



Metro


Metropolitan Transportation Authority


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August 11, 2005

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE 
CHIEF EXECUTIVE OFFICER

FROM: JAMES L. de la LOZA 
CHIEF PLANNING OFFICER

**SUBJECT: PRESENTATION TO CALTRANS DIRECTOR WILL KEMPTON
ON POTENTIAL 2006 STIP FUNDING IMPACT TO
LOS ANGELES COUNTY HIGHWAY PROGRAM**

ISSUE

Attached is a copy of a Countywide Planning and Development presentation to Will Kempton, Director of Caltrans, and his staff. The presentation was given on August 10, 2005 to discuss the 2006 State Transportation Improvement Program (STIP) and the potential impact to Los Angeles County.

DISCUSSION

The presentation highlighted the growing congestion on the highway system and the ongoing funding challenges to meet the needs of the County. In addition, the presentation focused on these key areas:

- The future funding needs for the Los Angeles County Highway Program;
- The \$1.2 billion in local funds advanced to cover promised state funds, for which Metro is seeking reimbursement;
- The \$1.1 billion in Caltrans program cost increases and its effect on Los Angeles County projects;
- The 2006 STIP Fund Estimate and the potential \$800 million in Los Angeles County highway projects at risk; and
- Recommendations to meet funding challenges, including measures to reduce costs, dedicated user-fee based revenue sources and demand management.

Director Kempton was very supportive in wanting to partner with Metro to tackle the pressing issues facing the Los Angeles County highway program. The discussion centered around controlling projects costs, partnering with Metro to provide better project cost

estimation and seeking our full support to pursue "Design-Build" processes to improve overall project delivery efficiency.

Director Kempton said he would not object to Metro constructing the I-405 Northbound High Occupancy Vehicle (HOV) lanes through the Sepulveda Pass using Metro's "Design-Build" authority, as Caltrans could not meet the current timeframe under its existing "Design-Bid Build" authority. The Director offered to meet with the Board of Directors to discuss the need to support this effort.

NEXT STEPS

Staff will come to the Metro Board in November 2005 to approve the 2006 STIP, as part of the Regional Transportation Improvement Program. If you have any further questions regarding the attachment, please contact David Yale, Director of Regional Programming, at 213-922-2469.

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Transportation Planning Manager – Regional Programming
Programming and Policy Analysis

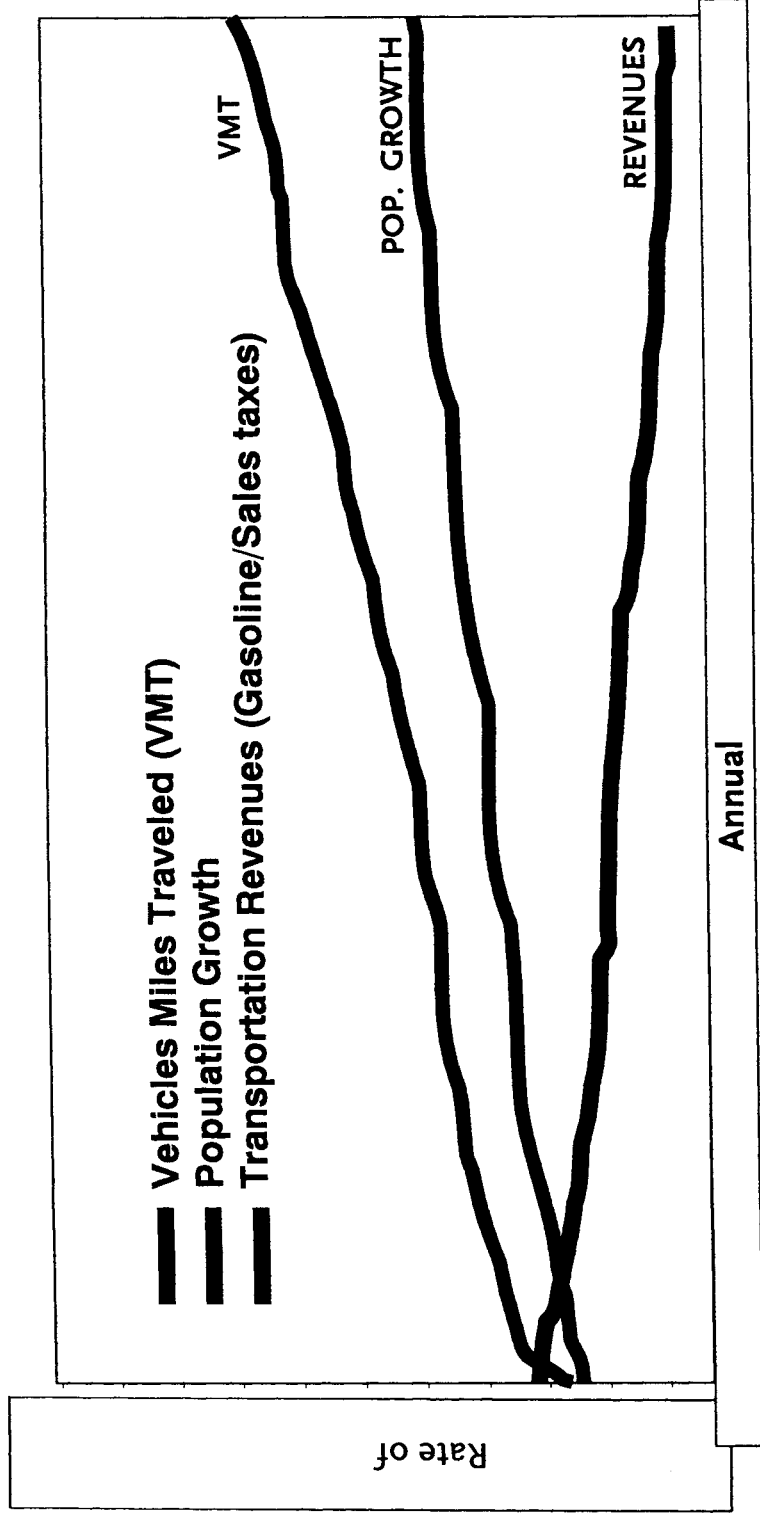
**2006 State Transportation
Improvement Program:
Los Angeles County Impact**

August 10, 2005



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Continuing Highway Program Funding Challenges



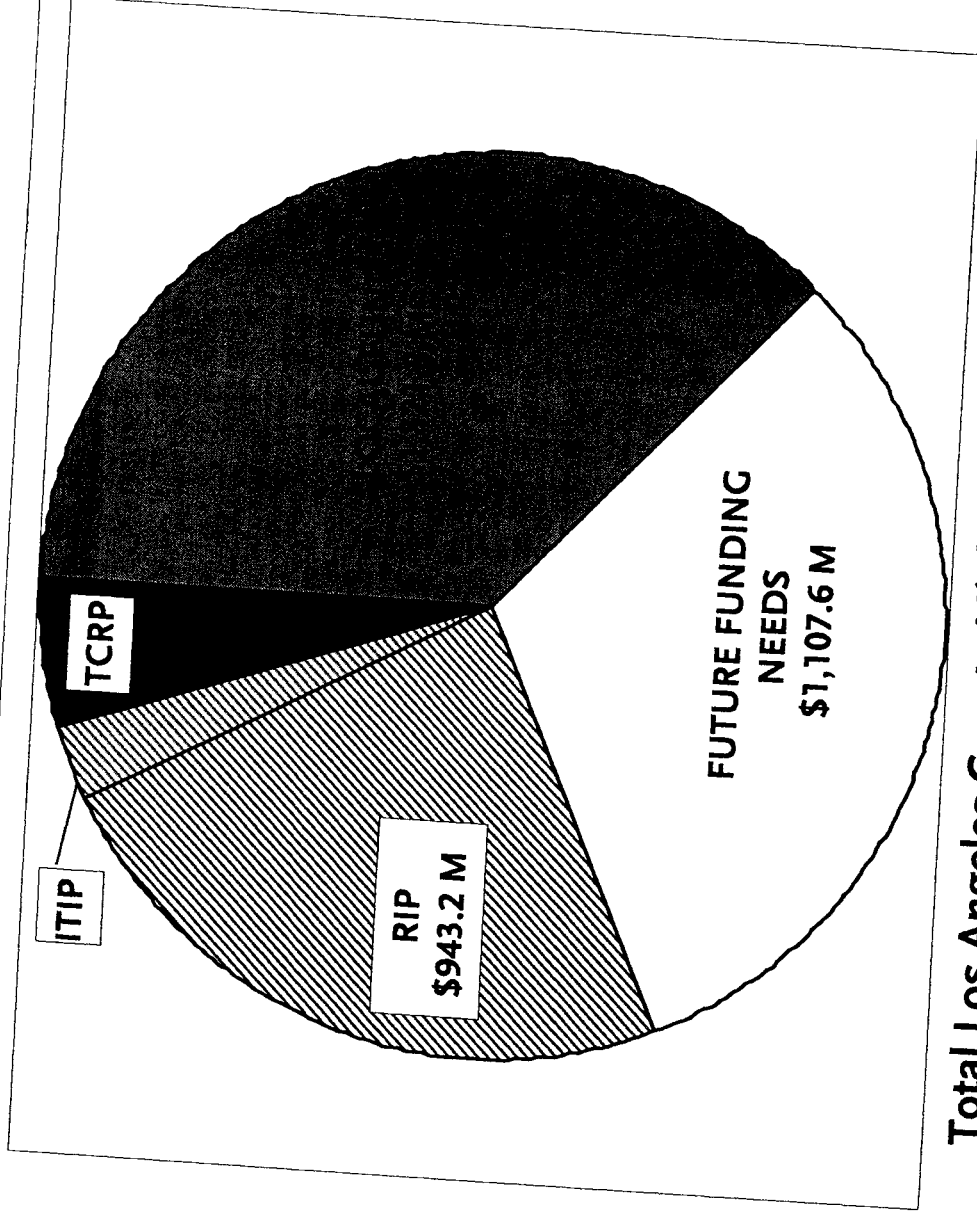
- Sales Tax is primarily used to fund Transit.
- Highway program is falling way behind need as the gap between VMT, Population growth and Revenues increases.
- Highway system maintenance backlog is a safety issue.



\$1.2 Billion Local Funds Advanced To Cover Promised State Funds

Board Meeting(s)	Project(s)	Action	Amount (millions)
March 2003	Bus Procurement	Letter of No Prejudice(LONP)	\$ 27.8
Apr '03 & Feb '04	Bus Procurement	Letter of No Prejudice	122.2
March 2003	Metro Orange Line	Letter of No Prejudice	98.0
March 2003	Eastside Light Rail Transit	Letter of No Prejudice	166.9
Apr '03 & Feb '04	Exposition Light Rail Transit	Letter of No Prejudice	16.7
	LONP Subtotal	Metro seeks repayment →	\$431.6
March 2003	Eastside Light Rail Transit	Advance TCRP with AB 3090	191.0
December 2003	US-101 Center Street Project	AB 3090	22.6
Apr '03 & Feb '04	San Fernando Valley North-South Transitway	Advance TCRP with Prop C 40%	18.0
Apr '03 & Feb '04	Metrolink	Advance with Prop C 10%-Commuter Rail	22.3
February 2004	STIP Projects (ready-to-go)	AB 3090	73.6
February 2004	Regional Surface Transportation Improvement (RSTI) Projects	Reprogram from STIP to Prop C	81.9
Apr '03 & Feb '04	Exposition Light Rail Transit	Advance TCRP with CMAQ and other funds	101.0
September 2004	Alameda Corridor East	Advance TCRP with Prop C 25%	85.0
September 2004	Non-Caltrans Call for Projects	Advance with Prop C 25%-Hwy	192.7
	TOTAL		\$ 1,219.7

Future Funding Needs for LA State Highway Program



- Total Los Angeles County Highway Program: \$3.406 Billion.
- Local Funds account for almost 40% (\$ 1,321.8 million) of program.
- STIP funds account for slightly over one-quarter (\$943.2 million) of program.
- \$1.107 billion in future funding needs.



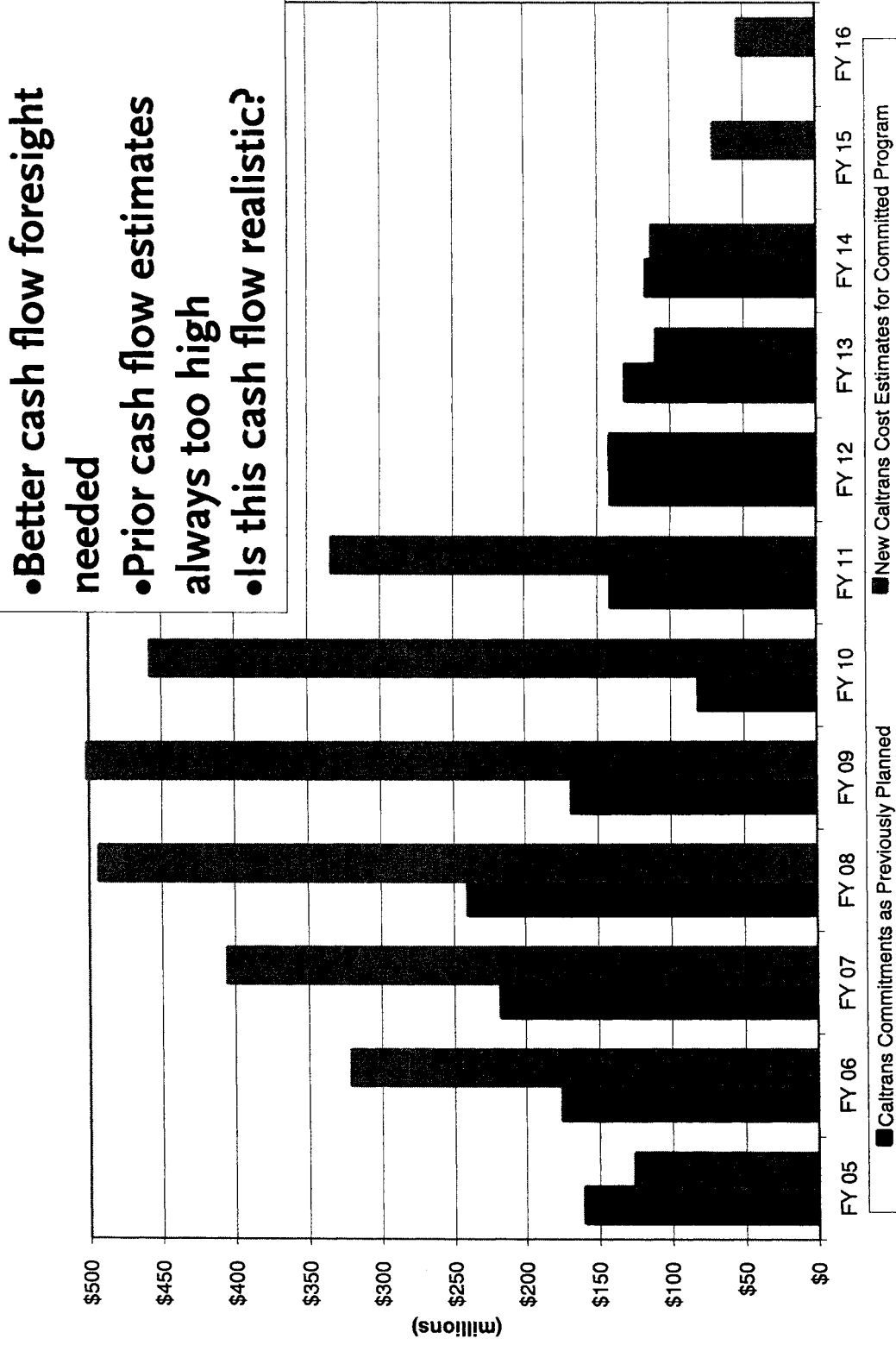
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Caltrans Program Cost Increase

- Caltrans baseline program cost increase exceeds \$1 B
 - TCRP Letter of No Prejudice Repayments needed
- Committed Caltrans Program Compared to New Cost Estimates:**

	Prior	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	TOTAL	
Caltrans Commitments as Previously Planned		736.4	159	174.4	216.8	239.6	167.1	80	140	140	130	116	0	0	2299.2
New Caltrans Cost Estimates for Committed Program		236.0	124.9	320.4	408.1	503.3	524.0	470.3	336.5	140.6	108.7	111.7	69.5	52.8	3406.8
(Deficit)/Surplus	\$500.4	\$34.5	(\$146.0)	(\$191.3)	(\$263.7)	(\$356.9)	(\$390.3)	(\$196.5)	(\$0.6)	\$21.3	\$3.9	(\$69.5)	(\$52.8)	(\$1,107.6)	

Caltrans Program Cost Increase in LA County



Caltrans Program New Cost Estimates

New Cost Estimates for Committed Caltrans Projects as of February 2005 (Millions)

Project Description	Total	Prior	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
I-10 Carpool Lanes: Baldwin Ave to I-605	\$68.7	\$68.4	\$0.3											
I-405 Carpool Lanes: Century Blvd to SR-90	\$36.4	\$20.1	\$12.8	\$3.4	\$0.1									
SR-57/SR-60 Carpool Lanes Direct Connectors (NB 57 to EB 60; WB 60 to SB 57)	\$70.5	\$38.0	\$9.4	\$20.8	\$2.3									
SR-90 Freeway Extension (W. of Culver Blvd. to mid-point between Culver Blvd. and Miranda Way)	\$20.1	\$2.4	\$7.5	\$7.2	\$3.0									
US-101 Fwy and Ramp Realignment at Center St	\$30.6	\$10.9	\$4.7	\$7.0	\$7.0	\$1.0								
I-405 (SB) Carpool Lns: Waterford St to I-10	\$45.1	\$8.7	\$4.6	\$13.0	\$10.8	\$8.0								
I-405 Carpool Lanes: SR-90 to I-10	\$169.5	\$37.6	\$22.1	\$46.7	\$42.0	\$21.1								
I-5 Carpool Lanes: SR-118 to SR-14	\$45.4		\$13.6	\$18.2	\$13.6									
I-405 / US-101 Connector Gap Closure (NB 405; Connect Greenleaf to north of Ventura Blvd)	\$44.9	\$13.2	\$5.8	\$16.5	\$9.4									
SR-14 Carpool Lanes: Peartblossom Hwy to Ave P-8	\$40.8	\$3.9	\$4.4	\$13.5	\$13.4	\$4.8	\$0.9							
SR-60 Carpool Lanes: I-605 to Brea Cyn Rd	\$85.1	\$0.9	\$3.7	\$5.2	\$35.8	\$36.7	\$2.5	\$0.2						
I-405 (NB) Carpool Lanes: Greenleaf to Burbank	\$6.4	\$1.0	\$0.2	\$3.1	\$2.1									
I-5 Carpool Lanes: SR-170 to SR-118	\$299.1		\$9.6	\$20.3	\$20.8	\$61.1	\$72.6	\$74.4	\$40.3					
I-5 Carpool Lanes: SR-134 to SR-170	\$295.9		\$5.4	\$11.4	\$11.7	\$61.8	\$79.7	\$81.7	\$44.2					
I-10 Carpool Lanes: I-605 to Puente Ave	\$160.7	\$0.5	\$3.2	\$30.5	\$31.2	\$31.5	\$31.5	\$32.3						
I-5 Carmelita Road Interchange Improvement	\$294.6	\$0.5	\$2.5	\$49.0	\$118.2	\$37.3	\$27.5	\$27.5	\$22.5	\$9.6				
I-5 Carpool & Mixed Flow Lanes: I-605 to OC Line	\$1,114.7	\$4.8		\$11.5	\$12.8	\$99.8	\$153.5	\$156.9	\$201.5	\$131.1	\$108.7	\$111.7	\$69.5	\$52.8
I-710 Fwy Improve: PCH - Downtown Long Beach	\$6.1		\$0.4	\$0.2	\$4.3	\$1.2								
I-5 / SR-14 Carpool Lanes Direct Connector (N toll from S)	\$122.6	\$2.8	\$2.1	\$3.8	\$19.5	\$45.3	\$43.5	\$5.5						
I-5 134 to 170 Empire	\$175.6		\$5.2	\$11.0	\$11.3	\$36.0	\$43.4	\$44.5	\$24.1					
SR-138 Corridor	\$197.1		\$6.5	\$28.0	\$35.3	\$47.3	\$46.1	\$33.8						
Rt. 105 Sepulveda Blvd	\$14.8	\$7.4			\$3.4	\$4.0								
101 Van Nuys Blvd off Ramps	\$9.0	\$1.3				\$5.0	\$2.7							
Arbor Vitae Interchange	\$44.5	\$5.9				\$1.3	\$20.0	\$13.4	\$3.9					
I-405 / US-101 Connector Widening (NB 405 to EB 101; from north of Ventura Blvd to Kester)	\$8.7	\$7.7	\$1.0											
GRAND TOTAL	\$3,406.8	\$236.0	\$124.9	\$320.4	\$408.1	\$503.3	\$524.0	\$470.3	\$336.5	\$140.6	\$108.7	\$111.7	\$69.5	\$52.8

Shaded projects are under construction

2006 STIP Program Los Angeles County

(\$ Thousands)

Description	New Total Project Costs	Local Funds	Future Funding Needs	RIP
101 Fwy and Ramp Realignment at Center St	30,570	7,814		22,756
I-405 (SB) Aux. Lane Waterford St. to I-10	45,090	17,617		14,078
I-405 HOV SR-90 to I-10 (Both Directions)	169,530	41,777		127,753
I-5 HOV SR-118 to SR-14	45,420	32,386		13,034
N/B I-405/US-101 Connector Gap Closure	44,940	27,052		13,166
Rt. 60 I-605 to Brea Canyon Road	85,080	44,075		35,905
I-405 Extend HOV (NB) Greenleaf to Burbank	6,400	6,400		
I-5 HOV SR-170 to SR-118	299,090	16,606	148,440	134,044
I-5 SR134 to SR170	295,900	256,786	21,146	17,968
I-5 SR134 to SR170 (Empire Ave)	175,560		150,354	13,850
I-10 HOV I-605 to Puente Ave.	160,700	965	51,316	108,419
I-5 Carmelita Interchange Improvement	294,620	40,826	108,300	144,744
I-5 I-605 (Rosemead) to OCL -	1,114,670	603,900	504,315	23,455
SR-14 HOV Pearblossom to P-8 -	40,830	40,830		
I-710 Fwy Imp PCH - Downtown Long Beach	6,090	6,090		
I-5/SR-14 HOV Direct Connector (N to/from S)	122,560		41,701	80,859
SR-138 Corridor	197,090		116,086	56,109
Rt. 105 Sepulveda Blvd	14,788	7,394		
101 Van Nuys Blvd off Ramps	9,000	1,000		
Arbor Vitae Interchange	44,512			37,272
SR-90 Freeway Extension (W. of Culver Blvd. to mid-point between Culver Blvd. and Mindanao Way)	20,100	20,100		
I-405 / US-101 Connector Widening (NB 405 to EB 101: From North of Venutra Blvd to Kester)	8,730	8,730		
I-10 Carpool Lanes: Baldwin Ave to I-605	68,690	68,690		
I-405 Carpool Lanes: Century Blvd to SR-90	36,390	36,390		
SR-57/SR-60 Carpool Lanes Direct Connectors (NB 57 to EB 60; WB 60 to SB 57)	70,460	70,460		
Total	3,406,810	1,355,888	1,141,658	843,412

Shaded projects are ready to go and will be seeking 2006 STIP allocations



2006 State Transportation Improvement Program (STIP) Fund Estimate

Caltrans has developed two-tiered funding estimate outlining the following possible programming capacity levels:

Prop. 42 Funds Not Available (Tier 1)

- Conservative estimate with reduction in programming capacity of up to \$3.7 billion statewide.
- None of the 2004 STIP in FY 2007 and beyond would be funded.
- \$500 million at risk in programming authority to Metro Board of Directors for Los Angeles County.



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2006 State Transportation Improvement Program (STIP) Fund Estimate

Prop 42 Available (Tier 2)

- Estimate based on existing law & ignoring the State General Fund deficit.
- Approx. \$5.7 billion increase in Programming capacity statewide.
- Approx. \$2.0 billion in new STIP programming capacity over the 2004 STIP program level statewide.
- \$300 million in potential programming authority to Metro Board of Directors for Los Angeles County.

Bottom Line

- Approximately \$5.7 billion (\$3.7 billion and \$2 billion) in programming capacity statewide.
- Los Angeles County could lose up to \$800 million (\$500 million & \$300 million) in the upcoming legislative processes surrounding the use of Proposition 42 sales tax on gas revenues.



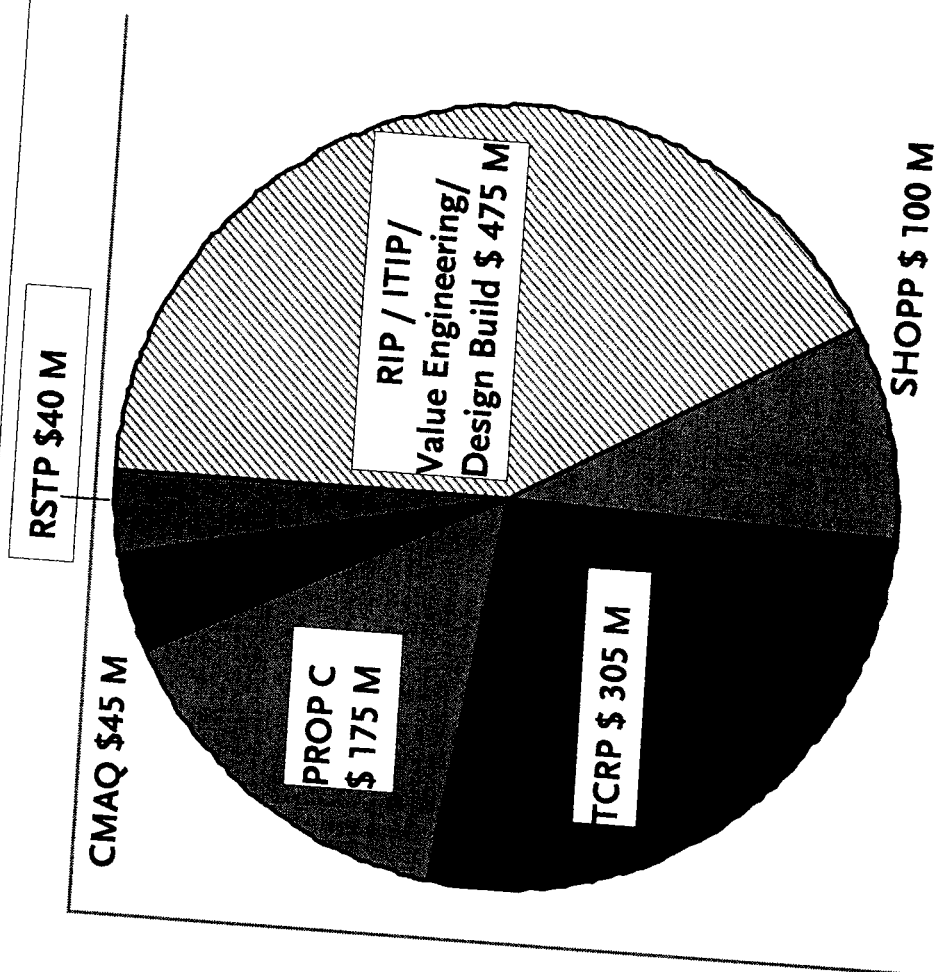
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Fund Estimate Potential Projects at Risk

If Tier 1 is realized, the projects at risk include:

- I-5 OCL to I-605
- I-5/R-14 HOV Connector
- I-5 Northbound HOV lanes from R-134 to R-170
- No additional programming capacity for ROW & materials cost increases.
- Cannot add any additional projects including I-405 HOV lanes through Sepulveda Pass.

Potential Funding Strategy for >\$7 B Shortfall

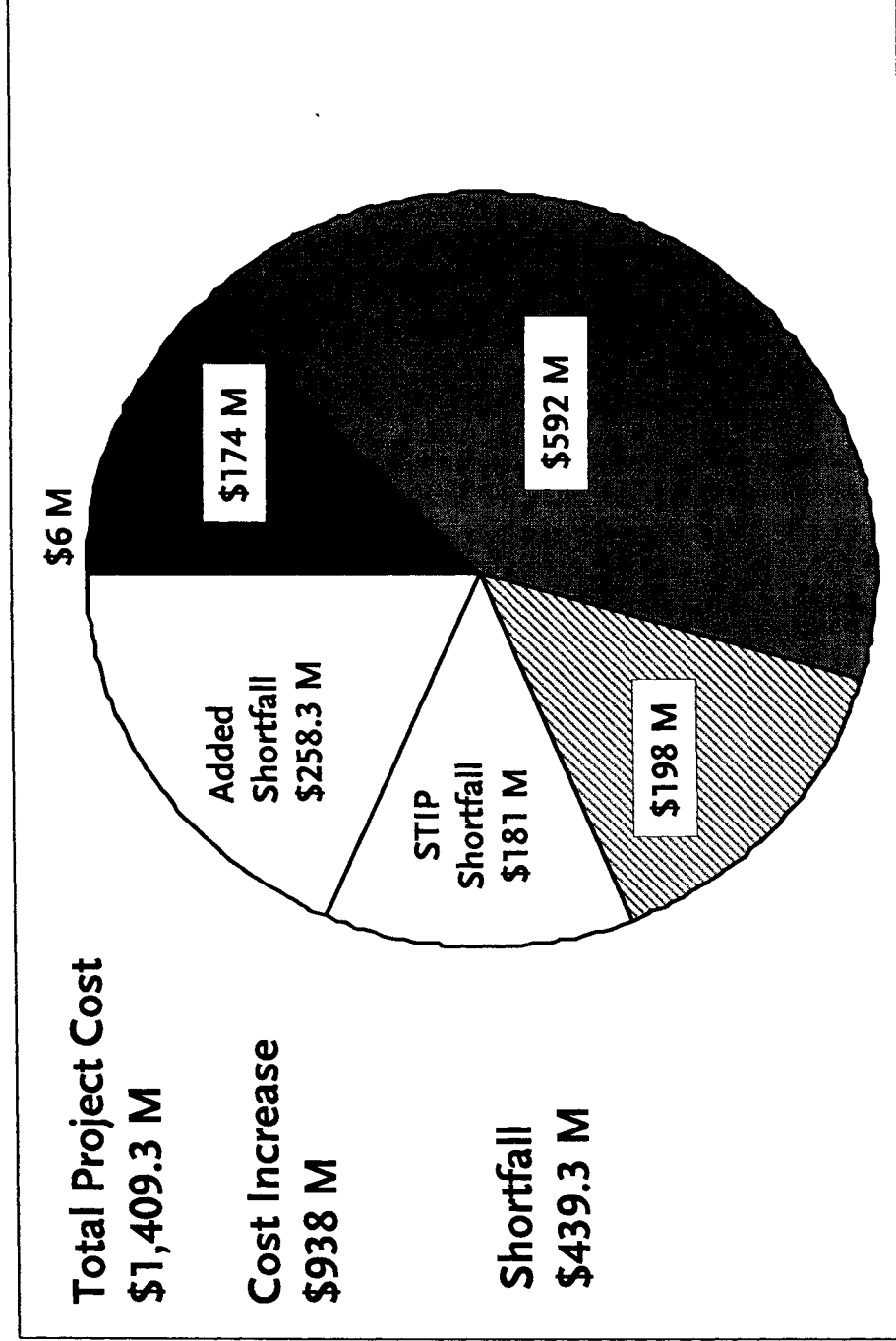


Caltrans cost increases for Los Angeles County Highway Program: >\$1 Billion



I-5 South Project Funding

- Even with Tier 2, the I-5 South OCL to I-605 requires additional funds.



TCRP Allocated
 TCRP Unallocated
 STIP Funds (LONP Ineligible)
 Local/Federal Formula (LONP Eligible)



SHOPP Funding for Detection System

- **Current SHOPP program for Los Angeles County is approximately \$ 62 million.**
- **Local Programming has contributed \$ 70 million to Detection System.**
- **Detection System maintenance is critical to overall performance of the Los Angeles County network.**

District 7 Detection System Program

- **12,000 inductive loop detectors.**
- **1,200 ramp metering & vehicle detector stations.**
- **Overall average spacing in ½ mile.**
- **Detectors in each lane, including ramps.**
- **Historical data-approximately 20-30% have inconsistent or non-data reporting.**
- **Historical Call for Projects Investment in the system (approx \$ 70 million).**

Recommendations to Meet Funding Challenges

Reduce Project Costs

- Design Build Authority for Highway Program
- Independent Project Cost Estimation and Forecast
- Public/Private Partnerships

Dedicated Revenue Source

- Managed Lanes pilot programs (San Diego, Orange County)
- User fee based demand management & capacity enhancements.





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August 19, 2005

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER

FROM: JAMES L. de la LOZA
CHIEF PLANNING OFFICER

SUBJECT: REPORT ON BENEFIT ASSESSMENT DISTRICTS AGREEMENTS

ISSUE

This Board Box Item outlines the staff actions taken on Benefit Assessment Districts A1 and A2 cases during **February 2005 through June 2005**. This report is submitted as an informational item. No Board action is required.

BACKGROUND

The Benefit Assessment Districts Program has an established appeals process (adopted on July 11, 1985 and amended by the Board) for owners who have issues regarding the assessment on their property. In most cases, staff and the owners can agree on the proper assessment after reviewing all the relevant information. Written stipulations are then drawn up on properties that have changed their uses to manufacturing, nonprofit, residential hotel and/or vacant due to code, specifying the revised assessment. Properties that involve calculation issues, in most cases, are changed administratively (without stipulations). County Counsel reviews such stipulations before the property owner and the Chief Executive Officer or designee sign an agreement. Attached is a report listing the A1 and A2 Districts agreements executed and the properties that had the assessments administratively changed for the period between February 2005 through June 2005 (Attachment 1).

The agreements were executed and staff has notified the Los Angeles County Assessor's Office about the revisions. The property owners were issued a new Joint Consolidated Tax Bill reflecting the revised assessments as a result of the approved agreements.

The revised assessments can be made without substantially reducing the amount required to repay the A1 and A2 bonded indebtedness. The collections through June 2005 are **\$19,157,549** for District A1 and **\$902,528** for District A2.

NEXT STEPS

The next status update will be issued in January 2006.

ATTACHMENT 1

The following are the agreements executed during the period of February 2005 through June 2005 in which both parties concurred on the revised square footage and reduced assessments.

1. **Case Number A1-005-03 & A1-006-03 located at 518 W. 7th Street and 518 W. 7th Street**

George Peykar requested a reduction in the Properties' assessment because the improvements are vacant due to regulatory code. A field survey and a copy of the letter by a registered structural engineer citing non-compliance with current seismic building codes, all substantiated that the building is vacant due to code. The agreement reduces the Properties' assessments from \$18,318 to **\$8,556**.

2. **Case Number A2-001-04 located at 1731 W. 8th Street**

Crescent Village Limited Partnership requested a reduction in the Property's assessment because the improvement is a parking garage exclusively used by building's residents. A copy of the Grant Deed granting an exclusive easement for residential parking and a field survey, all substantiated that the use is residential. The agreement reduces the property's assessment from \$3,713 to **\$0**.