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October 1, 2012

TO: BOARD OF DIRECTORS

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

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

**SUBJECT: IMPLEMENTATION APPROACH FOR THE NORTH COUNTY
MEASURE R REGIONAL FUNDS "ALIGNMENT" MOTION**

ISSUE

At the June 28, 2012 meeting, the Board approved a motion by Directors Antonovich and Najarian to: (1) include the State Route 138 Capacity Enhancement Subfund as a subregional "equity" fund; (2) send a letter to the County of Los Angeles and the Cities of Lancaster and Palmdale outlining the content of the Board's actions and their implications for future *Call for Projects* applications; and (3) work with the City of Santa Clarita and the County of Los Angeles to determine a similar source of "equity" funds available for local match within 60 days.

This memorandum delineates staff's approach to work with the City of Santa Clarita and the County of Los Angeles to determine a similar source of "equity" funds available for local match for Santa Clarita Valley *Call for Projects* applications.

DISCUSSION

Five related subjects were discussed at the North County Transportation Coalition (NCTC) meeting held on August 30, 2012 in the City of Santa Clarita, as below:

- (1) Source of "Equity" Funds for Santa Clarita Valley: Measure R projects within Santa Clarita Valley include I-5/SR-14 Capacity Enhancements (\$90.8M) and I-5 North Capacity Enhancements from SR-14 to Kern County Line (Truck Lanes) (\$410M). The I-5/SR-14 Capacity Enhancements project is currently in construction which is targeted for completion near the end of 2013. Once this project is certified complete by a two-thirds vote of the Board, if there are savings from the project as certified by the Board, the savings will remain within the North

County Subregion to provide for North County Subregion "equity" funding opportunities. As for the I-5 North Capacity Enhancements from SR-14 to Kern County Line project, Measure R provides less than 20% of the project funding. It is anticipated that no cost savings will be achieved.

- (2) Measure R Project Approval Process: After the project completion certification, the North County subregion could receive a substitute project. The substitute project, however, must be approved by the LACMTA Board of Directors and must be in the same subregion as the original project; and the subregion's project selection wishes are important, but still advisory, to the LACMTA Board.
- (3) Funding Availability: In the case of the I-5/SR-14 Capacity Enhancements, the Long Range Transportation Plan (LRTP) assumed that such substitute projects would not occur until FY 2034, making the funds irrelevant to the current Call cycle, but Measure J would enable acceleration of the substitute project selection into the first decade of the LRTP (and into the current Call cycle).
- (4) Subregion Definition: Measure R defines subregional boundaries as those in the adopted LRTP as of January 1, 2008. Although the I-5/SR14 Interchange project straddles the boundary of the North County subregion and the San Fernando Valley subregion, the subregional equity analysis released prior to Measure R included the I-5/SR-14 Interchange as 100% in the North County subregion.
- (5) Fund Balance: There were discussions about potentially using \$2-\$7 million of Measure R for "enhancements" to the I-5/SR-14 interchange project, but it was inconclusive and NCTC is not ready to form a recommendation at this point. Should it happen, the cost would be taken from the \$90.8 million fund, and the remaining balance would be the basis for future disbursement.

Upon discussion, NCTC decided to wait after the November election, and if Measure J passes, it would ask the City of Santa Clarita and the County of Los Angeles to determine a similar source of "equity" funds available for local match.

NEXT STEPS

Staff will continue to work with the Technical Advisory Committee and its subcommittee on incorporating the Subregional "equity" funds into the *Call for Projects* application package for Board approval after the November election.