

Attachment D
Finance Budget and Audit #60
Executive Management # 60

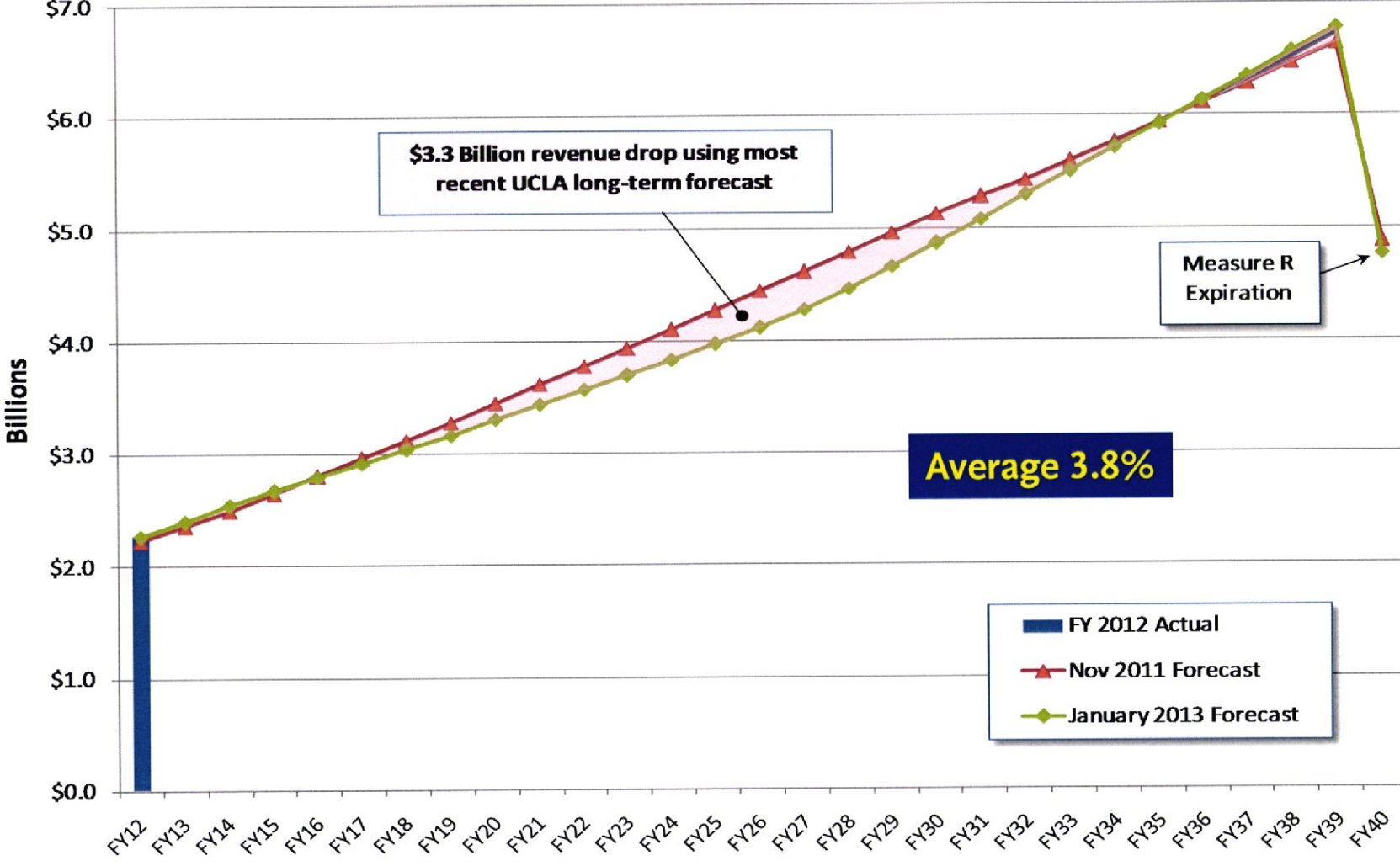
Measure R
Project Finance
Acceleration Plan

Finance Budget and Audit Committee
Executive Management Committee
March 20 and 21, 2013

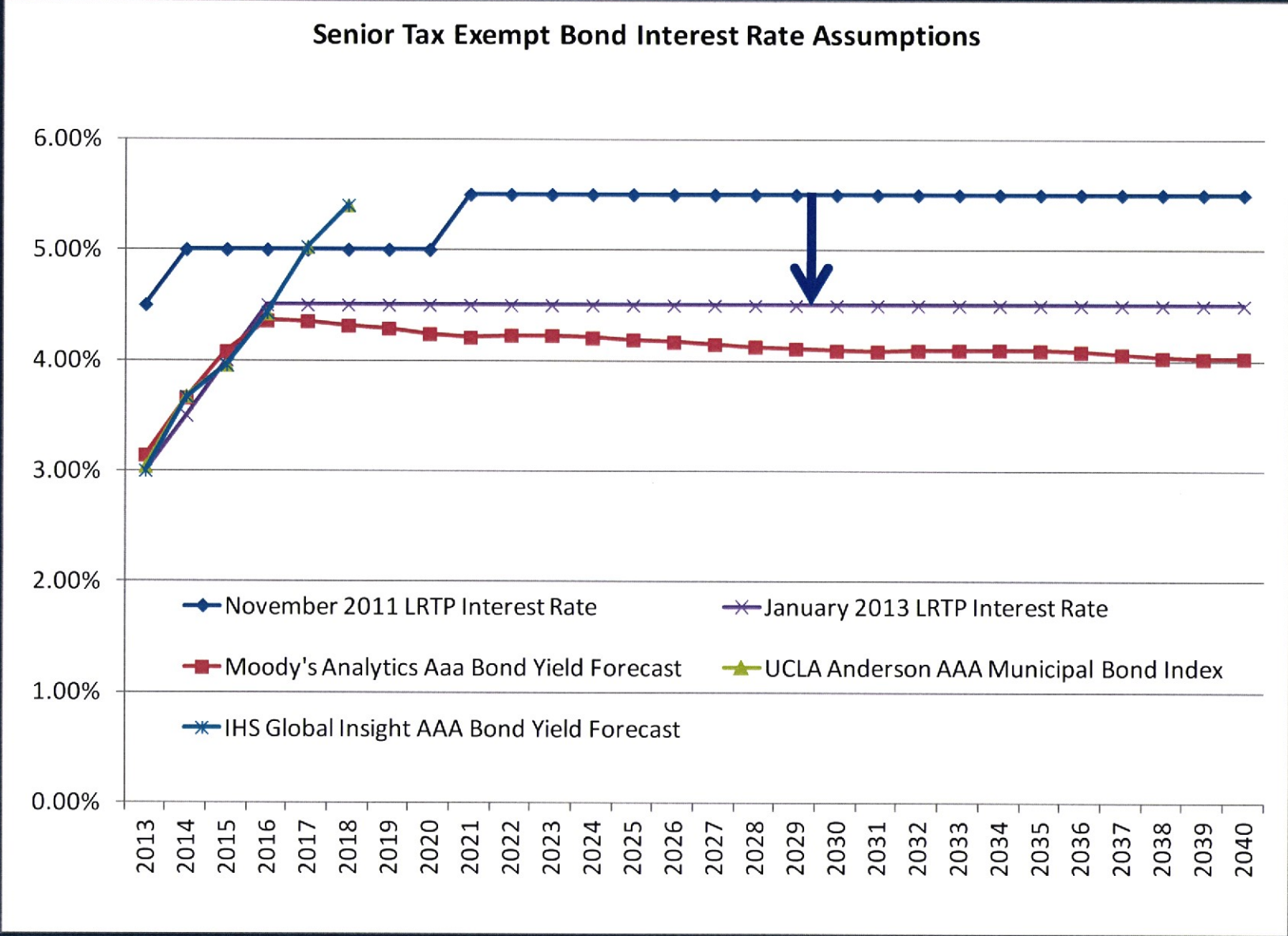


UCLA Anderson Forecast Update

Recent MTA Sales Tax Revenue Projections

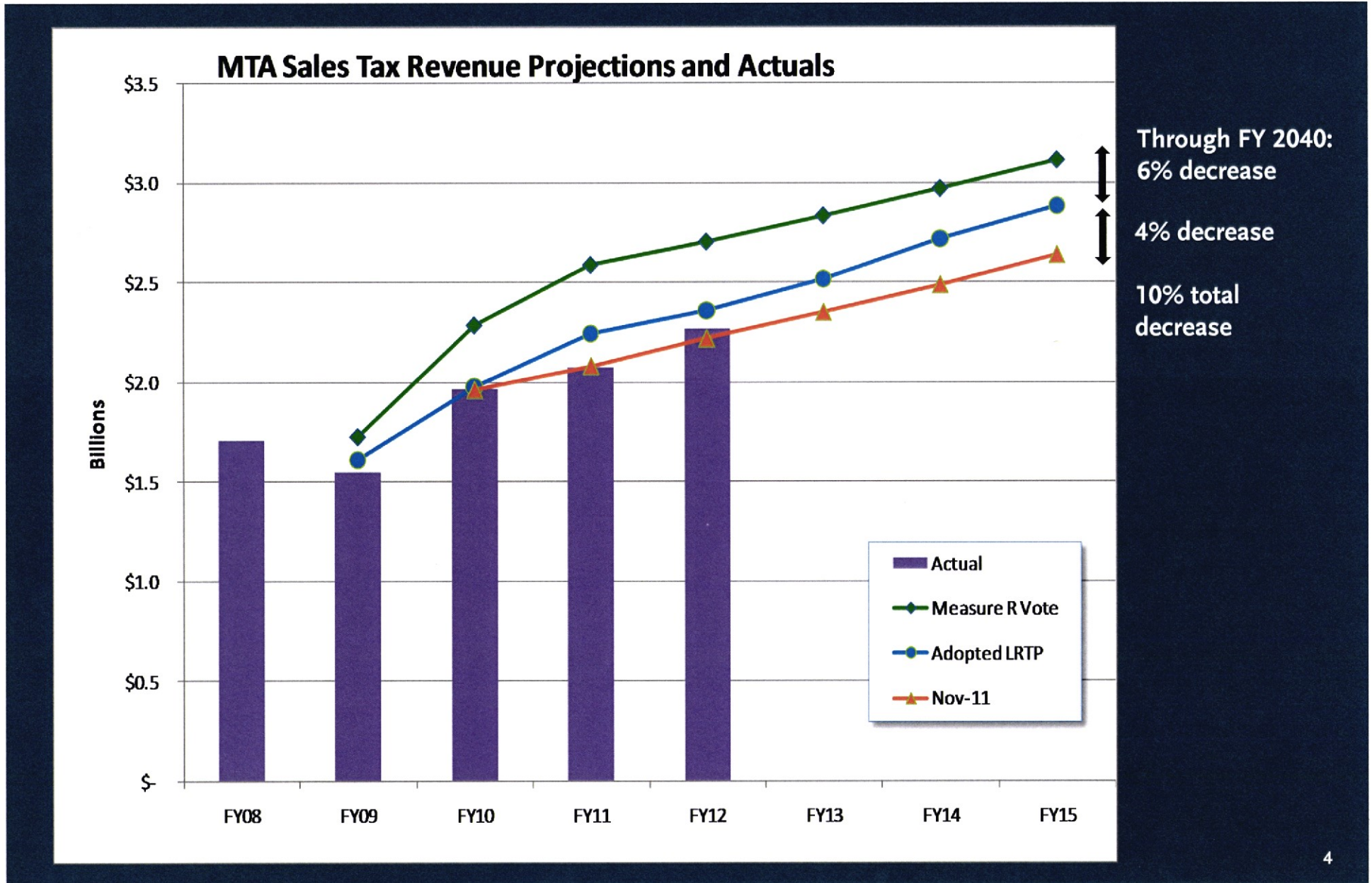


Lower Interest Cost Assumptions



Conservative Optimistic

Sales Tax Receipts Tracking UCLA Forecast

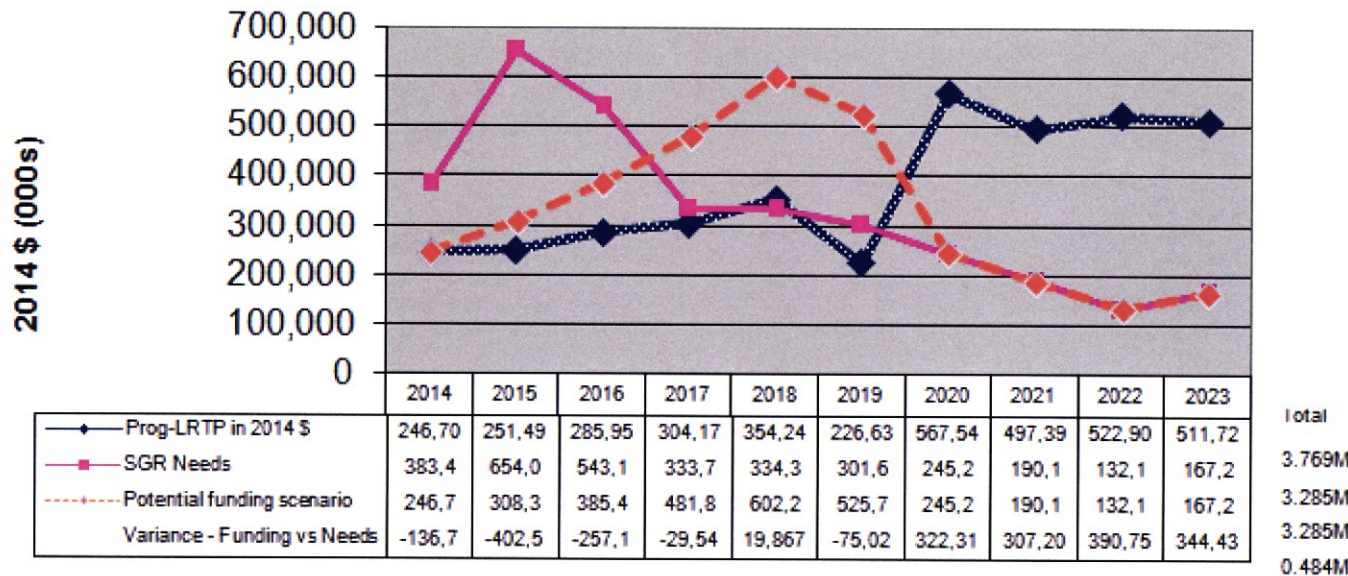


Preliminary State of Good Repair Data

(Current \$'s in Thousands)

- State of Good Repair study to recommend accelerated spending
 - LRTP Update will include “potential funding scenario” data in orange
(LRTP shows Year of Expenditure dollars, this chart shows Current dollars)
 - Additional borrowing is necessary to meet these needs

Preliminary SGR Scenario for Advancing LRTP Funds vs Need



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2013 Countywide Call for Projects

Preliminary Modal Categories Funding Marks

(Year of Expenditure \$'s in thousands)

MODAL CATEGORY	Modal Mark %	MODAL MARK
Regional Surface Transportation Improvements	19.4%	\$ 29,400
Goods Movement	17.5%	\$ 26,250
Transit Capital	10.1%	\$ 15,150
Transportation Alternatives (formerly "Enhancements")*	1.8%	\$ 2,700
Signal Synchronization & Bus Improvements	22.1%	\$ 33,150
Regional Bikeways*	15.0%	\$ 22,500
Pedestrian Improvements*	7.4%	\$ 11,100
Transportation Demand Management (TDM)	3.7%	\$ 5,550
Reserve	2.8%	\$ 4,200
Approved De-obligations (modal allocation TBD)		\$ 49,300
TOTAL FUNDING MARK	100%	\$ 199,300

* Federal, state, and regional MAP-21 related legislation and policies may require the transfer of a portion of these modal funds to Caltrans and SCAG. TBD = To Be Determined

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Transit and Highway Acceleration Benefits

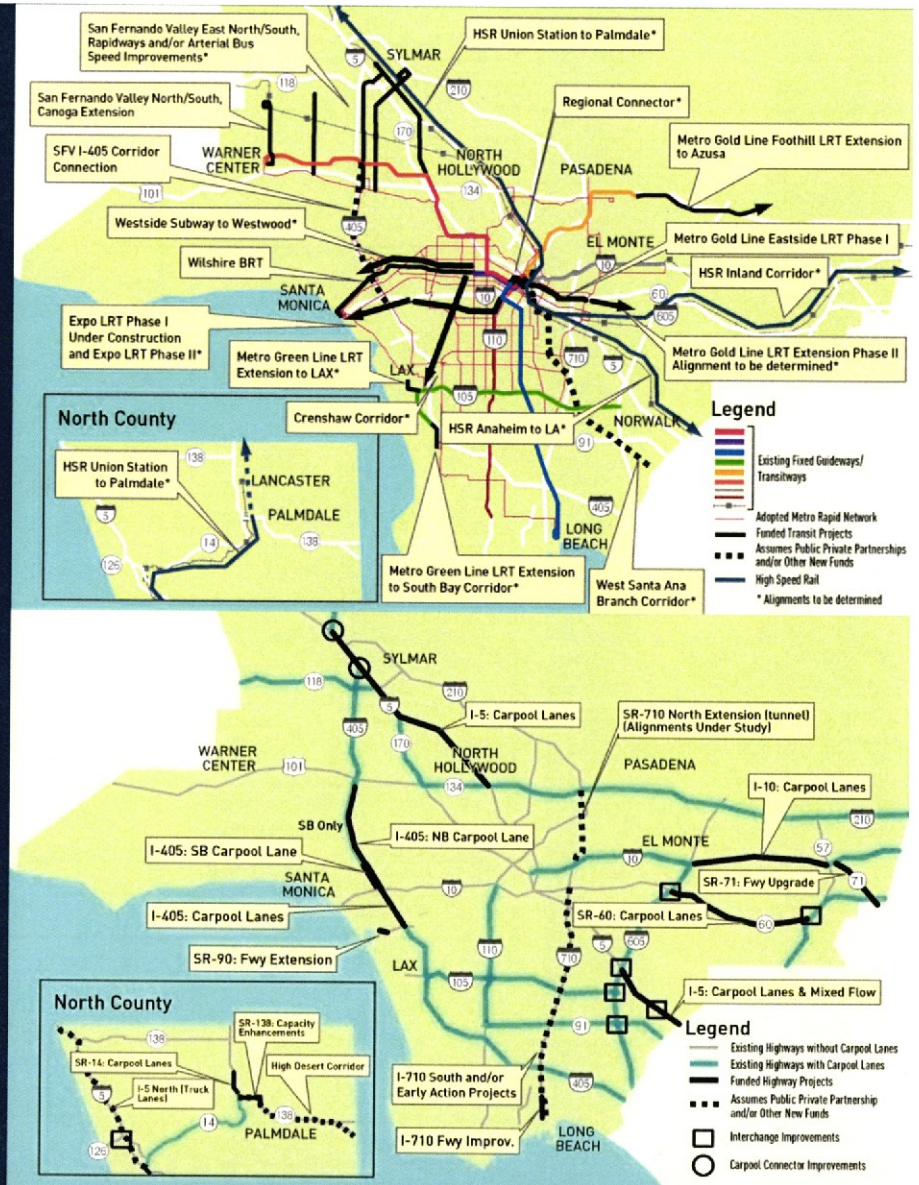
- Complete 12 transit projects in 10 years

- Create 152,000 jobs*
- Eliminate 522,000 lbs of emissions every day
- Reduce vehicle miles traveled by 191 million
- Increase transit boardings by 71 million

- Seek to accelerate 15 highway projects

- Create 256,000 jobs*
- Relieve Congestion Countywide
- Improve goods movement

*Includes Southern California direct, indirect, and induced jobs. National figures are higher.



Measure R Transit Project Costs and Opening Years

Total Transit Project Cost and Opening Year Assumptions (a)

(Year of expenditure (YOE) dollars in millions)

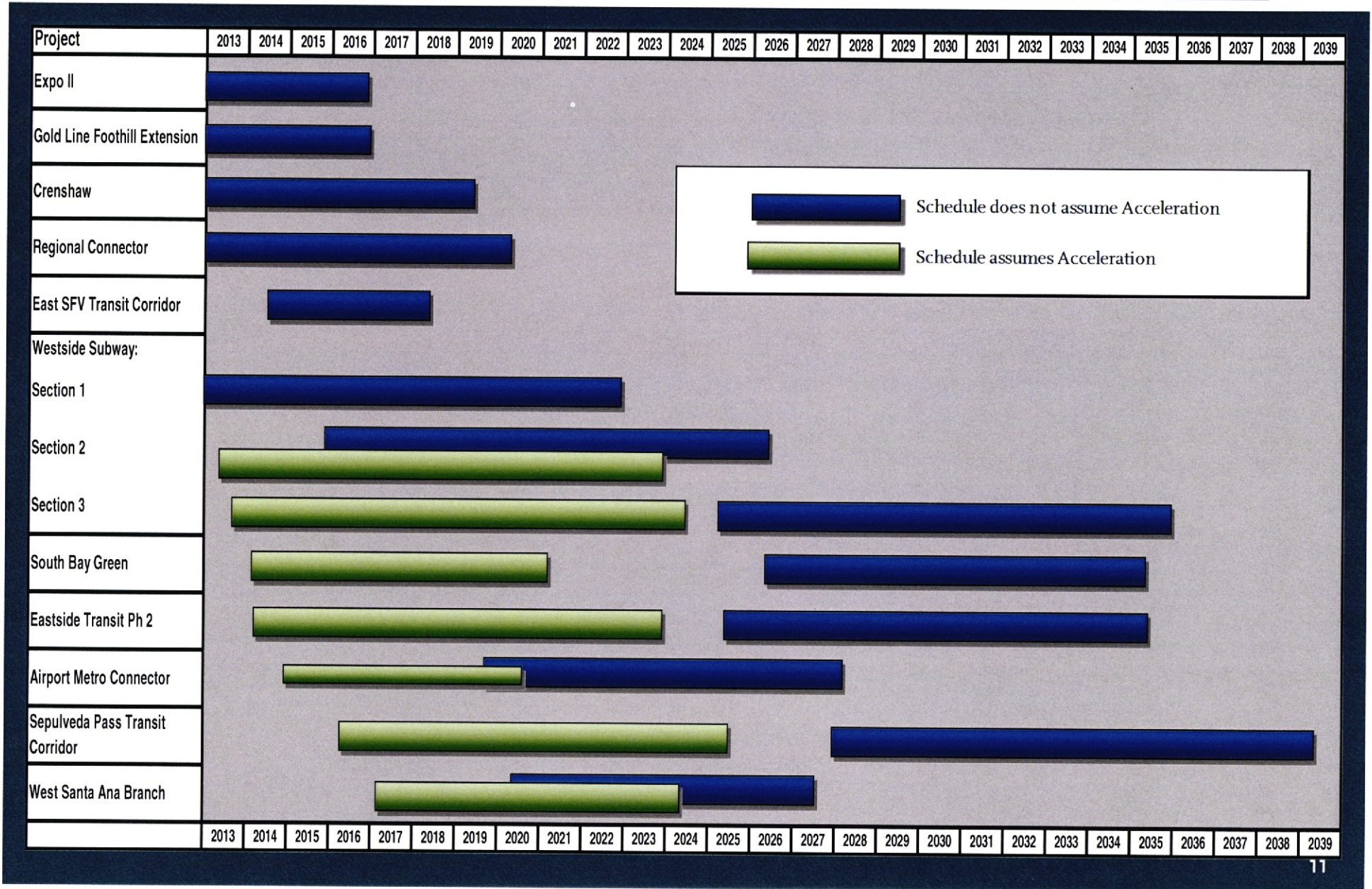
	Project Description	LRTP Feb. 2013 Update		Accelerated Plan Feb. 2013	
		Assumed Funding (\$ in millions)	Opening Year	Assumed Funding (\$ in millions)	Opening Year
1 LRTP 1st Decade	Orange Line Canoga Extension	160.1	FY 2013	160.1	FY 2013
	Exposition Blvd. Light Rail Transit II	1,511.2	FY 2017	1,511.2	FY 2017
	Gold Line Foothill Extension	851.1	FY 2017	851.1	FY 2017
	East San Fern. Valley Transit Corridors	170.1	FY 2018	170.1	FY 2018
	Crenshaw/LAX Transit Corridor	1,762.9	FY 2019	1,762.9	FY 2019
	Regional Connector	1,366.1	FY 2019	1,366.1	FY 2019
	Westside Subway Extension Section I	2,334.0	FY 2023	5,175.6	FY 2023-25
2 LRTP 2nd & 3rd Decades	Westside Subway Extension Section II	1,740.8	FY 2026	Included in Westside Subway Section I	
	West Santa Ana Branch Line	649.0	FY 2027	502.8	FY 2019-24
	Airport Metro Connector (Green Line Extension to LAX) (b)	330.0	FY 2028	264.0	FY 2020
	South Bay Green Line Extension	555.0	FY 2035	332.5	FY 2018-20
	Gold Line Eastside Extension Phase II	2,490.0	FY 2035	1,529.4	FY 2020-22
	Westside Subway Extension Section III	1,942.2	FY 2036	Included in Westside Subway Section I	
	Sepulveda Pass Transit Corridor	2,468.0	FY 2039	1,647.6	FY 2025
Total (a)	18,330.5		15,273.4		

(a) Includes prior year expenditures.

(b) Estimated local agency contribution is \$1.006 B in addition to MTA-funded accelerated project cost of \$264 M.

Measure R Transit Project Schedules

(with/without acceleration)



Measure R Highway Project Costs and Opening Years

Measure R Highway Project Cost and Opening Year Assumptions (a)

(Year of expenditure (YOE) dollars in millions)

Project Description	LRTP Feb. 2013 Update		Accelerated Plan Feb. 2013	
	Assumed Funding (\$ in millions)	Opening Year	Assumed Funding (\$ in millions)	Opening Year
Interstate 5/State Route 14 Capacity Enhancement	175.8	FY 2015	175.8	FY 2015
High Desert Corridor (Environmental)	33.0	FY 2015	33.0	FY 2015
Interstate 5 North Carpool Lanes from State Route 170 to State Route 134	608.2	FY 2017	608.2	FY 2017
Interstate 5 South Carpool Lanes (including Carmenita Interchange)	1,894.2	FY 2017	1,894.2	FY 2017
BNSF Grade Separations in Gateway Cities	35.0	FY 2018	35.0	FY 2018
Alameda Corridor East Grade Separations Phase II	1,054.7	FY 2019	1,054.7	FY 2019
Countywide Soundwalls	120.0	FY 2023	120.0	FY 2023
State Route 138 Corridor Widening	243.0	FY 2022	243.0	FY 2022
Interstate 5 North Capacity Enhancement including Truck Lanes	410.0	FY 2023	410.0	FY 2023
Interstate 605 Corridor Hot Spot Interchanges	339.8	FY 2023	339.8	FY 2023
Highway Operational Improvements Arroyo Verdugo Subregion	72.9	FY 2023	72.9	FY 2023
Highway Operational Improvements Las Virgenes/Malibu Subregion	85.7	FY 2023	85.7	FY 2023
South Bay Ramp and Interchange Improvements	328.5	FY 2023	328.5	FY 2023
Interstate 710 South and Early Action Projects	129.7	FY 2023	129.7	FY 2023
Subtotal 1st Decade	5,530.5		5,530.5	

1
LRTP 1st Decade

(a) Includes prior year expenditures.

Measure R Highway Project Costs and Opening Years

Measure R Highway Project Cost and Opening Year Assumptions (a)
 (Year of expenditure (YOE) dollars in millions)

	Project Description	LRTP Feb. 2013 Update		Accelerated Plan Feb. 2013	
		Assumed Funding (\$ in millions)	Opening Year	Assumed Funding (\$ in millions)	Opening Year
2 LRTP 2nd & 3rd Decades	Interstate 605 Corridor Hot Spot Interchanges	473.0	FY 2032	250.2	FY 2026
	Highway Operational Improvements Arroyo Verdugo Subregion	186.7	FY 2032	97.1	FY 2026
	Highway Operational Improvements Las Virgenes/Malibu Subregion	167.6	FY 2032	89.3	FY 2026
	South Bay Ramp and Interchange Improvements	1,183.9	FY 2039	577.5	FY 2026
	Interstate 710 North Gap Closure (Tunnel)	1,103.2	FY 2036	807.1	FY 2026
	Countywide Soundwalls	821.4	FY 2039	130.0	FY 2026
	Interstate 5 North Capacity Enhancement including Truck Lanes	164.8	FY 2039	164.8	FY 2026
	Interstate 710 South and Early Action Projects	713.9	FY 2039	510.1	FY 2026
	Subtotal 2nd and 3rd Decades	4,814.5		2,626.1	
TOTAL	10,345.0		8,156.6		

(a) Includes prior year expenditures.



\$2.2 B in Matching Funds Not Accelerated

Measure R Project Finance Acceleration Plan Summary

- **Borrowing \$10.2 B for Measure R projects:**

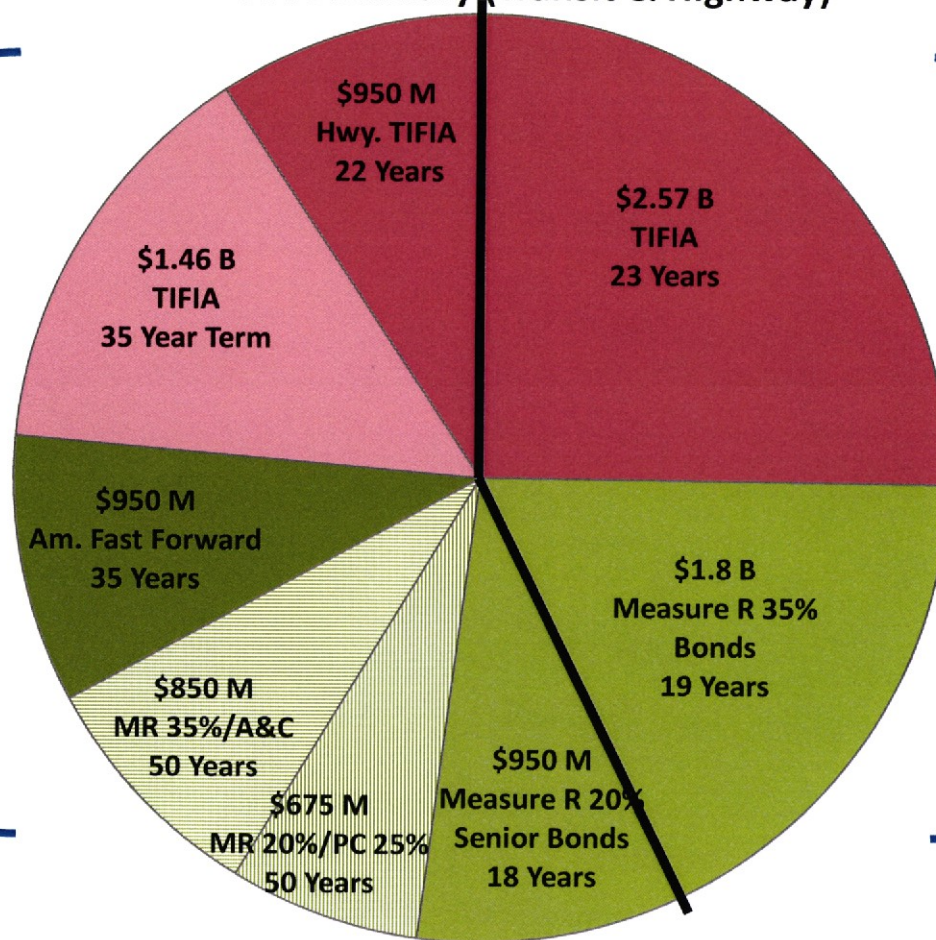
- Measure R Senior Bonds \$2.75 B
 - Repaid in 18 to 19 years:
 - \$950 M Hwy/\$1.8 B Transit
- TIFIA Measure R only \$3.52 B
 - Repaid in 22 to 23 years:
 - \$2.57 B Transit/ \$950 M Hwy.
- TIFIA Measure R w/ Prop. A/C \$1.46 B
 - Repaid in 35 years
- New Am. Fast Forward w/ Prop A/C \$0.95 B
 - Repaid in 35 years
- Taxable Measure R w/ Prop. A/C \$1.52 B
 - Repaid in 50 years: \$850 M Transit/ \$670 M Hwy.

- **Weighted average repayment under 30 years**

Measure R Project Finance Acceleration Plan

Sources of \$10.2 B in Planned Borrowing

Measure R Project Finance Acceleration Plan
Debt Summary (Transit & Highway)

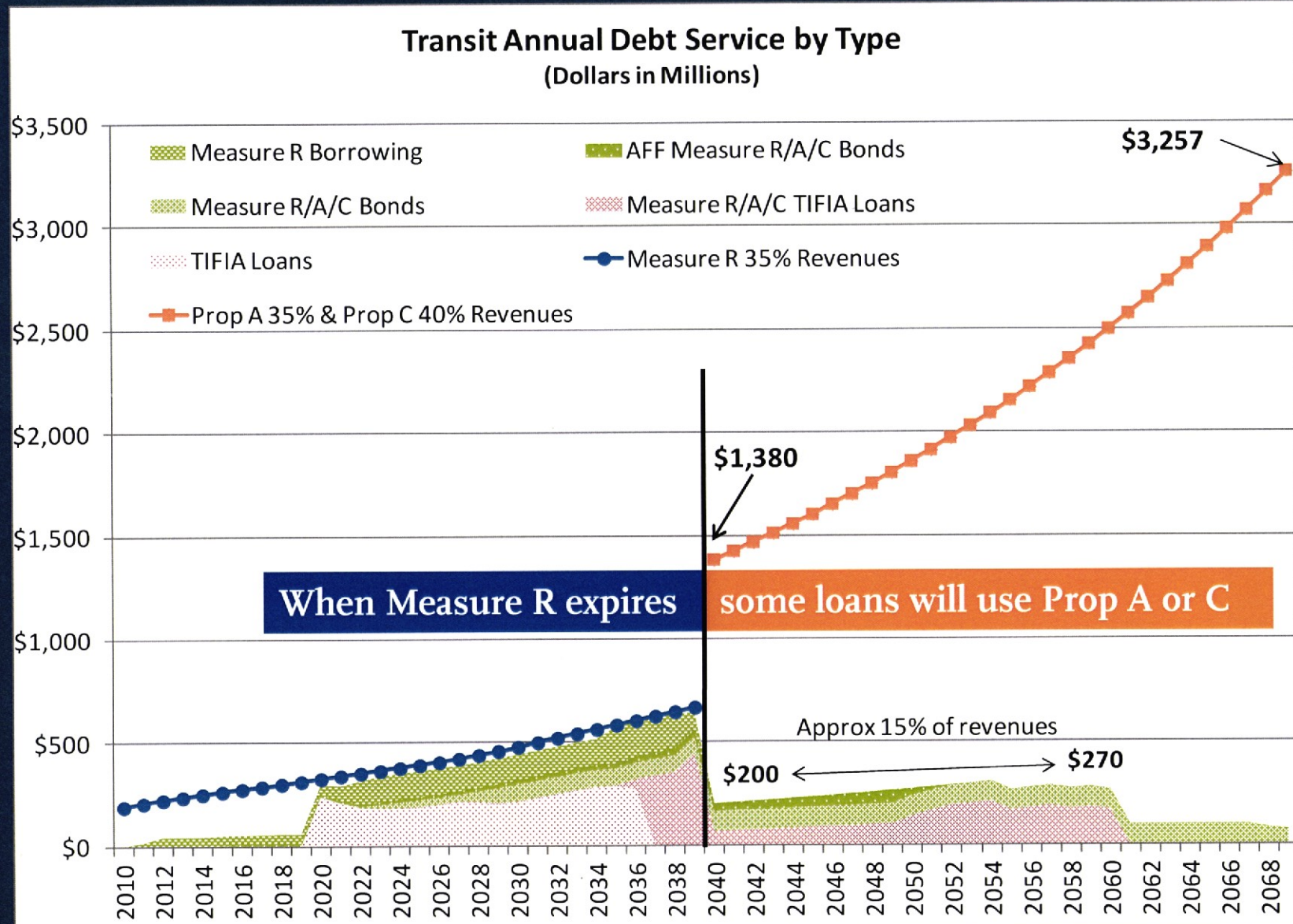


No Underground
\$5.83 B in
Measure R
transit borrowing
will include
Prop. A/C¹
repayments
after 2040

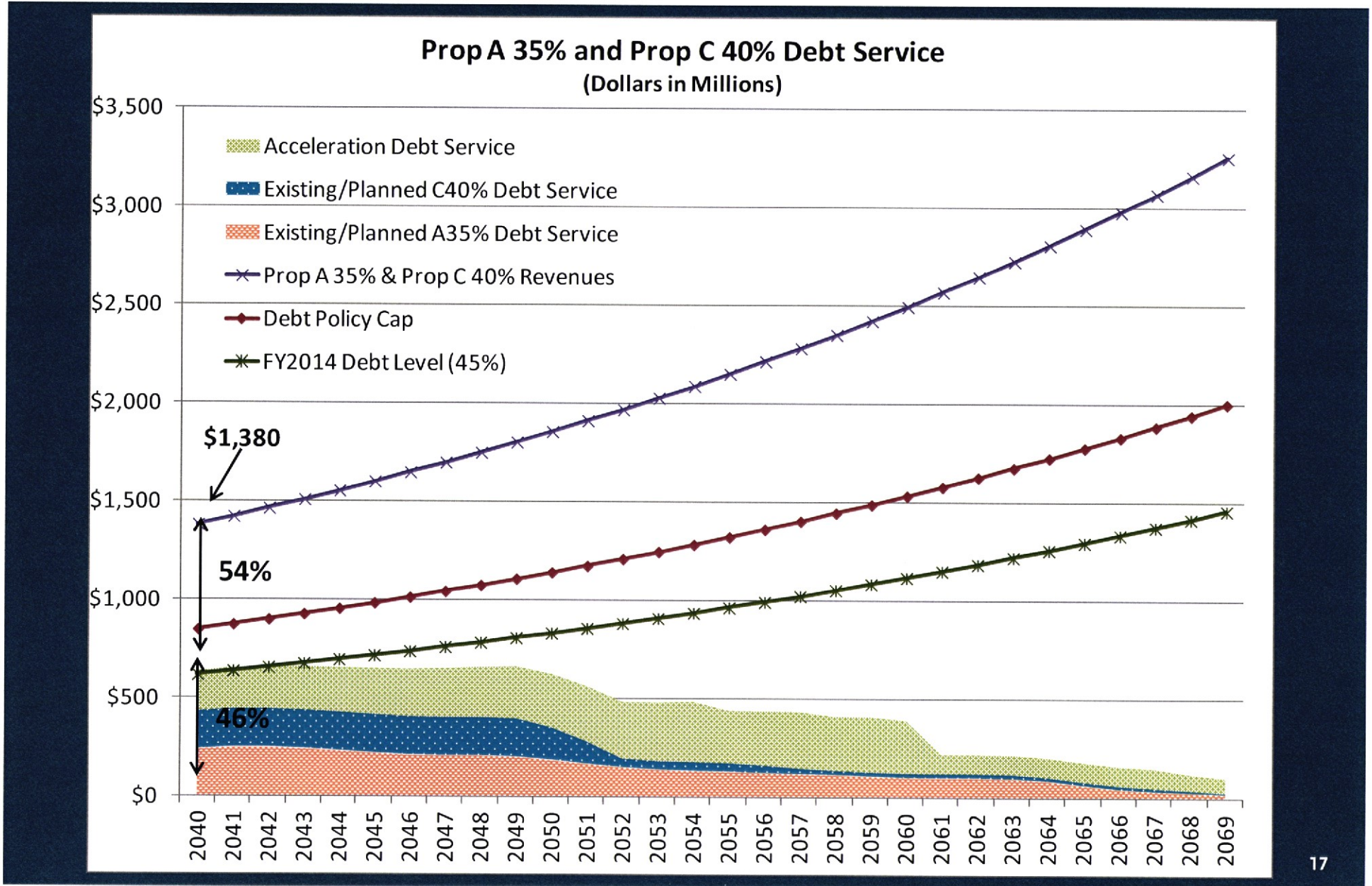
Underground OK
\$4.37 B in
Measure R
transit borrowing
will be
Measure R only

1. The MTA Reform and Accountability Act of 1998 prohibits below grade rail transit tunnel uses of Proposition A and Proposition C funds. This Plan complies with this rule.

Repayment Plan for Measure R Transit Project Acceleration: Some Loans Use Prop. A 35% and/or Prop. C 40%

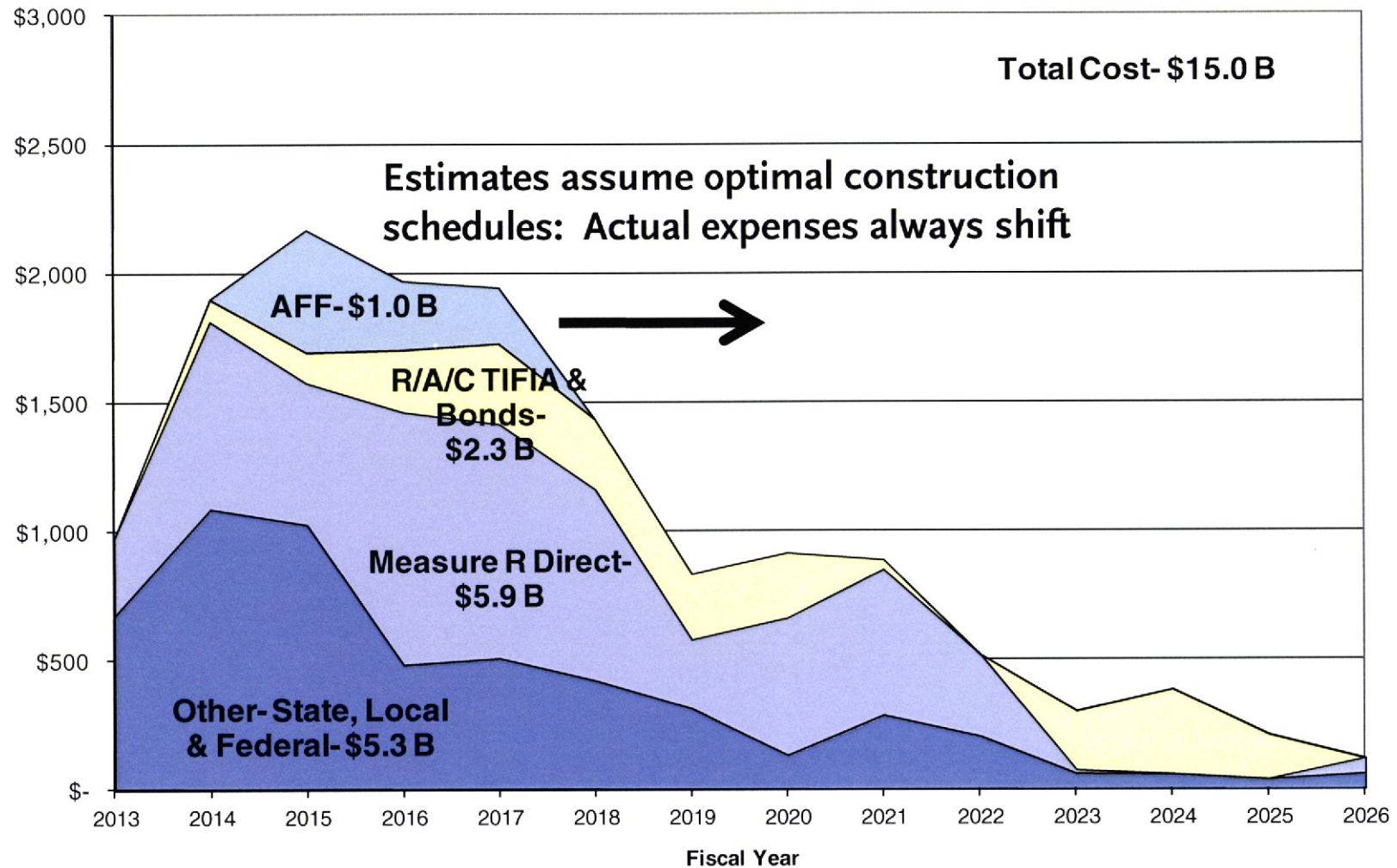


Post-2040 Proposition A and Proposition C Debt Service



Measure R 35% Transit Program Acceleration Plan Meets Optimal Construction Cost Needs

Construction Cost Curve Funding by Source
(Dollars in Millions)

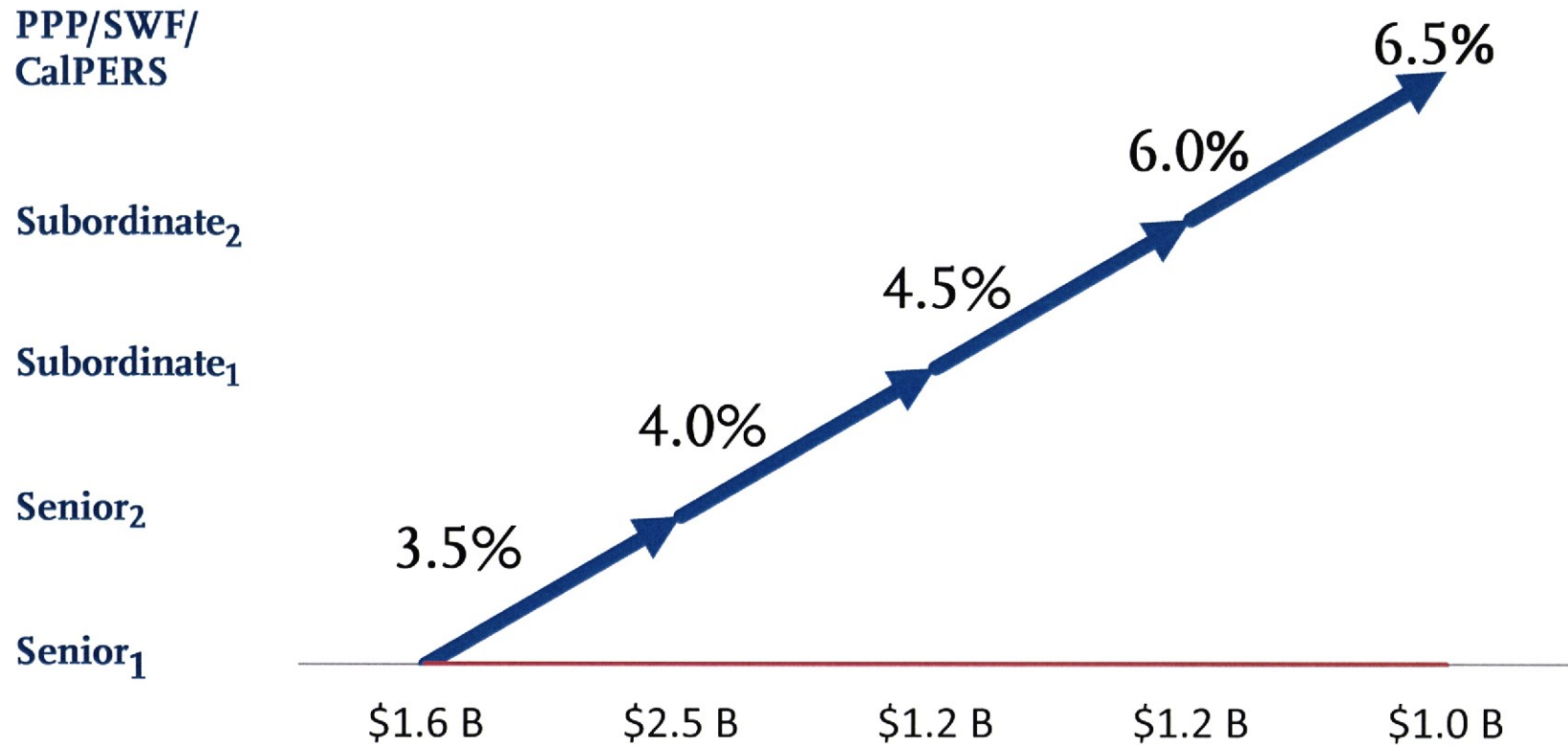


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Additional Debt Raises Interest Rates

America Fast Forward:

Make subordinate interest rates lower through federal policy intervention



► Without intervention, interest rates should rise as more debt is issued

PPP/SWF = Public Private Partnership/Sovereign Wealth Fund

LA's Three Part America Fast Forward Plan

\$'s in millions

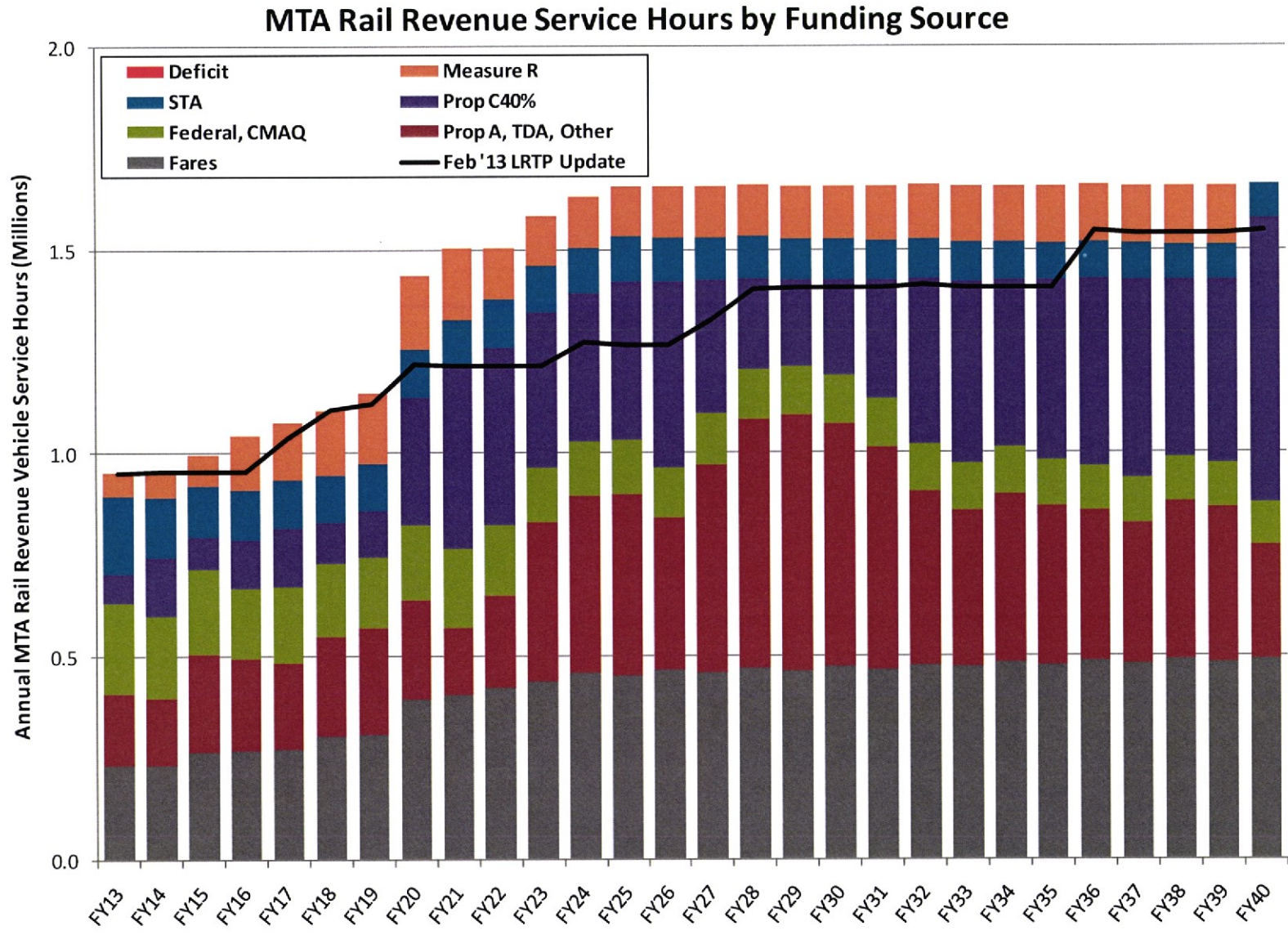
Fiscal Year		'14 & Prior	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25	
Relative Seniority of Measure R 35% Borrowing (---- = Parity)	Subordinate ₂	TIFIA No Subway (+A&C)	\$89 3.5% 2060	\$118 3.5% 2060	\$241 3.5% 2060	\$181 3.5% 2060	\$258 3.5% 2060	\$183 3.5% 2060	\$123 3.5% 2060	\$39 3.5% 2060		\$230 3.5% 2060		
		TIFIA Subway OK		\$53 3.5% 2036	\$399 3.5% 2036	\$623 3.5% 2036	\$542 3.5% 2036	\$17 3.5% 2036	\$388 3.5% 2036					
		TIFIA Crenshaw/LAX			\$337 2.43% 2034	\$209 2.43% 2034								
	Subordinate ₁	Am. Fast Forward (+ A&C)		\$473 0% 2049	\$265 0% 2050	\$217 0% 2051								
		Taxable No Subway (+ A&C)					\$145 6.5% 2067	\$73 6.5% 2068	\$131 6.5% 2069				\$330 6.5% 2069	\$172 6.5% 2069
		Variable Rate Com. Paper		\$193 1.45% 2038										
	Senior	Measure R Senior Bond							\$550 4.5% 2038	\$305 4.5% 2038				
		Build America Bonds	\$750 3.52% 2039											
	Total (\$7,580)		\$839	\$801	\$1242	\$1230	\$945	\$273	\$624	\$589	\$305	\$230	\$330	\$172

1. New TIFIA MCA \$1.5 B

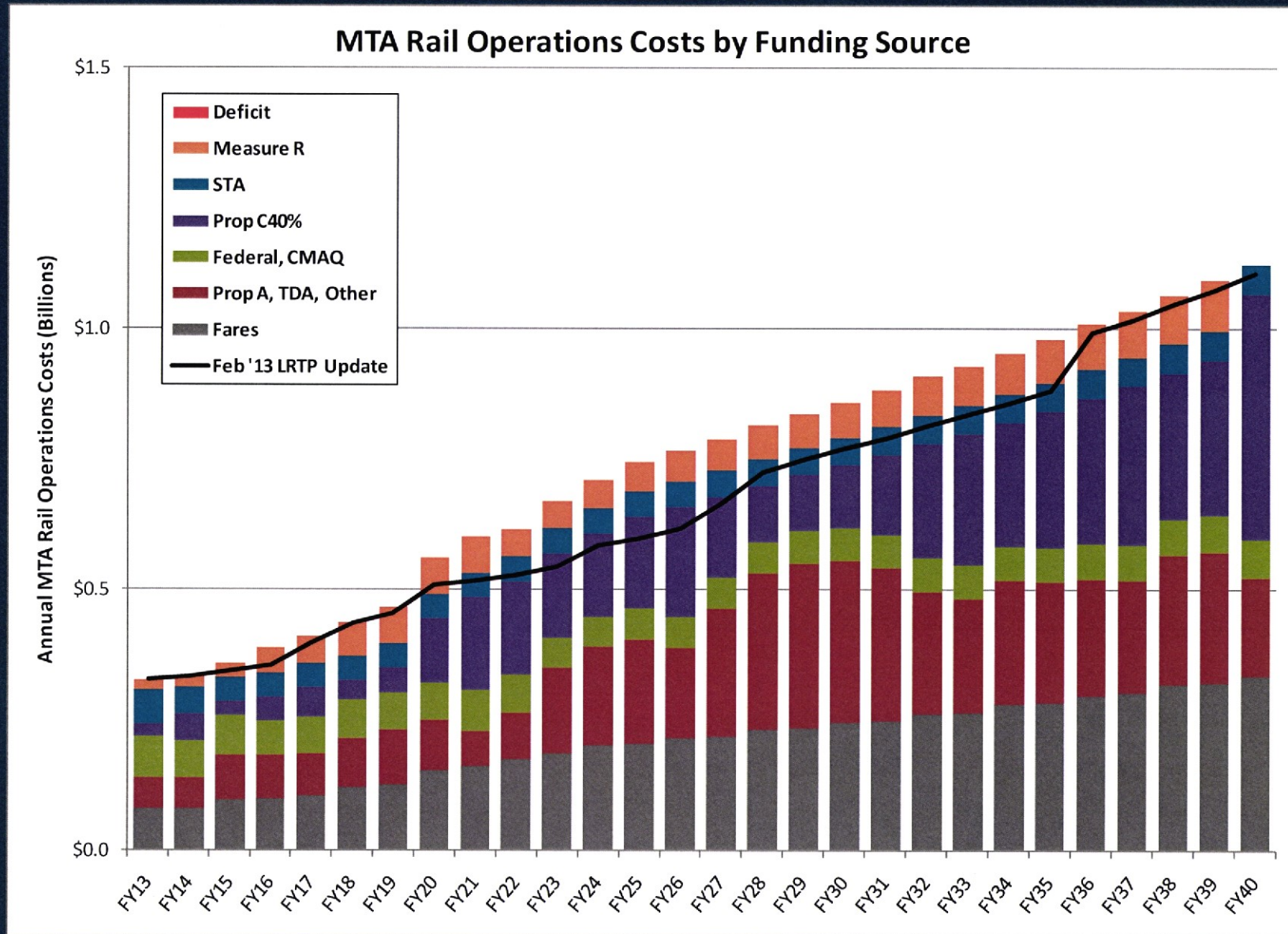
2. Amend \$1.0 B TIFIA MCA Request to \$2.0 B

3. Congressional Action Needed \$1.0 B

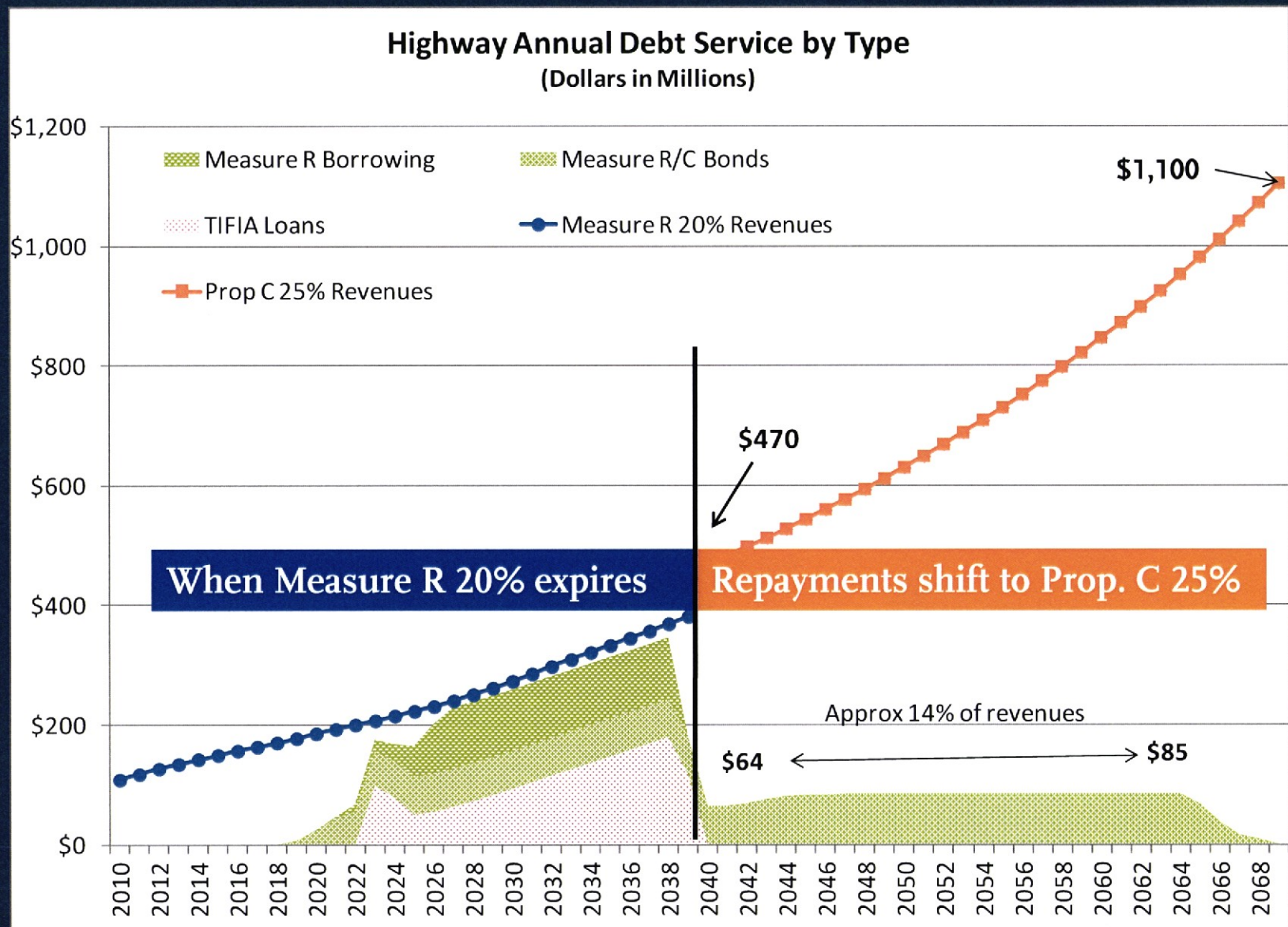
Funding for Accelerated Revenue Service Hours - Rail



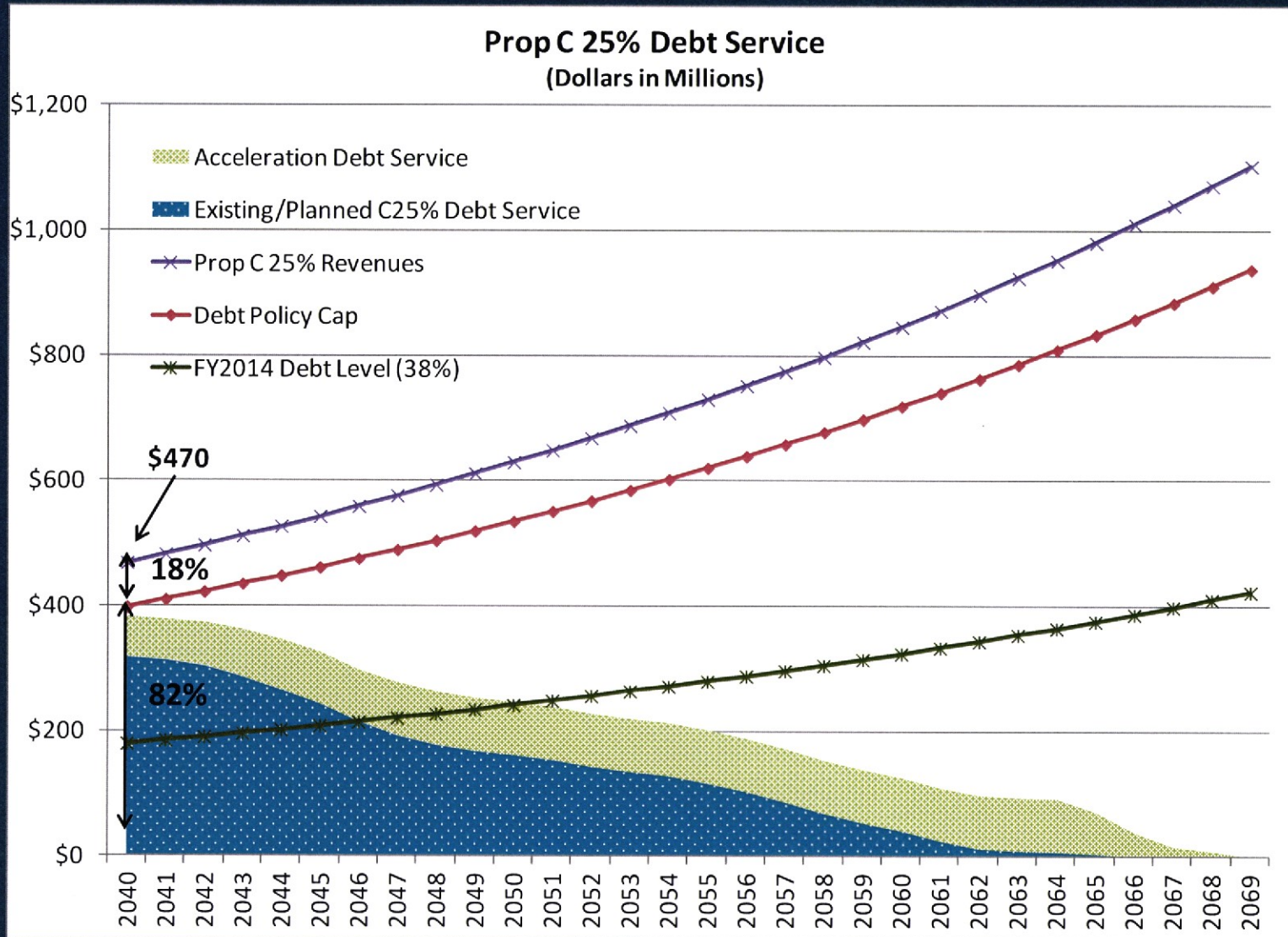
Funding for Accelerated Revenue Service Hours - Rail



Repayment Plan for Measure R Highway Project Acceleration: Some Loans Use Prop. C 25%



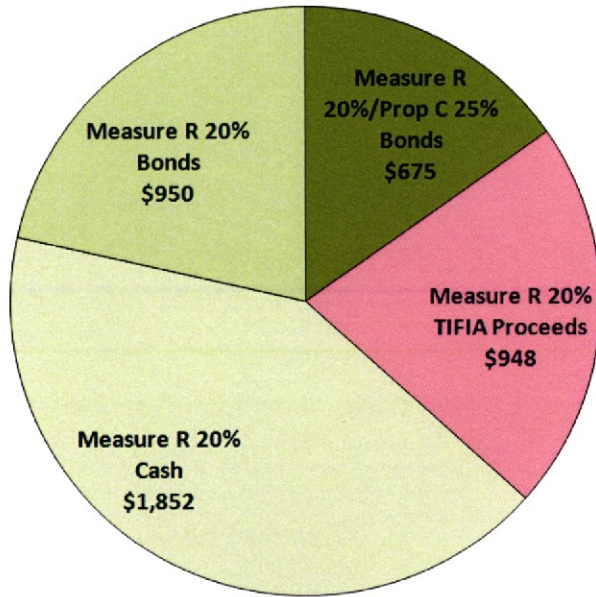
Post-2040 Proposition C 25% Debt Service



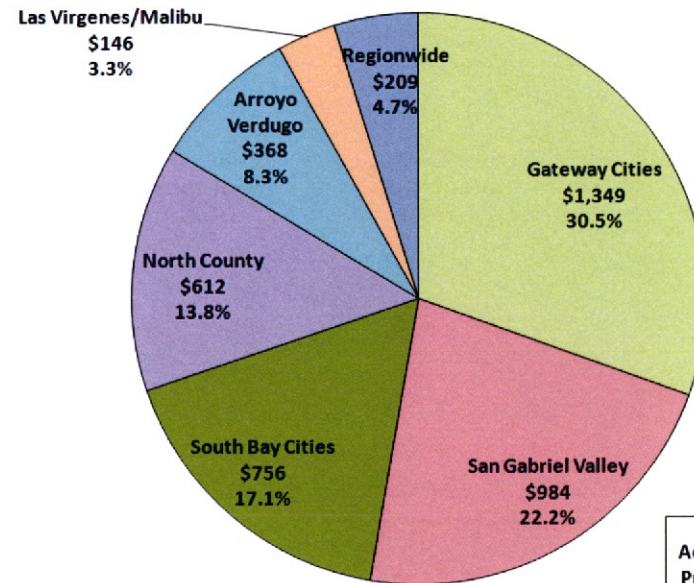
Cash commitments for Freeway Service Patrol and Rideshare in FY 2040 are projected to be \$28 M and \$22 M, respectively.

Sources and Uses of Measure R Highway Acceleration Funding Strategy

Sources of Measure R Highway \$4.4 Billion Acceleration Funding Strategy (millions)



Uses of Measure R Highway Project Acceleration Funding FY 2014-2026 February 2013 (Millions)



Accelerated Measure R 20% Project Funding-\$4.4 Billion

Measure R 20% Highway Program America Fast Forward Strategy

\$'s in millions

Fiscal Year		Prior / '14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25	'26
Relative Seniority Measure R 20% Borrowing (..... = Parity)	Senior	1. Measure R Senior \$950 M →							\$55 4.5% 2038	\$150 4.5% 2038		\$175 4.5% 2038	\$250 4.5% 2038	\$320 4.5% 2038
	Sub. 1		\$146 6.5% 2064	\$231 6.5% 2065	\$175 6.5% 2066	\$54 6.5% 2067		\$69 6.5% 2068	← 2. Meas. R/P C 25% \$675M					
	Sub. 2	TIFIA					\$947 4.5% 2039	← 3. New TIFIA MCA \$950 M						
Measure R 20% Direct (net)		\$140 Est. Prior/ \$500	\$179	\$157	\$166	\$156	\$151	\$142	\$127	\$114	\$26	\$48	\$58	\$29
Total Available		\$500	\$325	\$388	\$341	\$1,157	\$151	\$211	\$182	\$264	\$26	\$223	\$308	\$349

\$4.4 B available to accelerate Measure R Highway projects

Measure R Project Finance Acceleration Plan Actions

Metro Actions Needed

- **Amendment Notice**
 - March 2013

- Amend Measure R
- Amend TIFIA **Loans**
 - Westside Subway and Regional Connector
- Submit TIFIA MCA's:
 - Non-subway transit
 - Highway

Federal Actions Needed

- Approve Full Funding Grant Agreements
- Approve TIFIA **Loans & MCA's**
- Pass America Fast Forward Bond legislation
 - Approve AFF bond allocation for LA County

30/10 Initiative

Measure R 35% Transit Expenditure Plan Amendment

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

Proposed Amendment

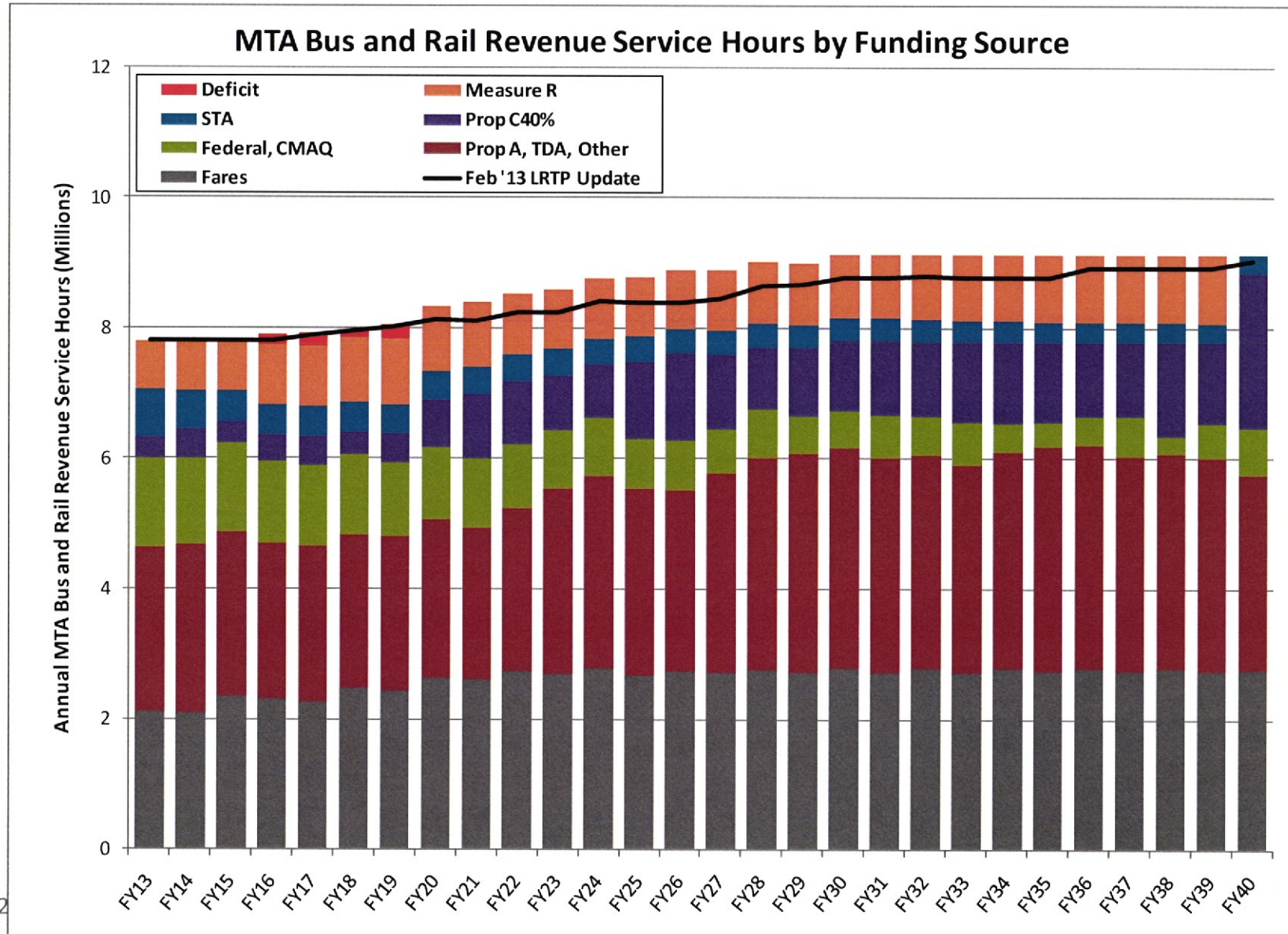
for reference only - not priority order	Subfund	Potential Project in Alphabetical Order by Category (project definition depends on final environmental process)	Cost Estimate	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
				Minimum	Additional	Total	Federal 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 2013-16	FY 2023-25
7		Amending Measure R enables accelerated expenditures									
8		Crenshaw Transit project acceleration									16-18
9	Transit Capital Projects	Gold Line Eastside Extension	\$ 1,310	\$ -	\$ 1,271	\$ 1,271	To be determined	\$ 39	FY 2022-24 FY 2013-24	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 2013-30	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 2013-32	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 ² FY 2013-17 [*]	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
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

Appendix

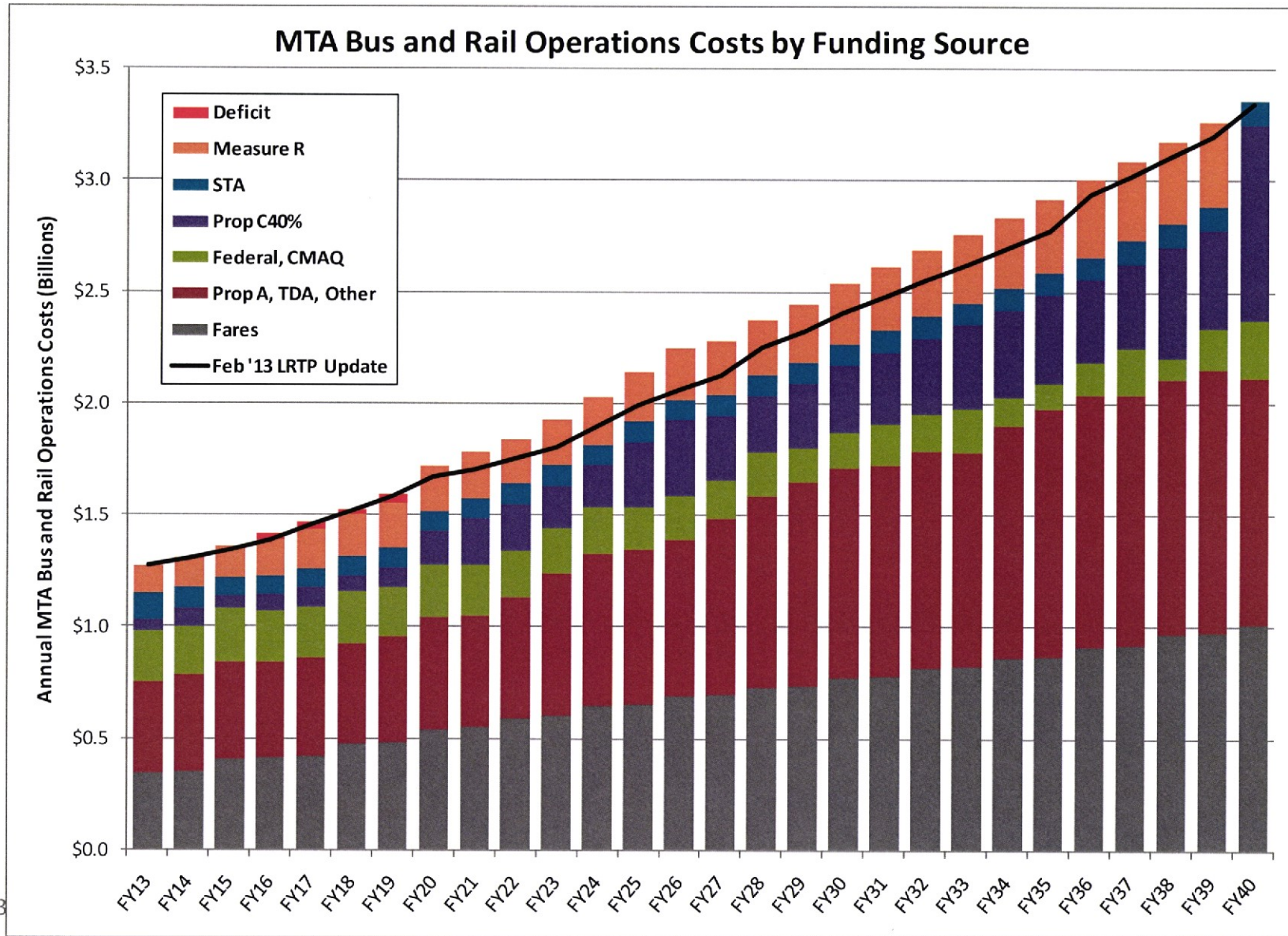
Measure R Project Finance Acceleration Plan

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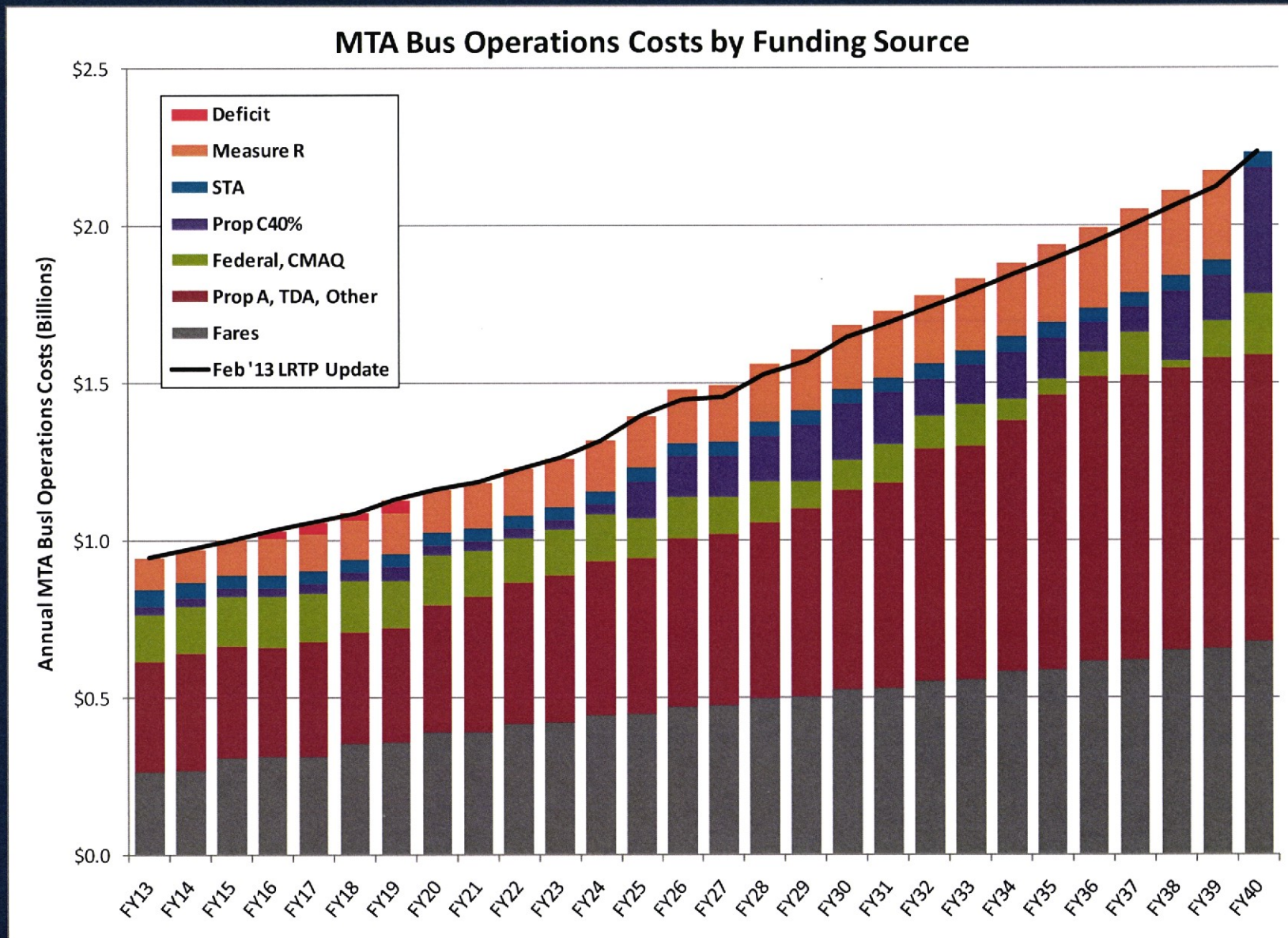
Funding for Accelerated Revenue Service Hours



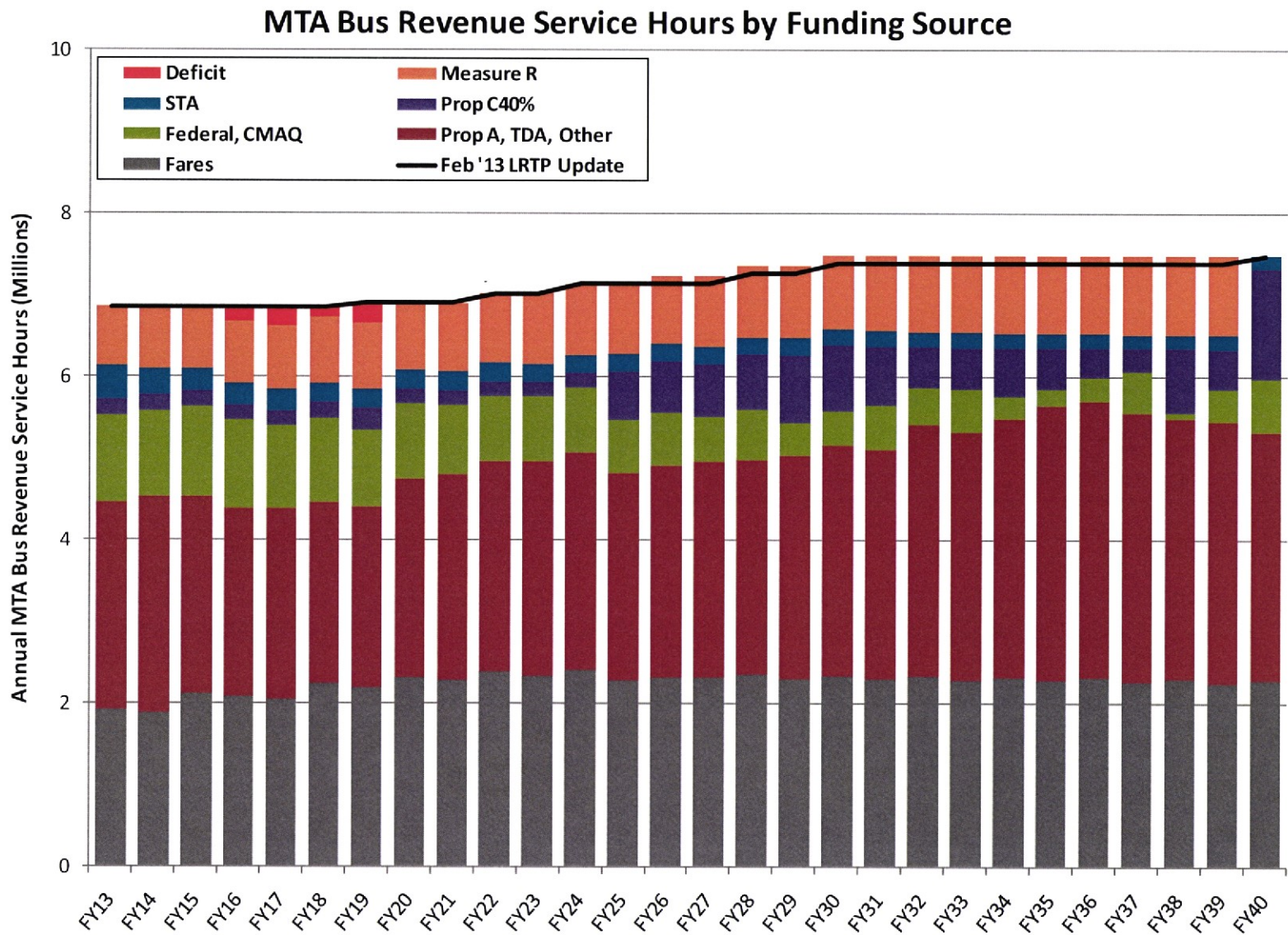
Funding for Accelerated Revenue Service Hours



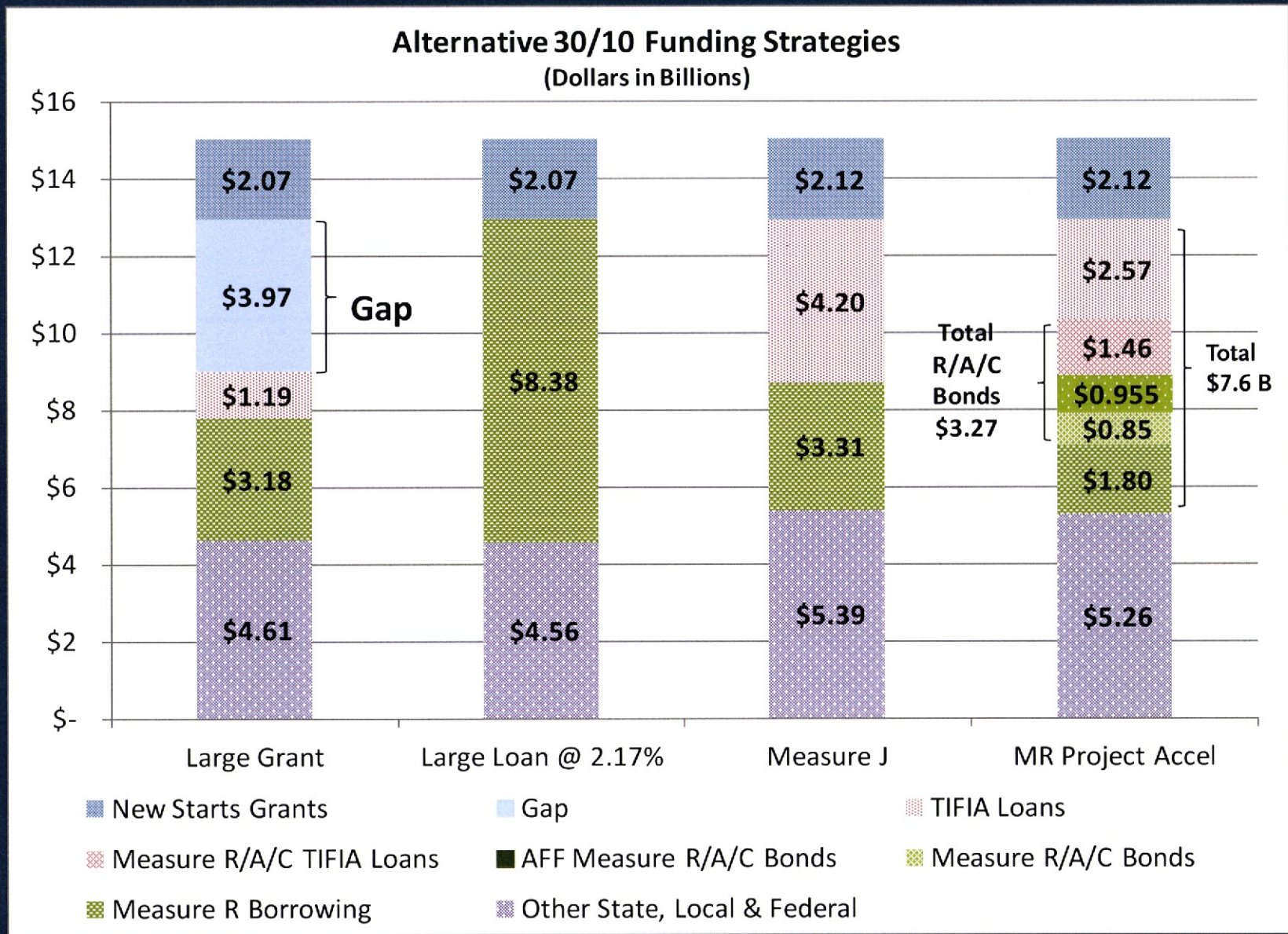
Funding for Accelerated Revenue Service Hours - Bus



Funding for Accelerated Revenue Service Hours - Bus



Measure R Transit Program Finance Alternatives



Measure R Transit Program Funding Gap Alternatives

Alternatives	Selected Variable Assumptions				Conclusion
	New Starts Grants	TIFIA Loans	Measure R Borrowing	Transit Projects Optimized	
Large Grant	\$2.07 B +\$3.97 B	\$1.19 B	\$3.18 B	12 Optimal	Not Available
Large Loan @ 2.17%	\$2.07 B	--	\$8.38 B	12 Optimal	Not Available
Measure J	\$2.12 B	\$4.20 B	\$3.31 B	12 Optimal	Not Available
Measure R Project Acceleration	\$2.12 B	\$4.03 B	\$3.61 B	12 Optimal	Recommended