




**Metro**

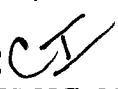
Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000 Tel  
metro.net

**TO: BOARD OF DIRECTORS**

**THROUGH: ROGER SNOBLE**   
**CHIEF EXECUTIVE OFFICER**

**FROM: CAROL INGE**   
**CHIEF PLANNING OFFICER**

**SUBJECT: PROPOSITION 1B: THE HIGHWAY SAFETY TRAFFIC  
REDUCTION AIR QUALITY AND PORT SECURITY FUND OF 2006**

## ISSUE

A statewide process for determining how to spend up to \$19.9 billion in transportation bond proceeds officially began when voters approved Proposition 1B, The Highway Safety Traffic Reduction Air Quality and Port Security Fund of 2006 on November 7, 2006. The authorizing legislation for the bonds stipulated that \$11.8 billion be distributed through various competitive processes (Table 1) and that \$8.1 billion be distributed by formula (Table 2). This report outlines Metro's activities related to securing portions of this competitive and formula funding for Los Angeles County transportation capital projects.

## DISCUSSION

### Corridor Mobility Improvement Program

The \$4.5 billion Corridor Mobility Improvement Program is the first competitive category to draw from the \$11.8 billion in discretionary funding authorized by Proposition 1B. The California Transportation Commission (CTC) adopted specific Corridor Mobility Improvement Program guidelines the day after the election at their November 8, 2006 meeting. The Board of Directors is scheduled to adopt a consensus nomination developed with Caltrans District 7 on December 7, 2006. The CTC must receive these nominations and their accompanying applications by January 16, 2007. Final selection of the winning projects is scheduled for February 28, 2007. A November/December 2006 Board agenda item entitled "Joint Metro/Caltrans Corridor Mobility Improvement Program Project Nominations" (Item Number 8 on the Planning and Programming Committee agenda) provides more information about the Corridor Mobility Improvement Program.

## Other Competitive Programs

With the exception of the Interregional Improvement Program described below, the processes for programming the other competitive programs in Proposition 1B are subject to additional legislation, such as the Ports Infrastructure, Security, and Air Quality, and State-Local Partnership programs, or are not yet defined by Caltrans. Table 1, below, summarizes those programs and processes:

**Table 1: Competitive Programs in Proposition 1B**

<b>Program</b>	<b>Statewide (\$ Millions)</b>	<b>Process</b> CTC = California Transportation Commission PUC = Public Utilities Commission
Corridor Mobility Improvement	4,500	See Planning and Programming Committee Item #8, (November 2006)
Ports, Security, Access, & Air Quality	3,100	Pending Legislation
Interregional Improvement Program	500	Caltrans Recommends to CTC (Due April 2, 2007)
Transit System Safety and Security	1,000	To Be Determined
State-Local Partnership Program	1,000	Pending Legislation
Highway-Railroad Grade Crossing Safety Projects	250	To Be Determined, Caltrans/CTC/PUC Select Crossings
Highway Safety (State Highway Operations and Protection Program)	500	Caltrans Selects Through Established Process (State Highway Projects Only)
Signal Synch. on Major Streets	250	To Be Determined, Caltrans to Select Projects
Local Bridge Seismic Retrofit	125	To Be Determined, Caltrans to provide matching funds
Intercity Rail	400	To Be Determined, Caltrans selects Amtrak & Metrolink Projects Only
School Bus Retrofit and Replacement	200	To Be Determined
<b>Total</b>	<b>11,825</b>	

Since the Ports, Security, Access, and Air Quality program will require additional legislation, the competitive program that will immediately follow the Corridor Mobility Improvement Program is the \$500 million statewide Interregional Improvement Program. The Interregional Improvement Program project selection process is described in law as part of the State Transportation Improvement Program (STIP). The STIP is the CTC's long-standing transportation programming process that was re-defined in 1998 by SB 45 (Kopp). SB 45 established that 25% of STIP funding was to be nominated to the CTC by Caltrans (the Interregional Improvement Program) and 75% to the CTC by Regional Transportation Planning Agencies like Metro (the Regional Improvement Program (discussed below under formula programs)).

According to statute, the CTC is to conduct the STIP process every two years with the next update to begin in summer 2007 and conclude in March 2008 with an adopted 2008 STIP. Instead, as a result of the passage of the Proposition 1B, the CTC is proposing to accelerate the STIP process by conducting a “2006 STIP Augmentation” process. The Interregional Program is part of the 2006 STIP Augmentation. The CTC staff recommended the accelerated schedule at their November 8, 2006 Commission meeting (see Attachment A). The Interregional Improvement Program will be included in a 2006 STIP Augmentation schedule. Caltrans recommends interregional projects, including intercity rail projects, to the CTC, who then modifies and approves the program after receiving recommendations from its own staff.

**Formula Programs**

Also included in the 2006 STIP Augmentation schedule are approximately \$375 million in Los Angeles County Regional Improvement Program formula funds. These funds are the first formula funds to be programmed from the \$8.1 billion described in Table 2, below. All other formula funds are subject to appropriation by the State Legislature, and once appropriated, are further subject to distribution rules that are not yet defined by the State.

<b>Program</b>	<b>Statewide Estimate (\$ Millions)</b>	<b>LA County Estimate (\$ Millions)</b>	<b>Process</b>
Regional Improvement Program (2006 STIP Augmentation)	1,500	375	Metro Board action needed in March '07
State Transit Asst. (Revenue Based)	1,800	620	Muni's: F.A.P. Metro: Plan & Budget
State Transit Asst. (Population Based)	1,800	500	Metro planning and budget processes
Local Streets and Roads (Counties)	1,000	200	Annually through County of LA Funds
Local Streets and Roads (Cities)	1,000	300	Annually through City budgets
State Route 99	1,000	N.A.	Not applicable in LA (Dedicated to Rte. 99)
<b>Total</b>	<b>8,100</b>	<b>1,995</b>	

**2006 STIP Augmentation Schedule Issue**

At the November 8, 2006 CTC meeting, we appealed to the CTC to defer the 2006 STIP Augmentation implementation date by one month, from April 2, 2007 to May 1, 2007. The appeal was made to provide Metro with additional time to coordinate a Regional Improvement Program action for Los Angeles County with the results of the first round of discretionary programming from the above-described Corridor Mobility Improvement Program. The CTC is currently scheduled to adopt that program on February 28, 2007.

Metro must adopt the Regional Improvement Program at its March 22, 2007 meeting so that we can meet the April 2, 2007 deadline described in Attachment A. The April 2, 2007 deadline is problematic because we will not know the results of the \$4.5 billion Corridor Mobility Improvement Program competition until well after our Board report is due for the

March 22, 2007 Board meeting. The CTC needs 2006 STIP Augmentation data by April 2, 2007 to meet critical deadlines for the FY 2008 State of California Budget process.

The projects nominated to the Corridor Mobility Improvement Program are priority projects that are also likely to be candidates for the Regional Improvement Program funds. Therefore, it will not be possible to meet CTC and Metro schedules within the one-month turn-around time that the CTC has proposed, unless Metro's own process is extremely accelerated. The extremely accelerated Metro process required will not allow Los Angeles County transportation stakeholders sufficient time to participate in a transparent programming process. In response to our appeal, the CTC deferred its decision about the schedule change for the 2006 STIP Augmentation until their December 13, 2006 meeting. We are working with CTC staff to identify a reasonable compromise that meets the needs of the State and Los Angeles County.

### **NEXT STEPS**

The Board of Directors must approve the Los Angeles County Corridor Mobility Improvement Program at its December 7, 2006 meeting to meet the application deadline of January 16, 2007. We will present a separate recommendation for programming the approximately \$330 million Los Angeles County 2006 Regional Improvement Program Augmentation at the March 22, 2007 Board meeting. Other deadlines will be forthcoming from the rapidly developing bond programs. We are closely monitoring these developments and will keep the Metro Board informed of issues as they emerge.

### **ATTACHMENT**

A. 2006 State Transportation Improvement Program Augmentation Schedule

# Memorandum

**To:** Chair and Commissioners

**Date:** October 25, 2006

**File:** Book Item 4.5  
Action Item

**From:** JOHN F. BARNA, JR.  
Executive Director

**Ref.:** ADOPTION OF SCHEDULE FOR 2006 STIP AUGMENTATION

**Issue:** Should the Commission adopt an augmentation of the 2006 STIP, in advance of the 2008 STIP, and on what schedule?

**Recommendation:** Staff recommends, if Proposition 1B is approved by the voters, that the Commission adopt a revised fund estimate and develop a 2006 STIP augmentation on the following schedule:

Caltrans presents draft fund estimate to the CTC	November 8, 2006
CTC adopts fund estimate.	December 14, 2006.
RTIPs and ITIP due.	April 2, 2007.
CTC STIP hearing, South.	April 25, 2007.
CTC STIP hearing, North.	May 2, 2007.
CTC publishes staff recommendations.	May 17, 2007.
CTC adopts STIP augmentation.	June 7, 2007.

**Background:** Under law, the Commission adopts a new state transportation improvement program (STIP) every two years. The process begins with the development and adoption of a fund estimate by August 15 of each odd-numbered year and culminates with the adoption of the new STIP by April 1 of each even-numbered year. Each STIP must be consistent with the fund estimate on which it is based.

State law also permits the Commission, in consultation with the Department and regional agencies, to amend the fund estimate to account for unexpected revenues or other unforeseen circumstances. In that case, the Commission is required to extend the dates for the submittal of the interregional transportation improvement program (ITIP) and regional transportation improvement programs (RTIPs) nominating STIP projects. In reliance upon this authority, the Commission has once before augmented the STIP using a special programming cycle to program previously unanticipated revenues. In 1999, the Commission adopted an augmentation of the 1998 STIP to program revenues from the federal reauthorization act that had not been anticipated when the 1998 STIP fund estimate was adopted.

Proposition 1B on the November 7, 2006 ballot includes \$2 billion in funding to augment the STIP. If Proposition 1B is approved by the voters, these funds would be available upon appropriation by the Legislature. Commission staff has asked the Department to prepare a draft fund estimate for a 2006 STIP augmentation that assumes the full amount of the \$2 billion authorization is available at the beginning of the 2007-08 fiscal year.

A 2006 STIP augmentation would cover the same period as the original 2006 STIP, extending through the 2010-11 fiscal year. A new fund estimate would include not only the \$2 billion augmentation, but a review of all other fund revenue assumptions for the period ending 2010-11.