



**BOARD OF DIRECTORS
JUNE 22, 2006**

SUBJECT: FISCAL YEAR 2007 BUDGET

**ACTION: CONSIDER ADDITIONAL PROGRAMS AND PROJECTS TO
SUPPLEMENT THE FY07 BUDGET**

RECOMMENDATION

Consider amending the FY07 budget by adding up to \$2.3 million for recommendations A-L, which includes six additional FTE's for the following programs and projects:

- A. Addition of one FTE and \$100,000 for Countywide Planning to initiate the major investment study for the extension of the Metro Red Line to the west side of Los Angeles.
- B. Addition of one FTE and \$100,000 for Countywide Planning to initiate the major investment study for the light rail regional connector in downtown Los Angeles.
- C. Addition of one FTE and \$100,000 for Countywide Planning to initiate a major investment study for the Harbor subdivision right-of-way from downtown Los Angeles to Los Angeles International Airport and Wilmington.
- D. Addition of one FTE and \$150,000 for Countywide Planning to study environmental issues and conduct further design on the I-710 North extension.
- E. Addition of one FTE for Countywide Planning to provide additional technical support on the Goods Movement Action Plan.
- F. Addition of one FTE for Countywide Planning to increase monitoring and administrative responsibilities associated with SAFETEA-LU.

The following programs and projects do not require FTE additions:

- G. Addition of \$250,000 for Countywide Planning to provide a funding contribution to the Gateway Cities COG, Caltrans, and SCAG to initiate a major corridor study of the SR-91/I-605 corridor.
- H. Addition of \$80,000 for Countywide Planning to provide a funding contribution to the South Bay COG to continue Phase III of the research on Mixed-Use Centers and Transit Corridors Demand Study.
- I. Addition of \$125,000 for Countywide Planning to conduct a joint study with OCTA to develop, evaluate and recommend transportation improvements focused on issues at the LA/OC border.

- J. Addition of \$150,000 for Countywide Planning to provide a funding contribution to the City of Los Angeles to prepare a study on the I-10 South Master Plan.
- K. Addition of \$120,000 for Countywide Planning to prepare twelve Bicycle Transit Bike Access hub plans.
- L. Addition of \$500,000 for Procurement to conduct a disparity study to determine the presence of discrimination, or its effects, as required by the Department of Transportation.

ISSUE

The adopted FY07 budget is a “bare bones” budget which addresses only the service levels and programs and projects that have been previously approved by the board. There are many additional needs in the region which could be addressed if more funding was available to implement them.

POLICY IMPLICATIONS

Metro staff and funding has been dramatically reduced in the past five years. Therefore, additional programs and projects that are identified during the fiscal year require additional resources to implement them.

The ability to take advantage of state and federal appropriations for scarce transportation funding is dependent upon having identified projects that are locally approved and ready for construction.

FINANCIAL IMPACT

Recommendations A - L total approximately \$2.3 million (including FTE costs) for the FY07 allocation. The FTE costs are assumed to be between \$90,000 and \$120,000 including fringe benefits. Most of the projects and programs described will require substantial funding in FY08 and beyond. The total available fund balance in the Proposition A and C administrative planning revenues is \$6.5 million. If the board approves the projects recommended in A - L, the remaining fund balance will be \$4.2 million. Uses for these funds include all activities related to administering and/or planning projects that use sales tax funds. The funds are not available for use in transit operations. If the projects are not approved, the funds in the fund balance will be programmed in FY08 to administrative and planning activities.

ALTERNATIVES CONSIDERED

The board may choose to fund only some of the projects on the attached list and retain fund balances for future transit planning needs.

DISCUSSION

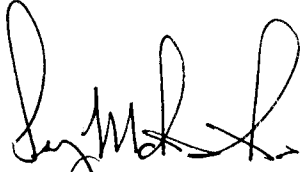
A discussion of each project and justification is attached.

NEXT STEPS

Amend the adopted FY07 budget to add in approved projects and FTE's.

Attachment – Project Justifications

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PROF. SERVICE	FTE	JOB CLASS	JUSTIFICATION	FINANCIAL IMPACT	NEXT STEPS
Recommendation A: Metro Red Line Westside Extension - Initiate Major Investment Study (MIS) for the extension of the Metro Red Line to the Westside.					
\$100,000	1.00	TPM IV	In February 2006, staff presented a Receive and File Board Report outlining the necessary steps to restart the planning of this line. The first step in this process would be an MIS. The MIS would identify and analyze alternative project alignments and conduct community outreach. At the conclusion of the MIS, the Board could identify a Locally Preferred Alternative for future environmental clearance and funding.	Approximately \$1.5 million to complete the MIS. This would be a multi-year project. This effort could require additional staff in FY08.	<ul style="list-style-type: none"> Recruit additional staff Procure consultant
Recommendation B: Light Rail Regional Connector - Initiate MIS for a regional connector in downtown Los Angeles.					
\$100,000	1.00	TPM IV	The Regional Connector would make a light rail connection through downtown Los Angeles from the Metro Gold Line to the Metro Blue and Exposition Lines. In November 2005, staff presented a Receive and File Board Report outlining the necessary steps to restart the planning of this line. The first step in this process would be an MIS. The MIS would identify and analyze alternative project alignments. At the conclusion of the MIS, the Board could identify a Local Preferred Alternative for future environmental clearance and funding.	Approximately \$1.5 million to complete the MIS. This would be a multi-year project. This effort could require additional staff in FY08.	<ul style="list-style-type: none"> Recruit additional staff Procure consultant

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Recommendation C: Harbor Subdivision Transit Project - Initiate MIS for project utilizing the Metro-owned Harbor Subdivision Right-of-Way.					
\$100,000	1.00	TPM IV	This 26.5mile Metro-owned right of way stretching from downtown LA to the Wilmington area northeast of the Ports is a Metro asset purchased in the 1990s. Staff is currently conducting a technical feasibility study of transit uses for this right-of-way. The MIS study would build upon the technical feasibility analysis scheduled to be completed in early 2007. At the conclusion of the MIS, the Board could identify a Locally Preferred Alternative for future environmental clearance and funding.	Approximately \$1.5 million to complete the MIS. This would be a multi-year project. This effort could require additional staff in FY08.	<ul style="list-style-type: none"> Recruit additional staff Procure consultant
Recommendation D: Route 710 North Extension - Further delineate the environmental and design issues associated with tunneling for a freeway.					
\$150,000	1.00	TP III	Metro will be completing a feasibility study of extending the Route 710 between the 10 and 210 freeways via an approximately 4 1/2-mile tunnel. Staff is anticipating that the Board may wish to continue pursuing this project in coordination with Caltrans. This funding would be for the next step in evaluating various alternatives from the feasibility assessment.	Total required funding will depend on the scope of the next steps. This would be a multi-year project. Funding may be available through SAFETEA-LU earmark. This effort could require additional staff in FY08.	<ul style="list-style-type: none"> Recruit additional staff Procure consultant

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Recommendation E: Goods Movement Technical Efforts

-0-	1.00	TPM III	Additional staff resources will enable enhanced technical involvement in the Statewide Goods Movement Action Plan and related goods movement activities. Additionally, this staff member's duties will focus on identifying funding sources and institutional arrangements needed to implement goods movement improvements.		<ul style="list-style-type: none"> Recruit additional staff
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Recommendation F: SAFETEA-LU Program Administration – Increased monitoring, programming and administrative responsibilities.

	1.00	TPM III	With the legislative passage of SAFETEA-LU, Los Angeles County is the recipient of over 200 additional transportation improvement projects and programming responsibilities totaling more than \$13 billion. In addition to the increased funding, SAFETEA-LU has additional monitoring, planning and administration requirements. This position will assist in meeting the increased demands of Regional Transportation Improvement Plan (RTIP) reporting, interface with the local agencies, SCAG and Caltrans programming staff, provide technical guidance and funding guidelines to local jurisdictions	On-going	<ul style="list-style-type: none"> Recruit additional staff
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Recommendation G: SR-91/I-605 Major Corridor Study - Contribute funds to the Gateway Cities Council of Governments (GCCOG), Caltrans, SCAG for a Major Corridor Study of the SR-91/I-605 corridor					
\$250,000			<p>This would be a one-time contribution to the GCCOG. The GCCOG completed a needs assessment study in September 2005 concluding that the SR-91 and the I-605 freeways have many design, capacity and operational deficiencies that must be addressed including: adding additional freeway lanes for general purpose traffic, as well as adding truck lanes to the SR-91, I-105 and I-605. The GCCOG is trying to secure the majority of funding for these efforts and has requested that Metro participate.</p>	\$250,000	Draft funding agreement between Metro and GCCOG.
Recommendation H: South Bay Mixed-Use Centers and Transit Corridors Mobility Demand Study- Contribute funding to the South Bay Council of Governments (SBCOG) to continue with Phase III of the SBCOG's research to identify factors that would increase transit use and other alternative travel modes such as walking and bicycling in both higher density mixed-used centers and auto-oriented corridors:					
\$80,000			<p>This would be a one-time contribution to the SBCOG. The SBCOG requested this contribution and asked Metro to participate in this study. The South Bay area is a built-out environment with limited transportation options and no new major transportation investments are scheduled in the near term. The SBCOG will continue with Phase III of the SBCOG's research on mixed-use centers and auto-oriented corridors to identify the factors that would increase transit use and other travel modes (i.e., bicycles, walking, etc.) both in centers and along corridors. The FY07 work would examine two transit corridors that would be added to</p>	\$80,000	Draft funding agreement between Metro and SBCOG.

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			<p>the existing SBCOG database of 4 mixed-use centers and 3 transit corridors. The research will produce empirical data on actual conditions in the South Bay – including dimensions such as density, scale, types of business, mix of housing/services/jobs, travel behavior, corridor type, rent and land value – that will be the basis for a toolkit of Smart Growth Development Guidelines applicable to South Bay cities and other jurisdictions in the County. The final toolkit is expected to provide a template for other cities and offer guidance on policies that will help them more effectively coordinate land use and transportation. The resulting database will also be useful to Metro for planning purposes.</p>		
<p>Recommendation I: Los Angeles/Orange County Boundary Line Transportation Study - Contribute funding to with Orange County Transportation Authority (OCTA) for a study of transportation improvements at the Los Angeles County/Orange County Boundary line</p>					
\$125,000			<p>This would be a one-time contribution to OCTA. OCTA has requested contribution for a joint study to develop, evaluate, and recommend transportation improvements focused on issues at the Los Angeles/Orange County boundary lines. This project will evaluate improvements to freeway county boundary line issues at all LA/OC boundary line facilities. Improvements to local streets, transit services including bus and rail, and other alternatives will also be developed and evaluated in the process. OCTA has included this study in their FY07 budget concepts. This will be used to hire a consultant to</p>	\$125,000	Draft funding agreement between Metro and OCTA.

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			undertake the study; and include purpose and need, mobility problem definition, conceptual solutions, and screening of those solutions to a reduced manageable set.		
Recommendation J: I-10 South Master Plan - Contribute funds to the City of Los Angeles for a I-10 South Master Plan					
\$150,000			This would be a one-time contribution to the City of Los Angeles to prepare the Master Plan. Generally, the study would look at enhanced transit services and connections in the geographic area south of the Santa Monica Freeway roughly between La Cienega and the I-10 Freeway.	\$150,000 in FY07 only	Draft funding agreement between Metro and the city of Los Angeles.
Recommendation K: Bicycle Transit Access Hub Plans - Prepare 12 Bike Transit Hub Access Plans					
\$120,000			In the 2006 Bicycle Strategic Plan approved by the Board in FY06, 40 Metro Bike Transit Hubs were nominated for the completion of access plans. Through the Bicycle Strategic Plan, 12 of those hubs had access plans developed. In FY07, consultant services would be obtained to develop access plans for 12 additional Bike Transit Hub plans distributed throughout the County at \$10,000 each.		<ul style="list-style-type: none"> Procure consultant
Recommendation L: Procurement Disparity Study					
\$500,000			A recent Ninth (9 th) Circuit Court of Appeals decision determined that the Washington State DOT's DBE Program was not narrowly tailored because the evidence of discrimination supporting its use of race-conscious measures (contract goals) was inadequate. Although the court upheld the constitutionality of the	\$500,000 is requested to hire a consultant to conduct the study. It is anticipated that the study will take six months to one year to complete.	<ul style="list-style-type: none"> Advertise to recruit consultant to perform the study

Attachment – Project Justifications

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			<p>Congressional determination that there is a compelling need for the DBE program and DOT guidelines 49CFR Part 26, each FTA grantee in the 9th Circuit, which includes California, must now examine its evidence of discrimination to ensure its address the issues the 9th Circuit addressed in the review of Washington State’s program. In DOT’s written guidance, 9th Circuit grantees that do not have sufficient recent evidence of discrimination must now “begin to conduct a rigorous and valid study’ to determine the presence of discrimination or its effects. The Disparity Study is the primary method to gather such evidence. Metro’s last study was conducted in 1995 and is not sufficient to support current legal challenges. An updated is needed to continue the use of race-conscious goals in the administration of Metro’s DBE program.</p>	<p>Because this study is considered part of Metro’s governmental oversight function, it is eligible for administration and planning funding.</p>	

