

**Metro**

Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952213.922.2000 Tel  
metro.net**BOARD WORKSHOP  
MAY 14, 2009****SUBJECT: MAJOR FINANCIAL ASSUMPTIONS FOR 2009 LONG RANGE  
TRANSPORTATION PLAN FOR LOS ANGELES COUNTY****ACTION: RECEIVE AND FILE MAJOR FINANCIAL ASSUMPTIONS****RECOMMENDATION**

Receive and file the major assumptions for the financial forecast for the 2009 Long Range Transportation Plan (LRTP) for Los Angeles County.

**ISSUE**

The LRTP financial forecast through Fiscal Year 2040 is based on assumptions regarding revenues and costs. Key assumptions shown in Attachment A are sales tax growth rates, bonding and debt policy limits, State Transit Assistance funding, fare recovery ratio, leveraged federal funding, State Regional Improvement Program funding, federal formula funds, Metro Enterprise Fund costs, capital project cost escalation rates, and Metrolink subsidies. We will be using these assumptions to prepare a 2009 LRTP.

**DISCUSSION**

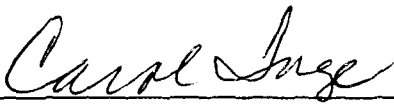
The Los Angeles County Metropolitan Transportation Authority (LACMTA) is responsible for transportation planning and programming in Los Angeles County, in accordance with Public Utilities Code Section 130051. Among other things, the LRTP sets the long-term direction necessary to proceed with project planning, design and engineering for projects that are candidates for future programming. State and federal transportation funding partners require that the LRTP cover a minimum twenty-year period.

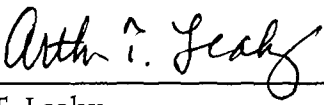
The 2009 LRTP is a strategic guide for planning and programming projects and programs constrained by the funds forecasted to be available over the life of the LRTP. The 2009 LRTP financial forecast also is intended to show our potential capital program funding partners, at state, federal, and local levels, that we have the resources to meet our financial commitments going forward to the LRTP's 2040 horizon date. The major assumptions in Attachment A will be used to develop the LRTP financial forecast. These assumptions are based on current conditions, historical trends, and external independent forecasts where available.

**ATTACHMENTS**

A. Discussion Paper: Major Assumptions

Prepared by: David Yale, Deputy Executive Officer for Regional Programming  
Programming and Policy Analysis

  
\_\_\_\_\_  
Carol Inge  
Chief Planning Officer

  
\_\_\_\_\_  
Arthur T. Leahy  
Chief Executive Officer

	Assumption Topic	Proposed Assumption	Comments
	<b>REVENUES</b>		
1	Sales Tax Growth (Proposition A, Proposition C, Measure R, TDA)	<p>Growth rates are forecasted by the UCLA Anderson Forecast to be -5.59% in FY 09, -4.89% in FY 10. At the present time, UCLA has not released a forecast for FY 11 and beyond. We propose to assume that recovery begins FY 11 at 4.45%, increasing to 7.88% by FY 13 and then decreasing thereafter to result in a compound average of 3.57% from FY 08 through FY 40.</p> <p>Using these assumptions, the sales tax revenue decrease from the January 2009 draft LRTP forecast (referred to hereafter as the prior forecast) is approximately \$6.6 B.</p>	<p>Historical 25-year compound average is 3.5%. Federal Transit Administration (FTA) will require growth to be consistent with this long-term history as a condition of rating any New Starts funding requests. The next UCLA long-term forecast for Los Angeles County will not be issued until Summer 2009. Past economic shocks have been followed by economic recoveries, often with high taxable sales growth.</p>
2	Bonding and Debt Policy Caps (debt service % of revenue)	<p>Substantial Propositions A and C bonding when needed at 5.5% interest rate; however, \$6.6 B less sales tax revenue will decrease bonding capacity compared to prior forecasts. When needed, Metro Board will increase debt service policy caps to 75% for Proposition C 25% and 50% for Proposition C 10%. Any Measure R borrowing is limited due to the fixed project list and 30-year expiration of Measure R.</p>	<p>Currently, Proposition C 25% (highways) debt service cap is 60% and Proposition C 10% (commuter rail) debt service cap is 40%. Bonds are issued from Proposition C 40% (discretionary), Proposition A 35% (rail capital), Proposition C 25%, and Proposition C 10%. Higher caps than our assumed increase are not recommended since cash is required for debt service, Freeway Service Patrol, Rideshare, and Metrolink operations.</p>

	Assumption Topic	Proposed Assumption	Comments
3	State Transit Assistance (STA) Funding	Per State law, no funding through FY 13. The State's original FY 09 amount of \$306 M is a baseline level beginning FY 14. 2.1% annual increase thereafter. Result is a loss of \$723 M over prior forecast. No Spillover is assumed.	STA has been extremely variable over the last several years. Per State law (SBX3 7, 2009), STA funding is suspended through FY 13.
4	Fare Recovery Ratio (fare revenue as percentage of operating costs)	Fare revenues as a percentage of total costs are assumed to achieve 33% by FY 15 and maintained thereafter in proportion to transit operating costs. Each 1% decrease from 33% would remove approximately \$650 M from the LRTP from FY 10 through FY 40.	Fare recovery ratio is currently 27%. Prior forecasts had assumed that the ratio would grow to 30% then 33% by FY 15. Per Board action, fare increases are deferred for one year to FY 11 and senior/disabled/student fare increases are deferred for five years to FY 15. With the scheduled FY 11 fare change, the ratio is forecasted to be 29%.
5	Leveraged Federal Funds	<p>\$200 M average per year in assumed leveraged Federal funds are assigned first to the Westside Subway Extension and subsequently to the projects that would be the most competitive in the FTA New Starts process.</p> <p>Leadership from the Metro Board will be necessary to achieve this leveraged Federal funding assumption. Leveraged funds would include any added Federal funding above current assumptions from any sources including, but not limited to, Federal New Starts funds.</p>	<p>From 2005 through 2009, LA has received an average of 5.4% of the total national New Starts authorization. Since 1992, however, LA has averaged 7.4%. The American Public Transportation Association (APTA) is recommending a national New Starts funding level of \$21.2 B for the next 6-year transportation act. If New Starts is funded at 80% of APTA's proposal, 7.4% would result in approximately \$200 M per year for Los Angeles.</p> <p>While we do not know what national authorization level will be approved, we do know that transit infrastructure investment is economically beneficial. The President and Democratic leadership may put more emphasis on transit infrastructure funding, ultimately providing more New Starts or other transit-eligible funding.</p>

	Assumption Topic	Proposed Assumption	Comments
6	Regional Improvement Program (RIP)	Same as prior forecast. No state gas tax increase. \$900 M annual <u>Statewide</u> State Transportation Improvement Program (STIP) funding level. Los Angeles share: \$150 M per year.	LA share is 16.7% of the STIP per State law.
7	Federal Formula Funds (regional)	Same as prior forecast. No federal gas tax increase.	FY 09 funding:
	Congestion Mitigation and Air Quality (CMAQ)	Due to expected improvement in air quality, CMAQ reduced beginning: FY 10 to \$120 M, FY15 to \$100 M, FY 20 to \$80 M, and FY 26 to \$60 M.	CMAQ - \$138 M.
	Regional Surface Transportation Program (RSTP)	RSTP for FY 10 is \$114 M, 1.4% annual increase. Access Services, Inc. (ASI) receives 50% of the RSTP funds.	RSTP - \$114 M.
	FTA Section 5307 Transit	FTA Section 5307 for FY 10 is \$231 M, 1.4% increase annually thereafter.	FTA Section 5307 - \$231 M.  See Leveraged Federal Funds (row 5) for the disposition of any assumed increases.

	Assumption Topic	Proposed Assumption	Comments
	<b>EXPENDITURES</b>		
A	Metro Enterprise Fund Costs	Consistent with proposed Metro FY 10 budget. Consumer Price Index (CPI) thereafter. Additional operating and capital maintenance costs for new rail lines.	Current annual CPI as of March 2009 is 1.6%.
B	Capital Project Cost Escalation Rates	1% for FY 10, 2% for FY 11, 3% thereafter. Represents an estimate based on Caltrans' California Construction Index history and Caltrans' recent experience.	The January 2009 forecast assumed 4% through FY 14 and 3% thereafter. From 1997 to 2003, the California Construction Index ranged from a low of -7.72% to a high of 8.24% with an average of 2.95%. Years 2004 through 2006 were abnormally high due to China's Olympics construction. In contrast to this, the Index was -6.95% for 2007 and -3.2% for 2008.
C	Metrolink	Up to 4% annual operations subsidy increase. Rehabilitation and capital cost subsidy increases limited to available Proposition C 10% cash and bonds and Measure R.	Funded with Proposition C 10% (Commuter Rail) and Measure R.

# Long Range Transportation Plan Financial Forecast Assumptions

Metro Board Workshop  
May 14, 2009



# 2008 Long Range Transportation Plan Financial Forecast

- Review January 2009 LRTP staff recommendation
  - Pulled from January 2009 agenda
- Review forecast changes since January analysis
- Discuss assumptions going forward
- Review Measure R Attachment A

# 2008 LRTP Measure R Transit Project Schedule Comparison

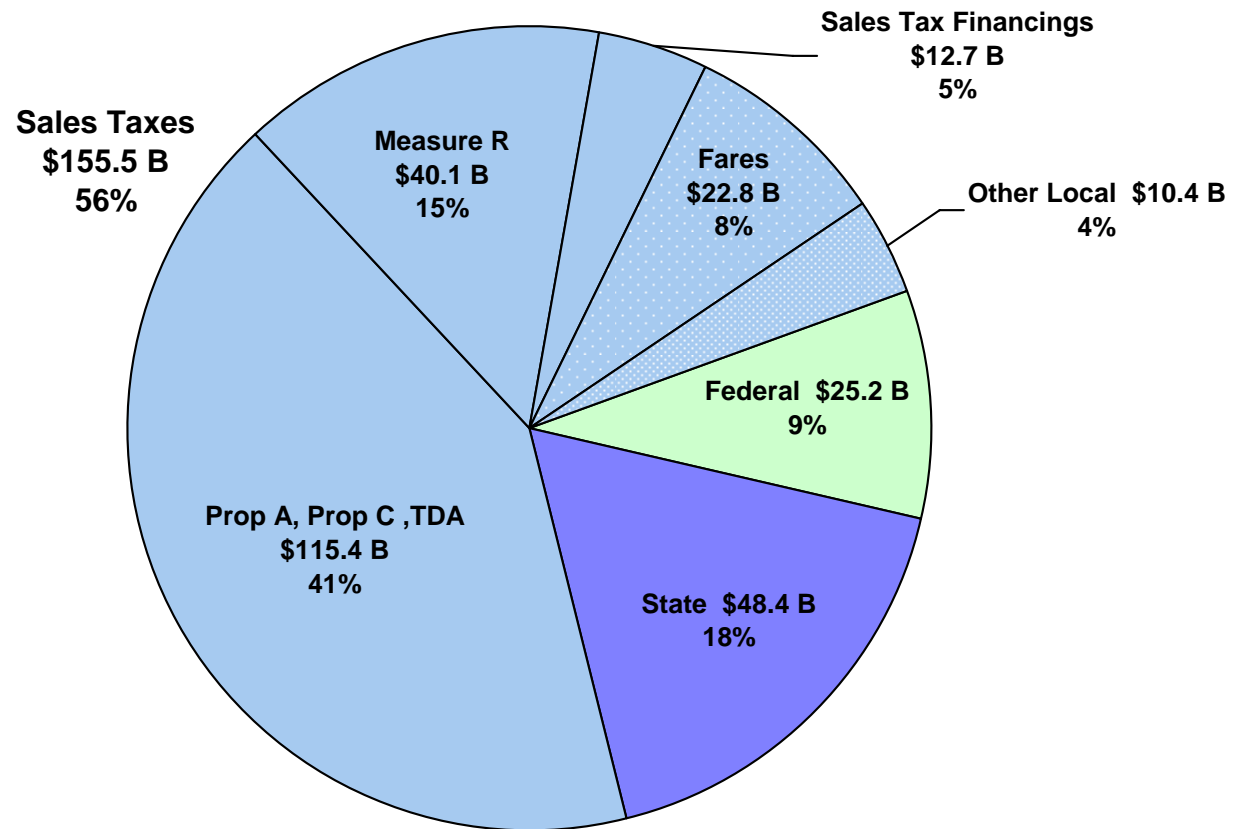
Project Description (Alphabetical Order)	Opening Fiscal Year	
	Measure R	1 <sup>st</sup> Attempt (Jan '09)
Crenshaw Transit Corridor BRT or LRT (mode is TBD) Seg 1- 1 mile, Green Line to LAX Seg 2- 7.3 mile	2016-18	2018 2029
Eastside Light Rail Pedestrian Access and Linkages	2013	2013
Exposition LRT Phase II to Santa Monica (alternative is TBD, cost will depend on alternative selected)	2013-15	2015
Gold Line Eastside Extension	2033-35	2035
Gold Line Foothill Extension	2015-17	2017
Green Line Extension to LAX (assumes first segment completed as part of the Crenshaw Corridor project)	2015-28	2018 – 2022 (depending on LAX contribution)
Green Line Extension: Redondo Beach Station to South Bay Corridor	2033-35	2035

# 2008 LRTP Measure R Transit Project Schedule Comparison

Project Description (Alphabetical Order)	Opening Fiscal Year	
	Measure R	1 <sup>st</sup> Attempt (Jan '09)
Regional Connector	2023-25	2018
San Fernando Valley I-405 Corridor Connection	2038-39	2038
San Fernando Valley North/South	2014-16	2013
Phase I (Canoga)		2013
Phase II (East)		
West Santa Ana Branch Corridor	2025-27	TBD
Westside Subway Extension	"To be opened in segments"	2019
Segment 1 to Fairfax		2026
Segment 2 to Century City		2032
Segment 3 to Westwood		

# 2008 Long Range Transportation Plan Financial Forecast

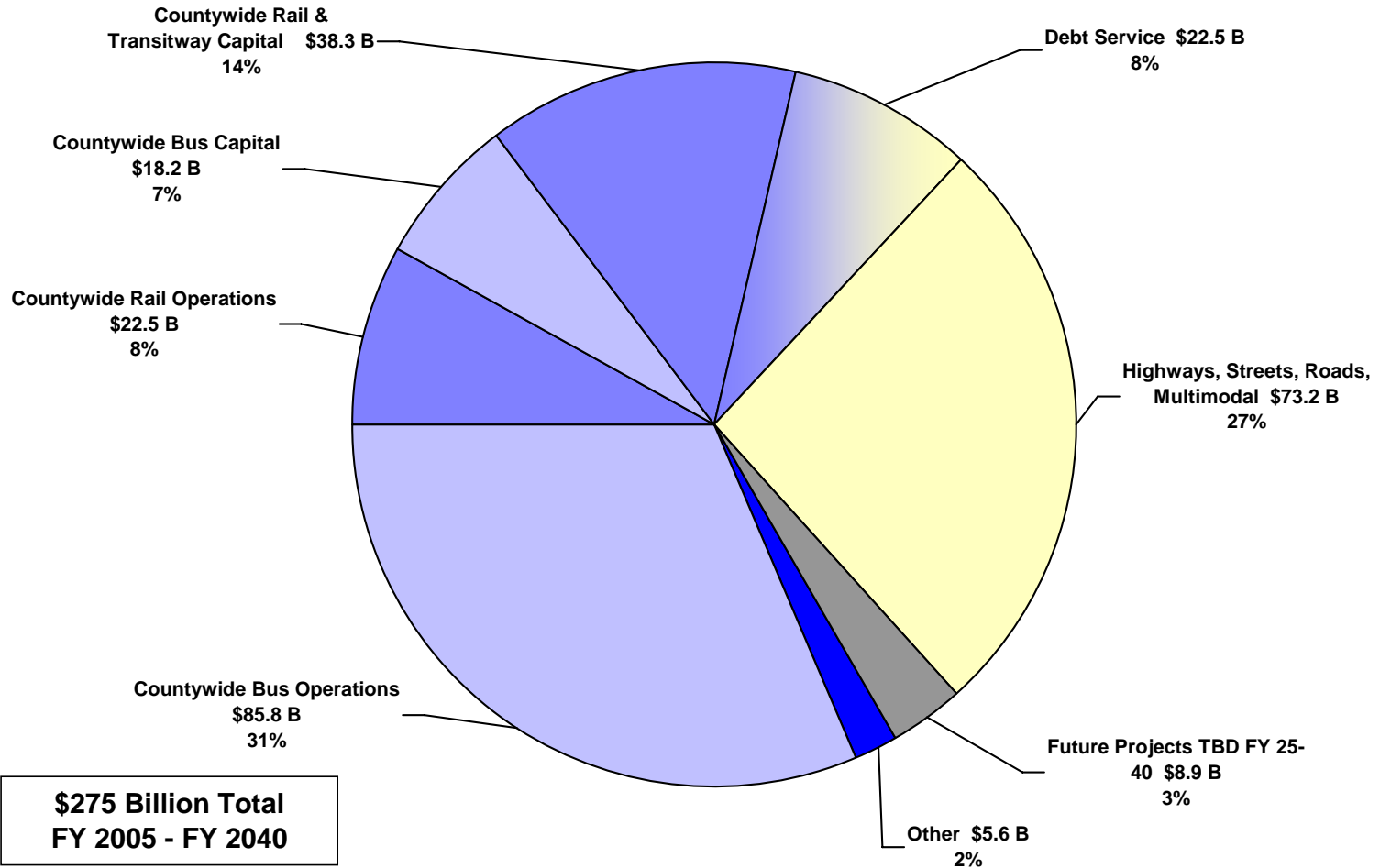
**Federal, State and Local Revenue Forecast**  
Based on UCLA September 2008 Taxable Sales Forecast  
(Actual receipts through June 2008)



**\$275 Billion Total**  
**FY 2005 - FY 2040**

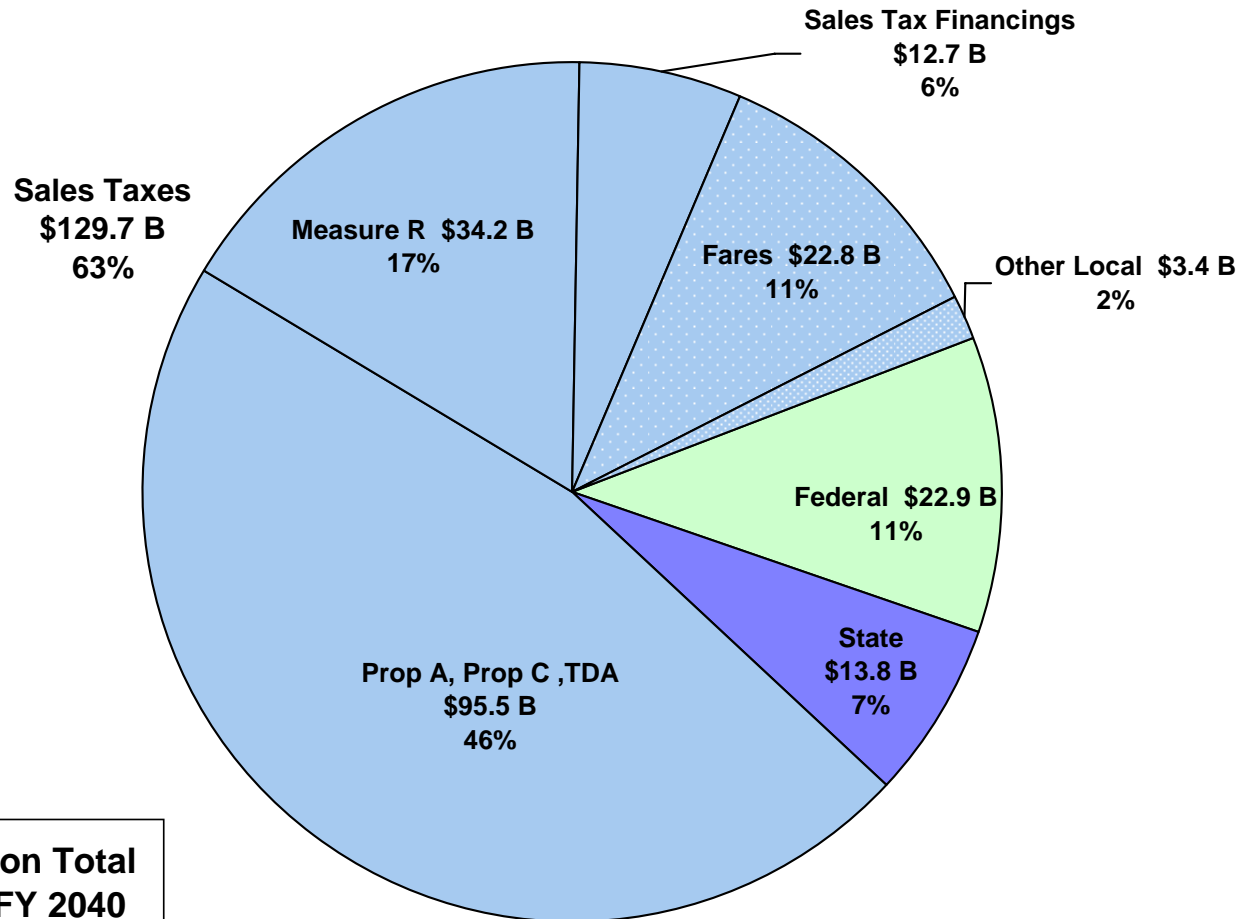
# 2008 Long Range Transportation Plan Financial Forecast

## Summary of Forecasted Uses by Mode



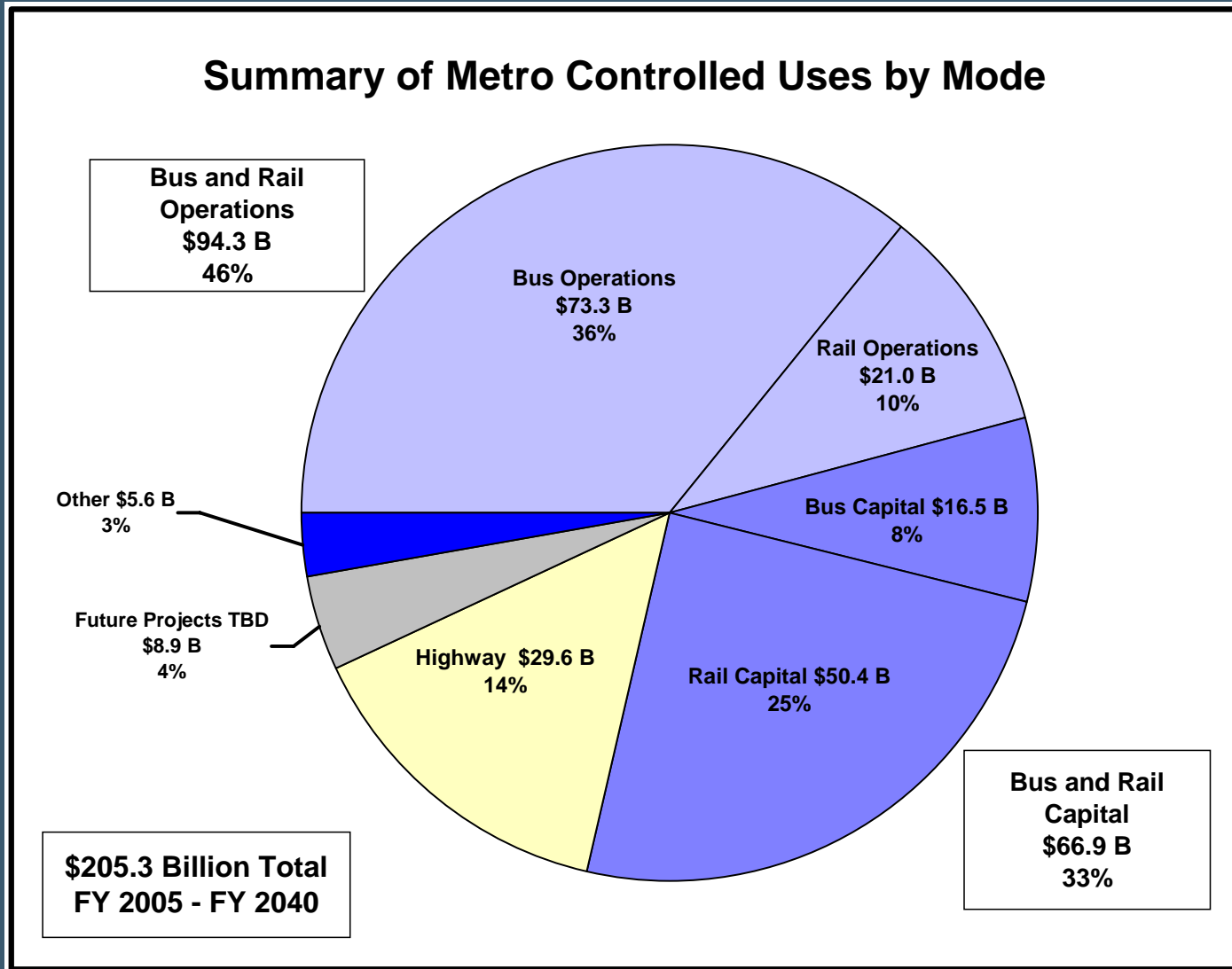
# 2008 Long Range Transportation Plan Financial Forecast

## Metro Controlled Federal, State and Local Revenue Forecast

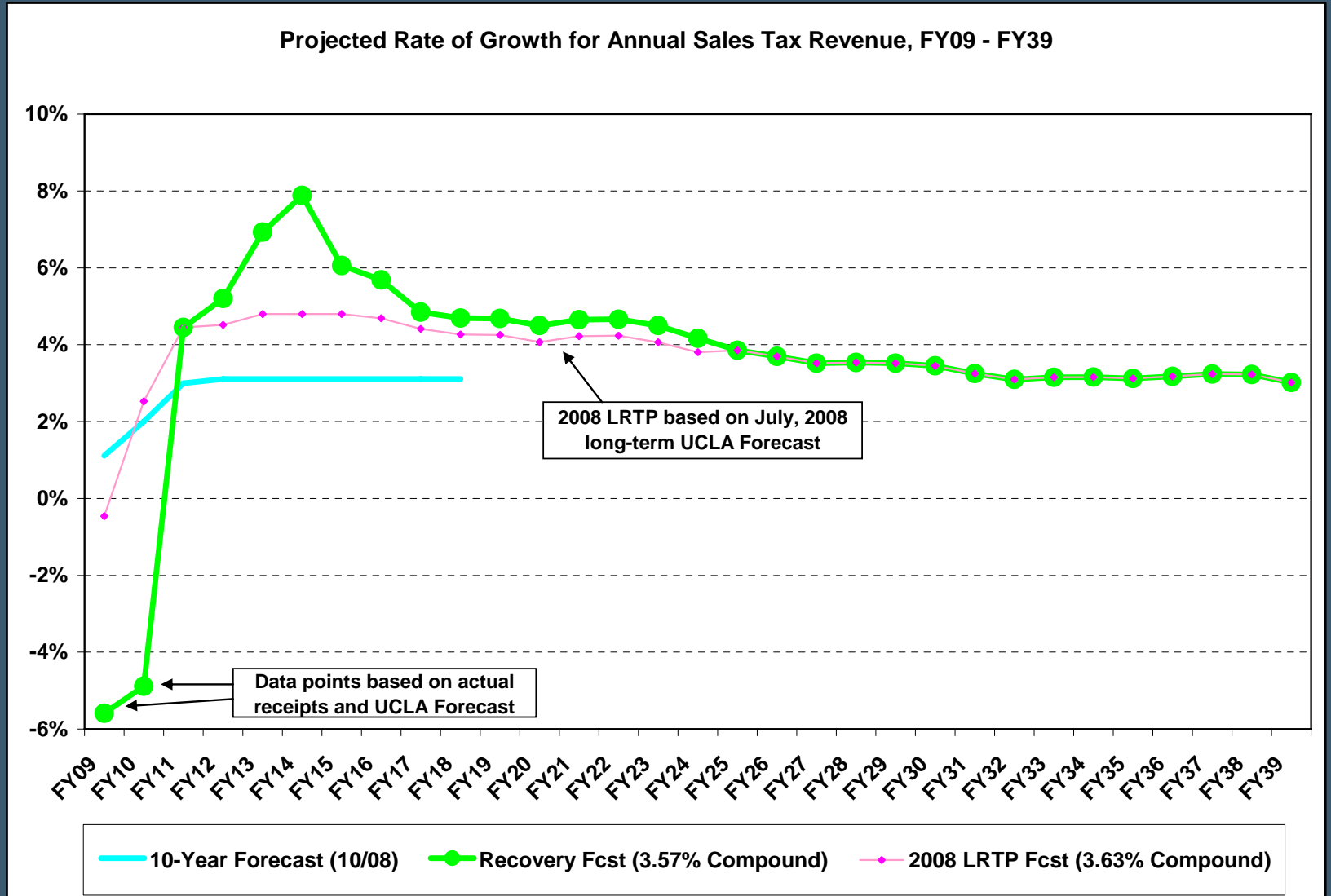


# 2008 Long Range Transportation Plan Financial Forecast

With Measure R, 75% of LA County's entire public transportation investment is Metro controlled.

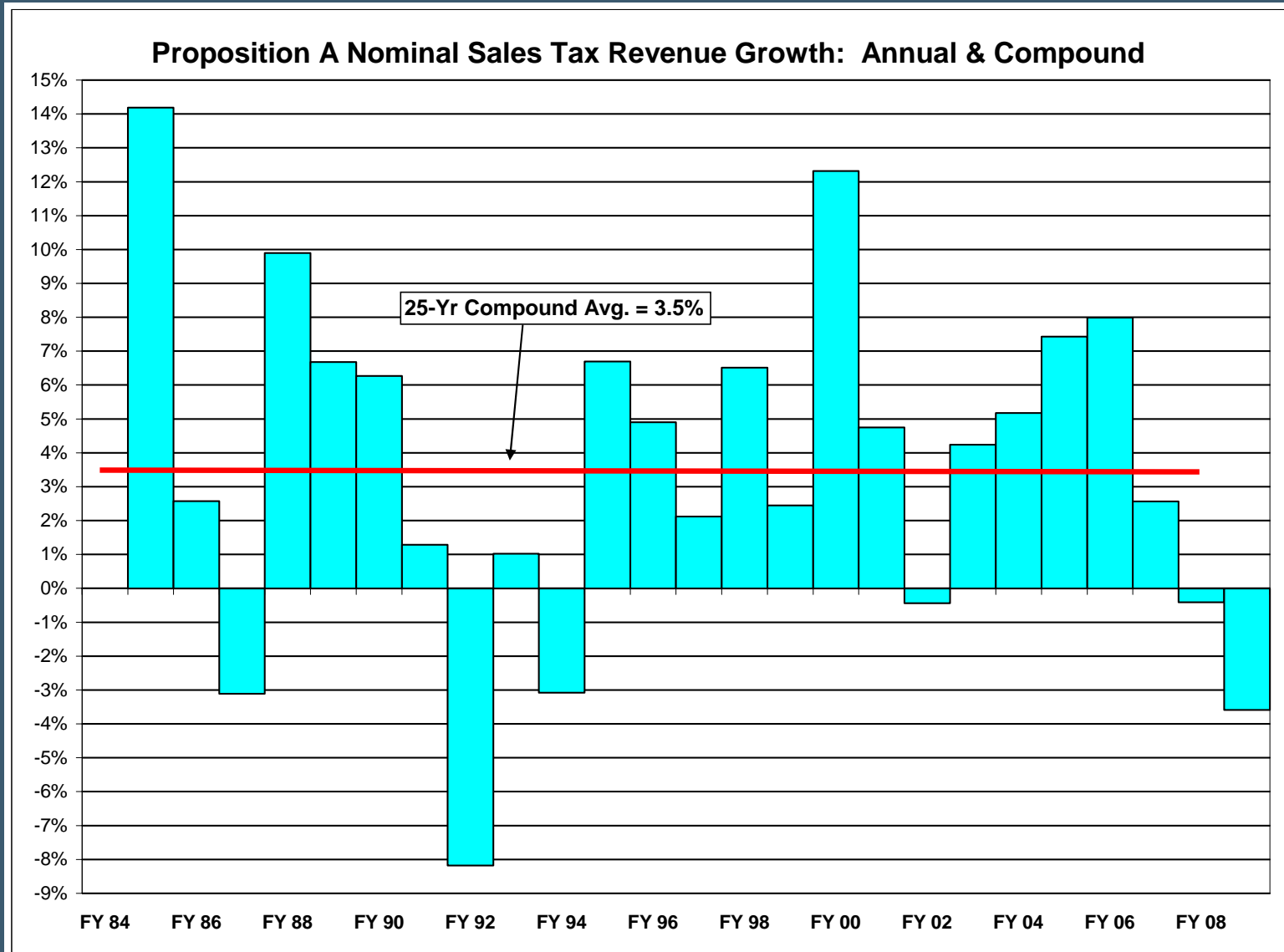


# Sales Tax Growth Forecast



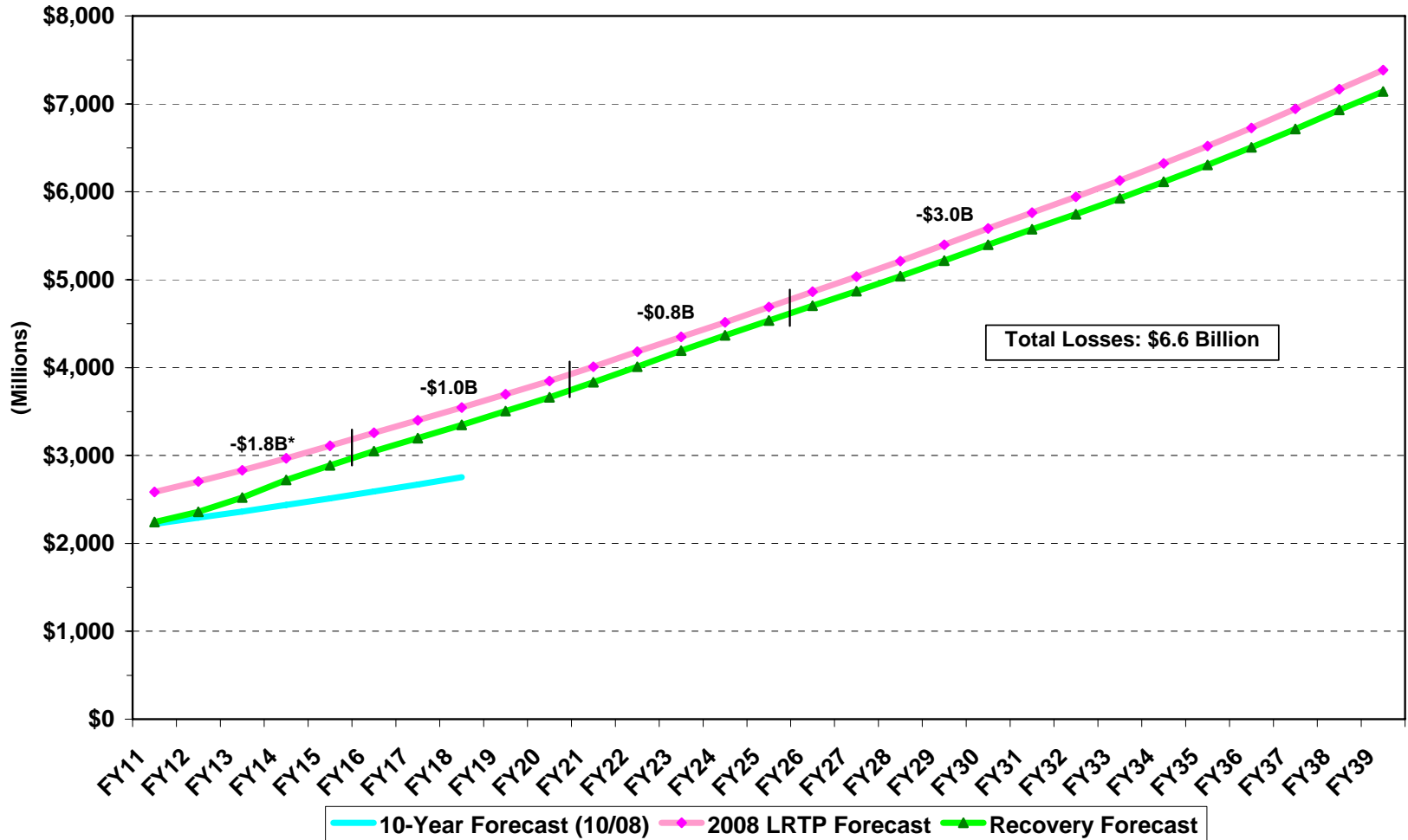


# Sales Tax Revenues Historical Growth Rates



# Sales Tax Revenues Forecast

Sales Tax Revenue Forecast Comparison, FY11-FY39



\* Numbers are cumulative losses between the 2008 LRTP Forecast and Recovery Forecast. FY10 losses are included in the first period.

# Impact of Sales Tax Decline by Program

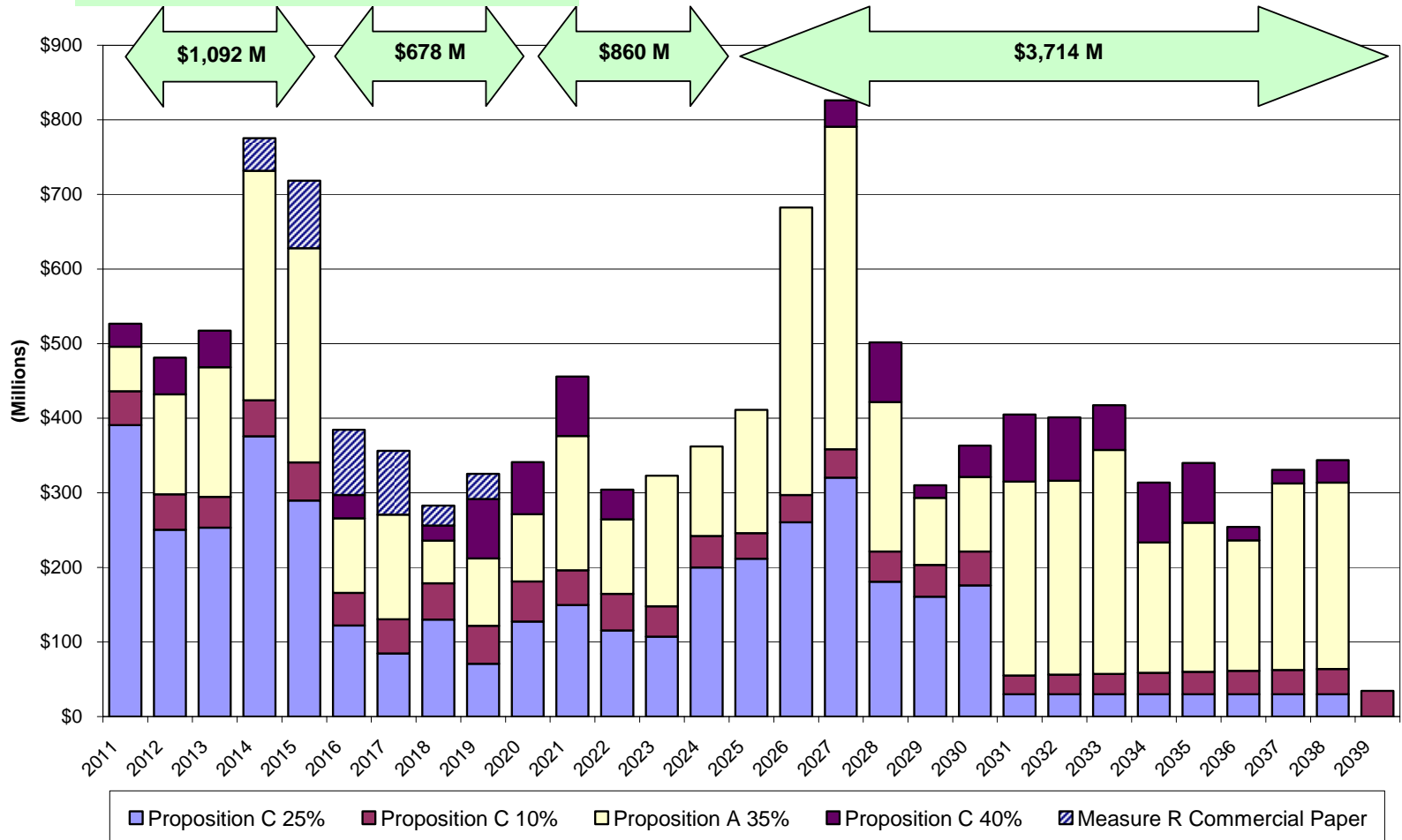
	% of Sales Tax (net of administration)	2008 LRTP Forecast FY 10-39	Recovery Forecast FY 10-39	Difference
<b>Measure R Programs</b>				
New Rail and/or Bus Rapid Transit Capital Projects	35%	\$ 13,828	\$ 13,221	\$ (607)
Metrolink Capital Improvement Projects within Los Angeles County	3%	\$ 1,185	\$ 1,133	\$ (52)
Metro Rail Capital - System Improvements, Rail Yards, and Rail Cars	2%	\$ 790	\$ 755	\$ (35)
Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls	20%	\$ 7,902	\$ 7,555	\$ (347)
Rail Operations (New Transit Projects)	5%	\$ 1,975	\$ 1,889	\$ (87)
Bus Operations	20%	\$ 7,902	\$ 7,555	\$ (347)
<b>Subtotal</b>		<b>\$ 33,582</b>	<b>\$ 32,107</b>	<b>\$ (1,474)</b>
<b>Prop A Programs</b>				
Rail Development Program	35%	\$ 13,400	\$ 12,807	\$ (593)
Discretionary	40%	\$ 15,315	\$ 14,636	\$ (678)
<b>Subtotal</b>		<b>\$ 28,715</b>	<b>\$ 27,443</b>	<b>\$ (1,271)</b>
<b>Prop C Programs</b>				
Transit Construction and Operations	40%	\$ 15,882	\$ 15,180	\$ (702)
Rail and Bus Security	5%	\$ 1,985	\$ 1,897	\$ (88)
Commuter Rail	10%	\$ 3,971	\$ 3,795	\$ (176)
Transit Improvements to Highways	25%	\$ 9,926	\$ 9,487	\$ (439)
<b>Subtotal</b>		<b>\$ 31,764</b>	<b>\$ 30,359</b>	<b>\$ (1,405)</b>
<b>TDA Programs</b>		<b>\$ 20,246</b>	<b>\$ 19,015</b>	<b>\$ (1,231)</b>
<b>TOTAL</b>		<b>\$ 114,306</b>	<b>\$ 108,925</b>	<b>\$ (5,381)</b>
<b>Local Return</b>				
Measure R	15%	\$ 5,926	\$ 5,666	\$ (260)
Prop A	25%	\$ 9,572	\$ 9,148	\$ (424)
Prop C	20%	\$ 7,941	\$ 7,590	\$ (351)
<b>TOTAL</b>		<b>\$ 23,439</b>	<b>\$ 22,404</b>	<b>\$ (1,035)</b>
<b>Administration</b>		<b>\$ 3,401</b>	<b>\$ 3,259</b>	<b>\$ (142)</b>
<b>GRAND TOTAL</b>		<b>\$ 141,147</b>	<b>\$ 134,588</b>	<b>\$ (6,559)</b>
			Change	-4.6%



# Declining Sales Taxes Also Limit Proceeds from Financings

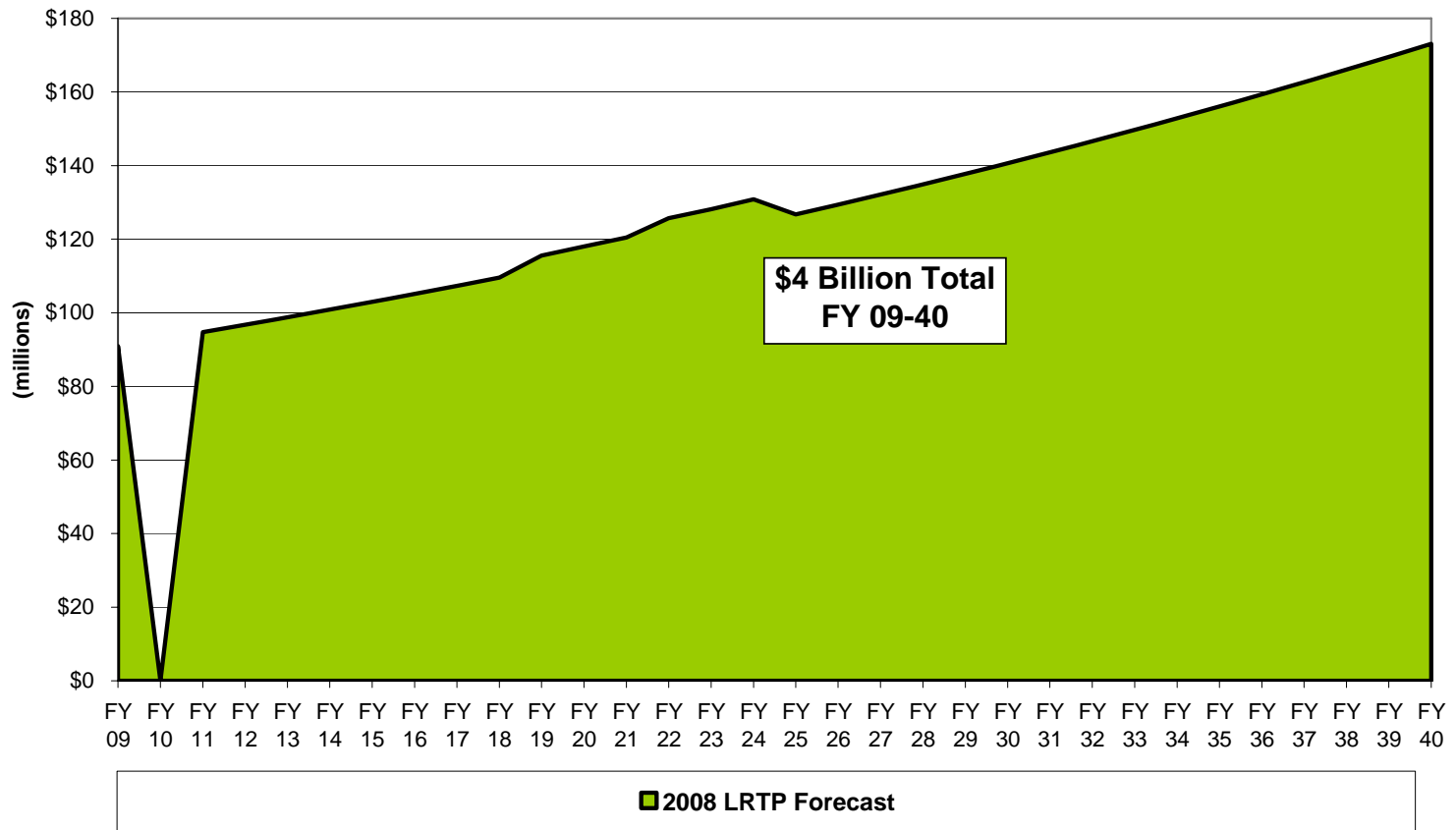
Proceeds from Financings Assumed in 2008 LRTP Forecast, FY11- FY39

Prop C 40% and Prop A 35% Amounts:



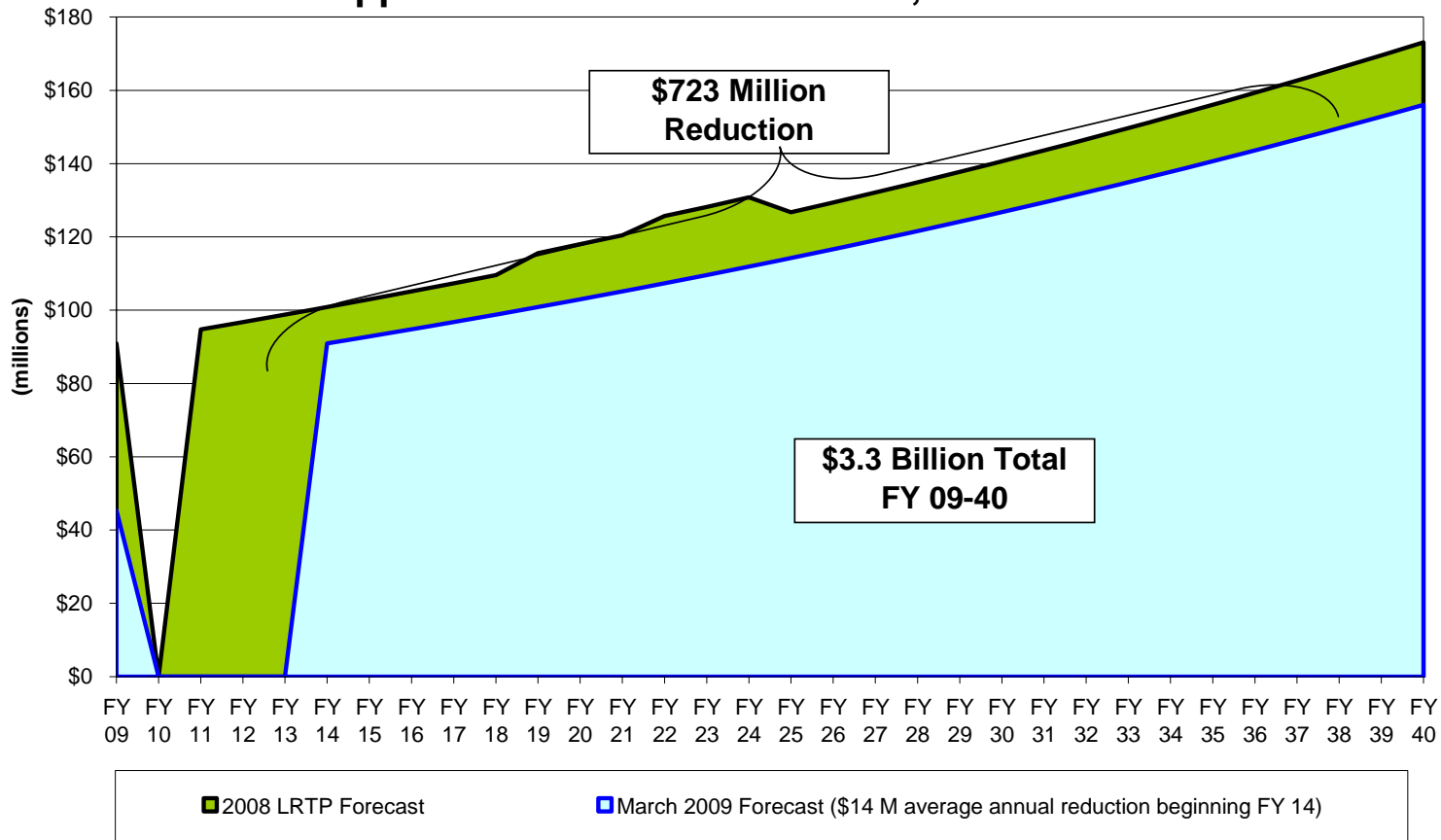
# State Transit Assistance

**State Transit Assistance (STA) Funds to Los Angeles County**  
**2008 LRTP Forecast: FY 09-40**  
**Approximate Share: 75% Metro, 25% Munis**



# State Transit Assistance March 2009 Forecast

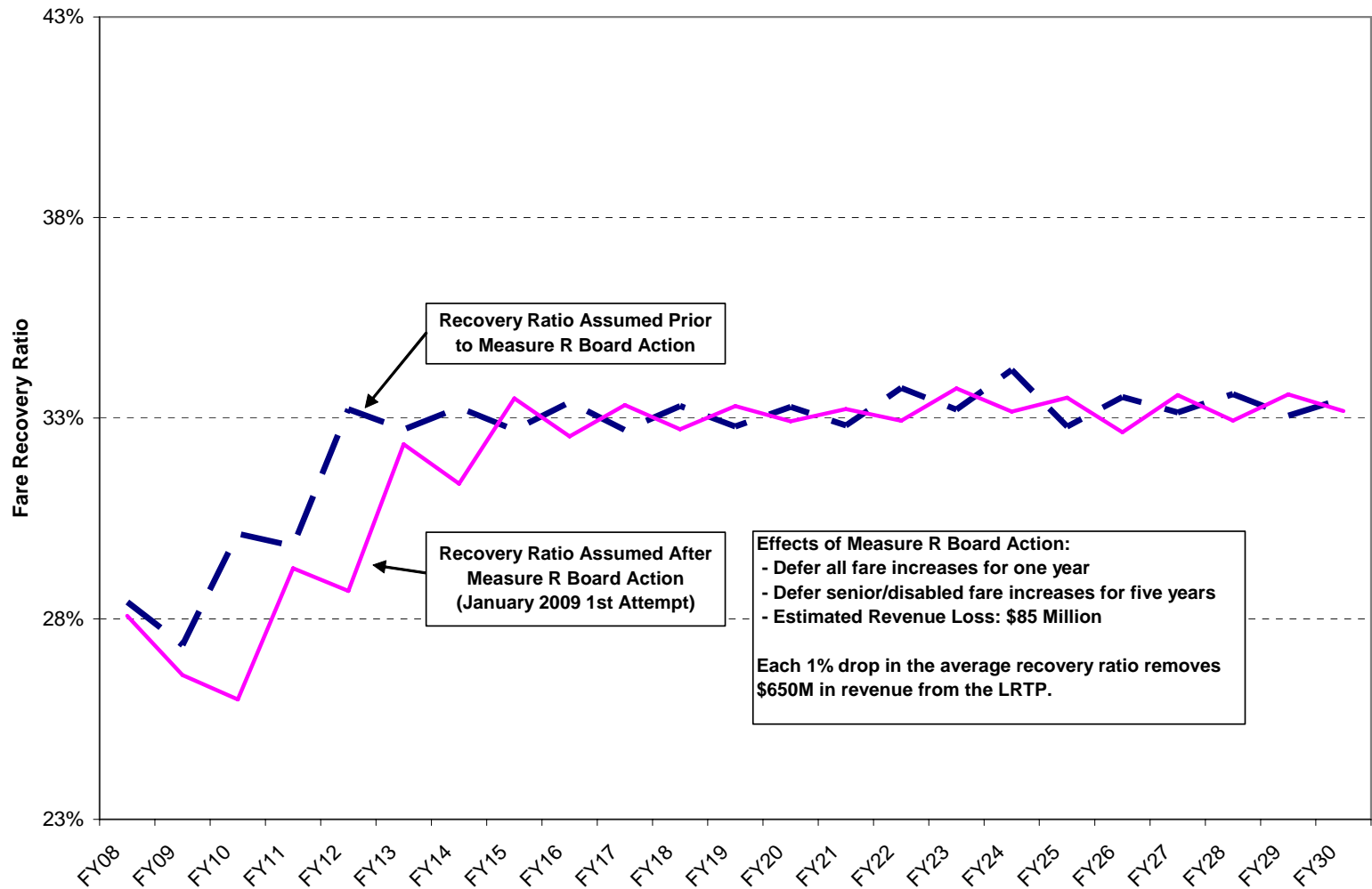
**State Transit Assistance (STA) Funds to Los Angeles County  
2008 LRTP Forecast Compared to March 2009 Forecast  
Approximate Share: 75% Metro, 25% Munis**



Senate Bill X3 7, chaptered 2/20/09, suspends STA for FY 10 through FY 13. Forecast beginning FY 14 assumes same \$306.4 million statewide level as original FY 09 State Budget.

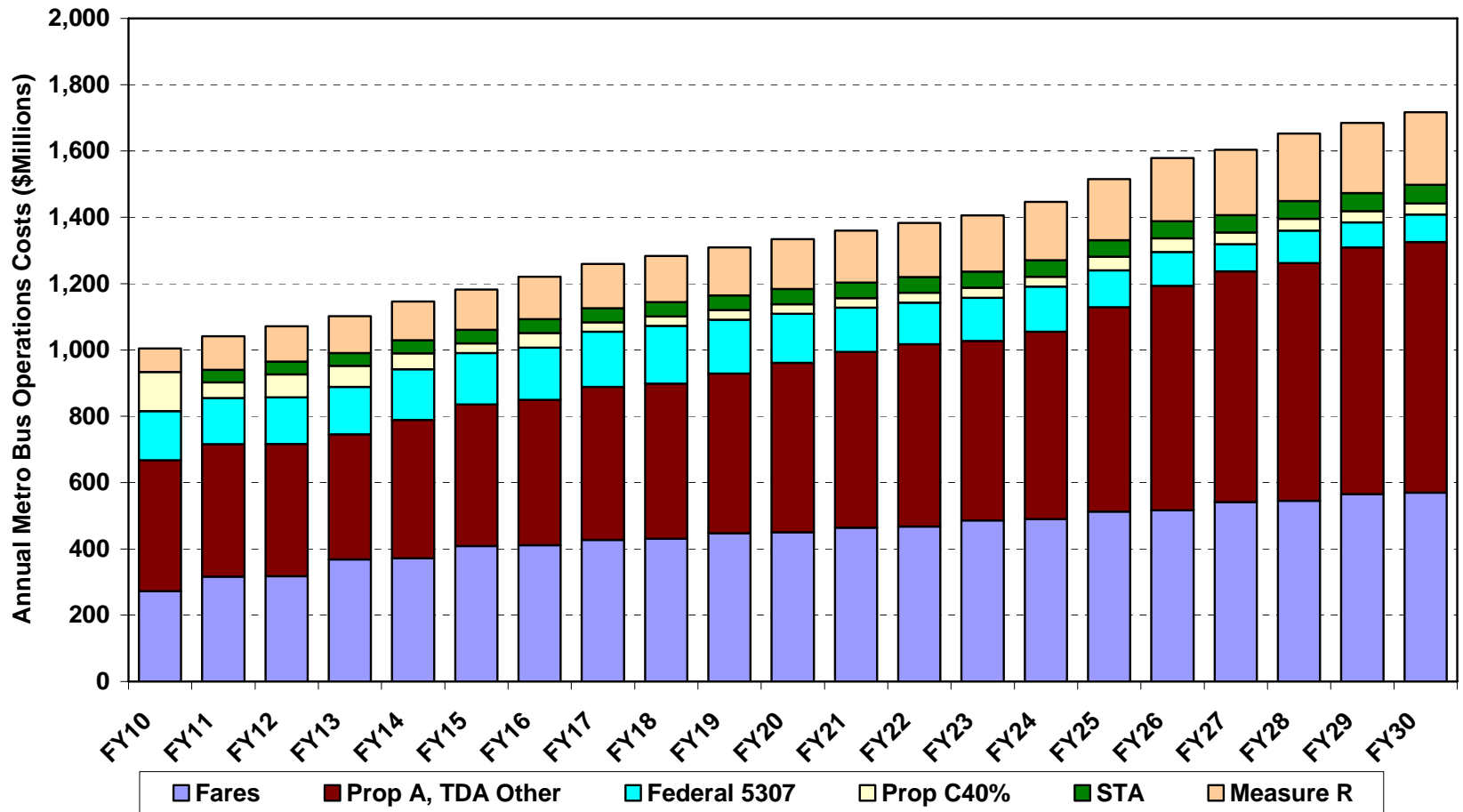
# Fare Recovery Ratio

## Fare Recovery Ratio - 33% Target



# Metro Bus Operations Costs

Metro Bus Operations Costs FY10-30  
by Funding Source

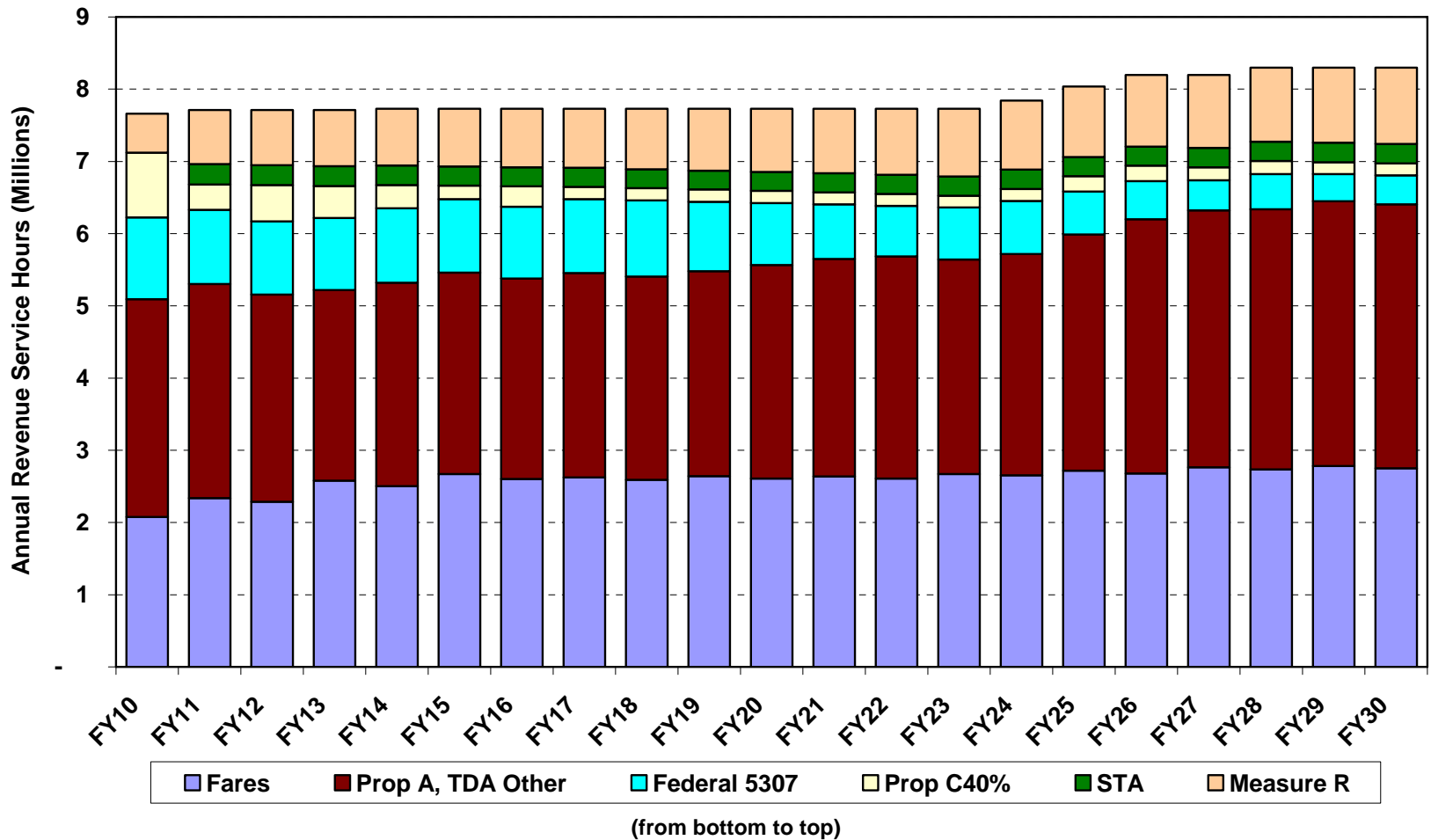


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# Metro Bus Revenue Service Hours

Metro Bus Revenue Service Hours FY10-30  
by Funding Source

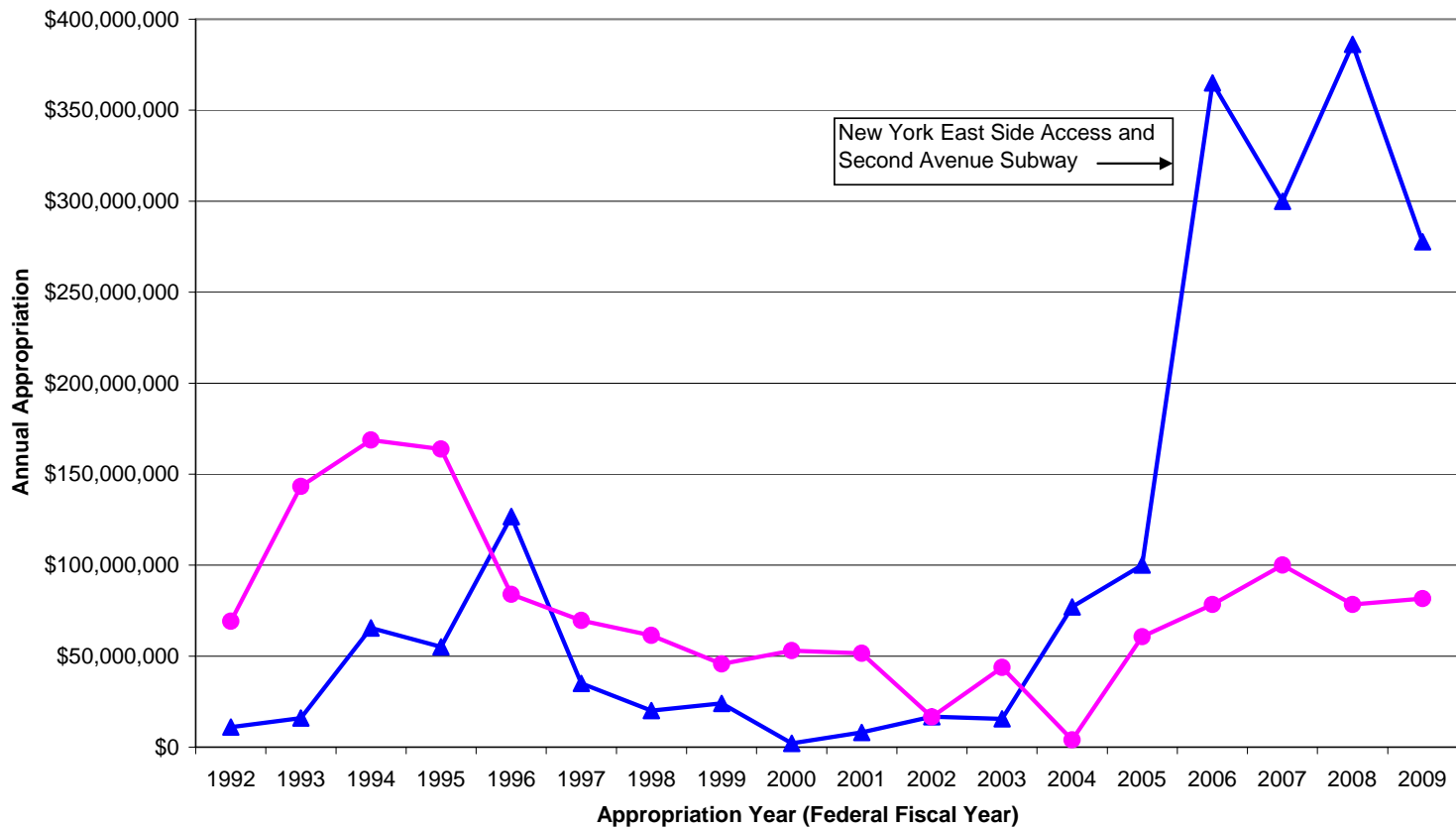


# Transit Capital Project Costs Escalation Options

Option	FY 10	FY 11	FY 12	FY 13	FY 14	Beyond	Total Cost Estimate	Cumulative Cost Savings
2008 LRTP	4%	4%	4%	4%	4%	3%	\$19.4 B	N.A.
1 (Recommended)	1%	2%	3%	→			\$18.0 B	\$ 1.4 B
2	1%	1.5%	3%	→			\$17.9 B	\$ 1.5 B
3	0%	1%	2%	3%	→		\$17.5 B	\$ 1.9 B

# New Starts for NY MTA vs LA Metro

## New Starts Appropriations by Federal Fiscal Year



▲ New York
 ● Los Angeles

Through FY 05, Los Angeles averaged \$74 M per year compared to New York's average of \$41 M.  
 Beginning FY 06, however, Los Angeles averaged \$85 M per year compared to New York's average of \$332 M.

# New Starts Funding Assumption - \$200 M

## New Starts Funds by Federal Transportation Act

(millions)

	ISTEA through SAFETEA-LU FFY 1992-2009	ISTEA FFY 1992-1997	TEA-21 FFY 1998-2003*	SAFETEA-LU FFY 2005-2009	APTA Proposal Less 30%	APTA Proposal Less 20%	APTA Proposal FFY 2010-2015
National Authorization Total	\$ 18,477	\$ 4,969	\$ 6,092	\$ 7,416	\$ 14,840	\$ 16,960	\$ 21,200
National Authorization Annual Average	\$ 1,087	\$ 828	\$ 1,015	\$ 1,483	\$ 2,473	\$ 2,827	\$ 3,533
LA Appropriation Total	\$ 1,369	\$ 698	\$ 272	\$ 399			
LA Appropriation Annual Average	\$ 81	\$ 116	\$ 45	\$ 80			
LA % of Total Authorization	7.4%	14.1%	4.5%	5.4%			
Annual Amount If LA % were 4.5%					\$ 110	\$ 126	\$ 158
Annual Amount If LA % were 5.4%					\$ 133	\$ 152	\$ 190
<b>Annual Amount If LA % were 7.4%</b>					\$ 183	<b>\$ 209</b>	\$ 262

\*In FFY 2004, Congress simply extended TEA-21 for one year. Los Angeles County did not receive an appreciable amount of New Starts funds in that year, so the data is omitted.

# Next Steps

- **Confirm assumptions**
- **Begin re-running financial forecast**
- **Review financial assumptions at Board Workshop on May 14, 2009**
- **Complete financial forecast revision**
- **Present revised forecast in June, 2009**

# Measure R

## Proposed One-Half Cent Sales Tax for Transportation

ATTACHMENT A

### Outline of Expenditure Categories

Sunsets in 30-Years: Fiscal Year (FY ) 2010 - 2039

(millions)

Subfund	Program	% of Sales Tax (net of administration)	First Year Amount	10-Year Amount	30-Year Amount
Transit Capital	New Rail and/or Bus Rapid Transit Capital Projects - project definition depends on final environmental review process	35%	\$ 241	\$ 2,930	\$ 13,790
Transit Capital	Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion)	3%	\$ 21	\$ 251	\$ 1,182
Transit Capital	Metro Rail Capital - System Improvements, Rail Yards, and Rail Cars	2%	\$ 14	\$ 167	\$ 788
Highway Capital	Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls	20%	\$ 138	\$ 1,675	\$ 7,880
Operations	Rail Operations (New Transit Project Operations and Maintenance)	5%	\$ 34	\$ 419	\$ 1,970
Operations	Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.)	20%	\$ 138	\$ 1,675	\$ 7,880
Local Return	Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit. (Local Return to the Incorporated Cities within Los Angeles County and to Los Angeles County for the Unincorporated Area of the County on a Per Capita Basis.)	15%	\$ 103	\$ 1,256	\$ 5,910
<b>TOTAL PROGRAMS</b>		<b>100%</b>	<b>\$ 689</b>	<b>\$ 8,373</b>	<b>\$ 39,400</b>
1.5% for Administration			\$ 11	\$ 127	\$ 600
<b>GRAND TOTAL</b>			<b>\$ 700</b>	<b>\$ 8,500</b>	<b>\$ 40,000</b>

# Measure R (cont.)

## Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan

ATTACHMENT A

30 Years, Fiscal Year (FY) 2010 - 2039

As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008

(\$ in millions)

for reference  
only - not  
priority order

Subfund	Potential Project in Alphabetical Order by Category (project definition depends on final environmental process)	Cost Estimate	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
			Minimum	Additional	Total	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
1	<b>Transit Projects: New Rail and/or Bus Rapid Transit Capital Projects. Could include rail improvements or exclusive bus rapid transit improvements in designated corridors.</b>									
2		Escalated \$								
3	Eastside Light Rail Access (Gold Line)	\$ 30	\$ 30	\$ -	\$ 30	\$ -	\$ -	\$ -	FY 2010	FY 2013
4	Exposition Boulevard Light Rail Transit	\$ 1,632 <sup>a</sup>	\$ 925	\$ -	\$ 925	\$ -	\$ 353	\$ 354	FY 2010-12	FY 2013-15
5	Metro and Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock (Metro's share to be used for clean fuel buses)	\$ 150	\$ 150	\$ -	\$ 150	\$ -	\$ -	\$ -	FY 2010	FY 2039
6	Regional Connector (links local rail lines)	\$ 1,320	\$ 160	\$ -	\$ 160	\$ 708	\$ 186	\$ 266 <sup>b</sup>	FY 2014-16	FY 2023-25
7		Current 2008 \$								
8	Crenshaw Transit Corridor - <b>project acceleration</b>	\$ 1,470	\$ 235.5	\$ 971.5	\$ 1,207	To be determined		\$ 263 <sup>c</sup>	FY 2010-12	FY 2016-18
9	Gold Line Eastside Extension	\$ 1,310	\$ -	\$ 1,271	\$ 1,271			\$ 39	FY 2022-24	FY 2033-35
10	Gold Line Foothill Light Rail Transit Extension	\$ 758	\$ 735		\$ 735			\$ 23	FY 2010-12	FY 2015-17
11	Green Line Extension to Los Angeles International Airport	\$ 200	\$ -	\$ 200	\$ 200			TBD <sup>d</sup>	FY 2010-12	FY 2015-28 <sup>d</sup>
12	Green Line Extension: Redondo Beach Station to South Bay Corridor	\$ 280	\$ -	\$ 272	\$ 272			\$ 8	FY 2028-30	FY 2033-35
13	San Fernando Valley I-405 Corridor Connection (match to total project cost)	TBD	\$ -	\$ 1,000	\$ 1,000			\$ 31	FY 2030-32	FY 2038-39
14	San Fernando Valley North-South Rapidways (Canoga Corridor) - <b>project acceleration</b>	\$ 188	\$ 32 <sup>e</sup>	\$ 150	\$ 182			\$ 6	FY 2010-12	FY 2014-16
15	San Fernando Valley East North-South Rapidways - <b>project acceleration</b>	\$ 70	\$ 68.5 <sup>e</sup>	\$ -	\$ 68.5			\$ 2	FY 2013-15	FY 2016-18
16	West Santa Ana Branch Corridor (match to total project cost)	TBD	\$ -	\$ 240	\$ 240			\$ 7	FY 2015-17*	FY 2025-27*
17	Westside Subway Extension - to be opened in segments	\$ 4,200 <sup>f</sup>	\$ 900	\$ 3,174	\$ 4,074			\$ 126	FY 2013-15	FY 2034-36
18	Capital Project Contingency (Transit)-Escalation Allowance for lines 8-17 to be based on year of construction	\$ 7,331	\$ 173	\$ 3,103	\$ 3,276	\$ 2,200	\$ 1,015	\$ 840 <sup>g</sup>	FY 2010	FY 2039
19	<b>Total New Rail and/or Bus Rapid Transit Capital Projects</b>	<b>\$ 18,939 <sup>h</sup></b>	<b>\$ 3,408.5</b>	<b>\$ 10,381.5</b>	<b>\$ 13,790</b>	<b>\$ 2,908</b>	<b>\$ 1,554</b>	<b>\$ 1,965</b>	FY 2010	FY 2039

# Measure R (cont.)

## Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan

ATTACHMENT A

30 Years, Fiscal Year (FY) 2010 - 2039

As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008

(\$ in millions)

for reference only - not priority order	Subfund	Potential Project in Alphabetical Order by Category (project definition depends on final environmental process)	Cost Estimate	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
				Minimum	Additional	Total	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
20		<b>Highway Projects: Capital Projects - Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls</b>									
21			Escalated \$								
22		Alameda Corridor East Grade Separations Phase II	\$ 1,123	\$ 200	\$ 200	\$ 400	\$ 200	\$ 336	\$ 187 <sup>i</sup>	As funds become available	
23		BNSF Grade Separations in Gateway Cities	\$ 35	\$ -	\$ 35	\$ 35	\$ -	\$ -	\$ -	As funds become available	
24		Countywide Soundwall Construction (Metro regional list and Monterey Park/SR-60)	\$ 250	\$ 250	\$ -	\$ 250	\$ -	\$ -	\$ -	FY 2010	FY 2039
25		High Desert Corridor (environmental)	\$ 33	\$ -	\$ 33	\$ 33	\$ -	\$ -	\$ -	As funds become available	
26		Interstate 5 / St. Route 14 Capacity Enhancement	\$ 161	\$ 90.8	\$ -	90.8	\$ 15	\$ 41	\$ 14 <sup>j</sup>	FY 2010	FY 2013-15
27		Interstate 5 Capacity Enhancement from I-605 to Orange County Line	\$ 1,240	\$ 264.8	\$ -	\$ 264.8	\$ 78	\$ 834	\$ 63 <sup>j</sup>	FY 2010	FY 2016-17
28		I-5 Capacity Enhancement from SR-134 to SR-170	\$ 610	\$ 271.5	\$ -	\$ 271.5	\$ 50	\$ 264	\$ 24 <sup>j</sup>	FY 2010	FY 2013
29		I-5 Carmenita Road Interchange Improvement	\$ 389	\$ 138	\$ -	\$ 138	\$ 97	\$ 154	\$ - <sup>j</sup>	FY 2010	FY 2015
30			Current 2008 \$								
31	Highway Capital Projects	Highway Operational Improvements in Arroyo Verdugo subregion	\$ 170	\$ -	\$ 170	\$ 170	To be determined			As funds become available	
32		Highway Operational Improvements in Las Virgenes/Malibu subregion	\$ 175	\$ -	\$ 175	\$ 175					
33		Interstate 405, I-110, I-105, and SR-91 Ramp and Interchange Improvements (South Bay)	\$ 906	\$ -	\$ 906	\$ 906					
34		Interstate 5 North Capacity Enhancements from SR-14 to Kern County Line (Truck Lanes)	\$ 2,800	\$ -	\$ 410	\$ 410					
35		Interstate 605 Corridor "Hot Spot" Interchanges	\$ 2,410	\$ -	\$ 590	\$ 590					
36		Interstate 710 North Gap Closure (tunnel)	\$ 3,730	\$ -	\$ 780	\$ 780					
37		Interstate 710 South and/or Early Action Projects	\$ 5,460	\$ -	\$ 590	\$ 590					
38		State Route 138 Capacity Enhancements	\$ 270	\$ -	\$ 200	\$ 200					
39		Capital Project Contingency (Highway)-Escalation Allowance for lines 31-38 to be based on year of construction	\$ 2,575	\$ -	\$ 2,575.9	\$ 2,576					
40			<b>Total Capital Projects Highway: Carpool Lanes, Highways, Goods Movements, Grade Separations, and Soundwalls</b>	<b>\$ 22,337</b>	<b>\$ 1,215.1</b>	<b>\$ 6,664.9</b>					





# Measure R (cont.)

## Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan

ATTACHMENT A

30 Years, Fiscal Year (FY) 2010 - 2039

As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008

(\$ in millions)

for reference only - not priority order	Subfund	Operating and Capital Programs	Percent of New Sales Tax Net Revenues	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
				Minimum	Additional	Total Escalated	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
41	Ops	Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.)	20%	\$ -	\$ 7,880	\$ 7,880 <sup>k</sup>	Not Applicable		FY 2010	FY 2039	
42	Ops	Rail Operations (New Transit Project Operations and Maintenance)	5%	\$ -	\$ 1,970	\$ 1,970 <sup>k</sup>			FY 2010	FY 2039	
43	Local Return	Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit.	15% <sup>l</sup>	\$ 250	\$ 5,660	\$ 5,910 <sup>k</sup>			FY 2010	FY 2039	
44	Tran. Cap.	Metro Rail Capital Projects - System Improvements, Rail Yards, and Rail Cars	2%	\$ -	\$ 788	\$ 788 <sup>k</sup>			FY 2010	FY 2039	
45	Tran. Cap.	Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion)	3%	\$ 70	\$ 1,112	\$ 1,182 <sup>k</sup>			FY 2010	FY 2039	
46	<b>Subtotal Transit and Highway Capital Projects</b>		<b>\$ 41,276<sup>m</sup></b>	<b>\$ 4,623.6</b>	<b>\$ 17,046</b>	<b>\$ 21,670</b>	<b>\$ 2,908</b>	<b>\$ 1,554</b>	<b>\$ 2,253</b>	FY 2010	FY 2039
47	<b>Subtotal page 4</b>			<b>\$ 320.0</b>	<b>\$ 17,410</b>	<b>\$ 17,730</b>					
48	1.5% for Administration		N/A	\$ 10	\$ 590	\$ 600				FY 2010	FY 2039
49	<b>Total</b>			<b>\$ 4,953.6</b>	<b>\$ 35,046</b>	<b>\$ 40,000</b>	<b>\$ 2,908</b>	<b>\$ 1,554</b>	<b>\$ 2,253</b>	FY 2010	FY 2039

**Notes:**

- The Exposition Blvd Light Rail Transit project includes the following funds: Prop 1B Transit Modernization funds (\$250 M), State Transportation Improvement Program funds (\$103 M), Metro Propositions A and C funds (\$354 M).
- Systemwide ridership forecasts indicate need for a Regional Connector downtown. This expenditure plan assumes that Metro Long Range Transportation Plan funds freed-up from the Exposition Phase II project by passage of this sales tax will be redirected to the Regional Connector project by the Metro Board.
- Local funding for the Crenshaw Transit Corridor assumes a 3% local contribution (\$44 M) and a Metro Long Range Transportation Plan contribution (\$219 M).
- Local funding target and project schedule to be determined due to potential LAX contribution. First segment is included in the Crenshaw project.
- The San Fernando Valley North-South Rapidways minimum of \$100 M is divided between the East and Canoga segments.
- Unescalated cost estimate to Westwood.
- Assumes a 3% local contribution to the Escalation Allowance (\$225 M) and a Metro Long Range Transportation Plan contribution for project scheduling risk (\$615 M).
- Total new rail and/or bus rapid transit capital projects cost estimate subject to change when cost estimates are developed for the San Fernando Valley I-405 Corridor Connection (line 13) and the West Santa Ana Branch Corridor (line 16).
- The precise amounts of Federal and local funding for the Alameda Corridor East Grade Separations Phase II project are subject to change.
- For projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of this sales tax shall remain in the subregion in which the project is located for projects or programs of regional significance (per AB 2321).
- Amounts are estimates. Actual amounts will be based on percentage of actual sales tax receipts net of administration.
- Local Return to the incorporated cities within Los Angeles County and to Los Angeles County for the unincorporated area of the County on a per capita basis per annual California Department of Finance population data.
- The total project cost estimate for the transit and highway capital projects of \$41.2 B includes \$12.9 B in as yet unidentified federal, state, local, and public-private partnership funds for highway projects.

Legend: Ops = Operations; Tran. Cap. = Transit Capital; SR = State Route; I = Interstate

\* The West Santa Ana Branch matching funds would be accelerated by utilizing Long Range Transportation Plan resources freed-up by the use of new sales tax funds on the Interstate 5 Capacity Enhancement from I-605 to Orange County Line project (line 27).

