

**Metro**

Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 Tel
metro.net

**REVISION #3
REGULAR BOARD MEETING
SEPTEMBER 25, 2008**

SUBJECT: PROGRAMMING OF FUNDS FOR LOS ANGELES REGION CONGESTION REDUCTION DEMONSTRATION INITIATIVE PROJECTS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATIONS

- A. Approve programming of \$290.6 million to support the implementation of projects listed in Attachment A, consistent with the Board-approved Memorandum of Understanding (MOU) with the United States Department of Transportation (USDOT) for the Los Angeles Region Congestion Reduction Demonstration Initiative; and,
- B. Authorize the Chief Executive Officer (CEO) to negotiate and execute funding agreements with Caltrans and local agencies for the implementation of their projects under the Initiative.

ISSUE

To implement projects under the Los Angeles Region Congestion Reduction Demonstration Initiative, the Los Angeles County Metropolitan Transportation Authority (LACMTA) must program a total of \$290.6 million. The projects include transit improvements and the conversion of high occupancy vehicle (HOV) lanes on Interstate 10 and Interstate 110 to high occupancy toll (HOT) lanes.

POLICY IMPLICATIONS

Our recommendations are consistent with the June 2007 Board directive to develop an operating plan for congestion pricing alternatives that could be implemented in Los Angeles County by the year 2010. Our recommendations also are consistent with the Board-approved execution of the MOU with the USDOT, as directed in July 2008.

OPTIONS

The Board could elect to defer or not approve our recommendations. We do not recommend such options because without these actions, we would not be able to access the \$210.6 million USDOT grant and we would risk losing these funds. Under the terms and

conditions of the MOU with the USDOT, we cannot draw down any of the \$210.6 million until we certify to the USDOT that we have made funding available in an amount sufficient to pay for the HOV-to-HOT lane conversions.

FINANCIAL IMPACT

Funding for the recommended programming action is available from the \$210.6 million USDOT grant and \$80 million in state Proposition 1B Transit Modernization funding that the Board has not yet programmed. If the recommended programming is approved, the funding to complete projects included in the Congestion Reduction Demonstration Initiative will be included in the appropriate fiscal year budgets. As this is a multi-year program, the Chief Planning Officer and individual project managers for each activity will be responsible for budgeting the costs in future years.

BACKGROUND

On April 24, 2008 the Board authorized the Chair and the CEO to execute a Congestion Reduction Demonstration Agreement with the USDOT. On July 24, 2008, the Board authorized the CEO to execute an amendment to the MOU with the USDOT, changing the priority for implementing HOT lanes on the Interstate 10 and Interstate 210 to the Interstate 10 and Interstate 110 instead. The amended and restated MOU also reflected a revised federal allocation amount of \$210.6 million.

Congestion Reduction Demonstration Initiative Projects

The projects listed in Attachment A of this report are those that we are recommending to receive \$290.6 million in programming with Board approval. We have placed projects on this list after consulting with Caltrans, the City of Los Angeles Department of Transportation, affected municipal transit operators, LACMTA Operations, and other regional partners as to how we can best implement and support the Los Angeles Region Congestion Reduction Demonstration Initiative.

Most of the projects shown in Attachment A already appear in our USDOT application for the Congestion Reduction Demonstration Initiative, as well as in the MOU with the USDOT. However, funding recommended for individual projects may be different from that initially identified in the original application to the USDOT and in the MOU. The differences are due to more detailed analyses, additional input from our regional partners regarding transit service needs and required highway improvements, and the technical assistance that our consultants are now providing. In particular, working with Caltrans and our consultants, we have been able to obtain enough savings from original HOV-to-HOT conversion estimates to accommodate funding for additional projects that would help to ensure success for the region's Congestion Reduction Demonstration Initiative. These savings also allowed us to develop a funding reserve for the operation, maintenance, and enforcement of the HOT lanes, as well as a separate funding allotment for the new and expanded transit services that LACMTA and the municipal transit operators will be expected to provide.

We believe that the projects listed in Attachment A support a multimodal and integrated approach for managing traffic congestion in our region. These projects include transit and

highway components, with improved rail and bus facilities and services, parking infrastructure and management, transit signal priority, and amenities for non-motorized transport. Projects also include enhancements to park-and-ride facilities, as well as improvements for access, capacity, and security at transit centers, bus stops, and rail stations along Interstate 10 and Interstate 110. The purchase of 57 buses for LACMTA and municipal transit operators to provide new and enhanced transit service along the HOT lane corridors is part of our programming recommendation. Based on discussions with LACMTA Operations and affected municipal transit operators, this bus purchase with corresponding service expansions and improvements, will provide an adequate travel alternative to driving and would encourage mode shifts to transit.

We also anticipate that several of the Attachment A projects recommended for programming will help to address a concern that the Board has expressed regarding a potential bottleneck in the City of Los Angeles at the northern terminus of the Harbor Transitway along Interstate 110 near Adams Boulevard. The projects are expected to provide additional capacity at the northbound off-ramp on Adams Boulevard through street widening and the application of transit signal priority at major intersections, which will improve transit and passenger vehicle circulation. Also of note is a project for Interstate 10 that would expand the capacity of the HOV lane by re-striping and making buffer changes that could result in accommodating an additional lane in each direction.

Funding the Initiative's Projects

The USDOT has provided our Initiative with \$210.6 million of Federal Transit Act Section 5309 Discretionary funds that can be used only for bus and bus facilities projects. Our Initiative includes activities that are ineligible for the funding that the USDOT has provided. In particular, the HOV-to-HOT lane conversions cannot use the Section 5309 funding directly. Therefore, we are pursuing a programming strategy that involves a series of funding transfers or exchanges that will make eligible highway funding available for the Initiative's HOV-to-HOT lane conversions and eligible transit funding available for the transit elements supporting the Initiative.

Our programming strategy includes a funding plan that will use the \$210.6 million of USDOT monies on bus and bus facilities projects that presently are financed with less restrictive sources that may include federal Congestion Mitigation and Air Quality Improvement (CMAQ) funds, federal Surface Transportation Program (STP), local Proposition C sales tax revenues, lease revenues, parking-generated revenues, etc. Once we have released the less restrictive funding using the USDOT monies, we will transfer the appropriate and eligible amounts needed to fund the congestion pricing conversion projects and other support activities without delaying or affecting previously funded activities. We already have approached both the USDOT and the Federal Transit Administration (FTA) and they have concurred with our approach.

One such application of our strategy already has involved our Federal Transit Act Section 5307 Urban Formula funds. We typically use our annual allocation of Section 5307 funds (about \$140 million per year) to finance bus preventive maintenance activities. Preventive maintenance is an eligible capital activity under the bus and bus facilities program. With final concurrence from the FTA and the Southern California Association of Governments,

we funded our bus preventive maintenance activities with the Section 5309 monies provided through the MOU with USDOT. Consequently, Section 5307 funds became available for use on other eligible activities in our Initiative such as bus and bus facilities projects, rail facilities improvements, security, and even the HOV-to-HOT lane conversion activities. Use of the available Section 5307 funding for HOV-to-HOT lane conversion activities will involve the extra step of transferring the funding to a federal highway program (such as CMAQ or STP) and then using the then-converted highway funds for our Initiative's lane conversions. Such a transfer is allowable under existing federal legislation that permits the movement of Section 5307 funds to the highway program. As we proceed with our strategy, we will continue working with the FTA, the Federal Highway Administration (FHWA), and our regional partners to ensure that the appropriate amount of funding released through transfers or exchanges will be used for only eligible activities or projects included in our Initiative.

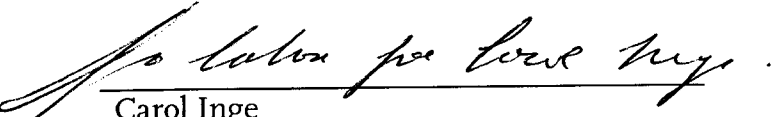
NEXT STEPS

With Board approval, we will finalize funding agreements with Caltrans and local agencies for the implementation of their projects under the Initiative. We also will provide the certifications and assurances that the USDOT, FTA and FHWA will require of us before allowing us to access any federal funding used for activities or projects in our Initiative.

ATTACHMENT

A. Congestion Reduction Demonstration Initiative Projects

Prepared by: Ashad Hamideh, Ph.D., Transportation Planning Manager
Regional Program Management



Carol Inge
Chief Planning Officer



Roger Moliere
Chief, Real Property Management
and Development



Roger Snoble
Chief Executive Officer

Los Angeles County Metropolitan Transportation Authority

Congestion Reduction Demonstration Initiative Projects

(\$ in millions)

REVISED #3
ATTACHMENT A

Project Description	Total
1. HOT lanes on I-10 from Alameda St./Union Station to I-605 and on I-110 from 182nd St./Artesia Transit Center to Adams Blvd.	57.2
2. Expand capacity of the I-10 HOTV lane (restriping and buffer changes)	60.2
3. I-110 Adams-Figueroa Flyover - Project Study Report	3.2
4. Expand capacity of the I-110 off-ramp at Adams Blvd., including street widening	2.0
5. Transit signal priority in the City of Los Angeles	4.0
6. 28 buses for the I-10 El Monte Busway	1.0
7. 29 buses for the I-110 Harbor Transitway	20.9
8. Platforms and parking at the Metrolink Pomona Station ¹	20.0
9. El Monte Transit Center expansion & El Monte Busway improvements, including bike lockers and access to Patsaouras Transit Plaza ²	5.6
10. Ticket vending machines at El Monte Busway stations	55.3
11. City of Los Angeles Intelligent Parking Management Program ³	0.2
12. Artesia Transit Center bike lockers and law enforcement substation	15.0
13. Harbor Transitway park & ride improvements, including signage, lighting, security, ticket vending machines, and new bus stops under Slauson & Manchester stations for Lines 108/115 ⁴	0.4
14. Union Division ⁵	2.5
15. Project management	1.2
16. I-10/I-110 HOT lane operations (O&M, including enforcement and new transit services) ⁶	80.0
GRAND TOTAL	20.9
	22.2
	\$290.6

Funding Sources (\$ in millions) ⁷	Total
1. Proposition 1B ⁸	80.0
2. Congestion Reduction Demonstration (5309, 5307, CMAQ, Prop C, etc.)	210.6
GRAND TOTAL	\$290.6

1. Project has additional federal funding of \$3.5 million and Proposition C funds of \$1.7 million.
2. Project has additional funding of \$2.9 million from Cal for Projects and \$2.0 million from Union Station Gateway.
3. The City of Los Angeles to provide an additional \$3.5 million from non-federal funding sources.
4. Includes Carson, Pacific Coast Highway, Harbor/Beacon, Rosecrans, Harbor Green Line, Slauson, Manchester, and Artesia.
5. Project has additional \$5.0 million Proposition 1B funding already programmed by the Board.
6. New transit services may include vanpooling activities, subject to available funding.
7. Funding sources may change depending upon eligibility requirements and availability. Some funding sources may be exchanged with others, but total recommended programming amount of \$290.6 million will remain the same.
8. All or part of Proposition 1B funds may be used for the Union Division.