$ 45,400	\$ -
61 Proposition A	\$ 238,000	\$ 238,000	\$ -
62 Proposition C 25%	\$ 411,318	\$ 411,318	\$ -
63 <b>Total</b>	<b>\$ 3,848,757</b>	<b>\$ 3,839,778</b>	<b>\$ (8,979)</b>

← "Almost \$10 M"

- 1) Funding exchange is to be in an up-to amount of \$28.383 million
- 2) Rail car funding not included here.