

# Measure R Workshop



**Metro**

July 16, 2009



# What We Hope to Accomplish Today

- > Identify public expectations
- > Clarify Measure R
- > Provide status on implementation
- > Provide scenarios for advancement
- > Identify gaps in implementation
- > Explore various funding mechanisms
- > Establish basis for federal funding proposal (FFGA)



# Measure R Baseline Study

> Fairbank, Maslin, Maullin & Associates

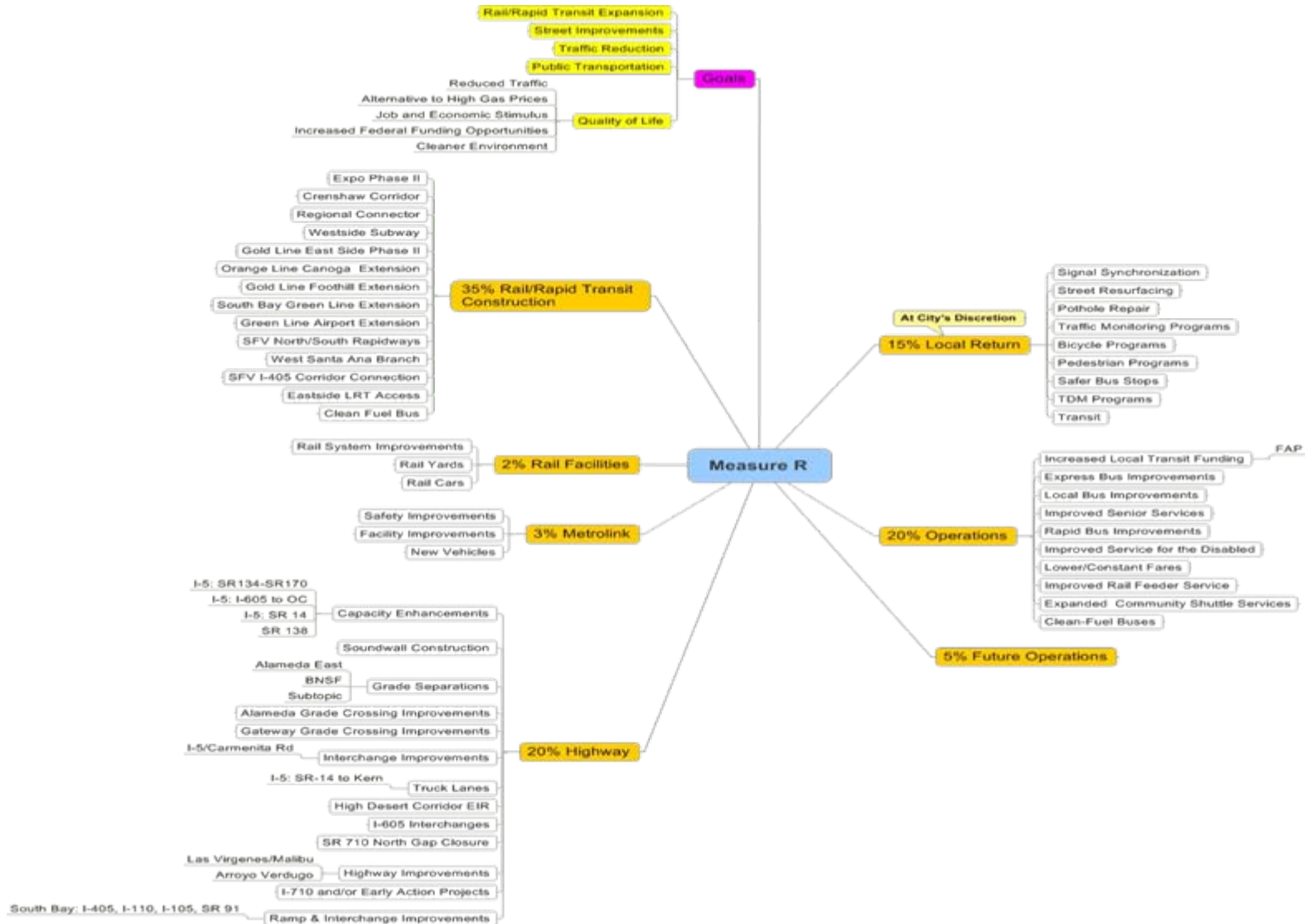


# Measure R Promises

- > Local street improvements
- > Improved bus service
- > Improved quality of life
- > Strong oversight
- > Improved traffic flow on freeways
- > Rail and rapid transit expansion



# Measure R Projects and Programs Diagram





# Guiding Principles in Moving Forward

- > Adherence to Measure R Expenditure Plan
- > Ten-year lock on moving funds between transit & highway sub-funds (requires 2/3 vote)
- > System approach with geographic equity
- > Integrated bus/rail/highway/High Speed Rail
- > Phased implementation
- > Aggressive FFGA
- > 3% Local contribution



# Local Street Improvements

## Promises

- > Street repair/resurfacing
- > More synchronized signals and left turn lanes
- > Safer streets and bus stops
- > Bicycle and pedestrian programs
- > No backfilling

## Progress

- > Local Return guidelines for cities/County in development
- > Exploring ability to swap and borrow funds
- > Cities/County select transportation projects per Measure R criteria and Local Return guidelines



# Improved Bus Service

## Promises

- > Increased local and municipal operator transit funding
- > Local, Rapid, Express and feeder service improvements
- > Improved services for Seniors/Disabled
- > Clean-fueled buses

## Progress

- > Fares frozen (1 and 5 years)
- > Largest clean-air fleet
- > Municipal/eligible operator guidelines in development
- > Money to be distributed via FAP
- > Adapting to loss of state operating funds
- > Reviewing Bus/Rail interface





# Improved Quality of Life

## Promises

- > More jobs
- > Investment in local economy
- > Less traffic
- > Reduced dependency on foreign oil
- > Environmental benefits

## Progress

- > LAEDC to report on economic impacts
- > Exploring fund flexibility



# Strong Oversight

## Promises

- > Ensure funds are spent on what voters approved
- > Three-judge oversight
- > Multidisciplinary advisory panel
- > Annual audits
- > Constant reporting
- > Transparency

## Progress

- > Candidate selection for judicial oversight committee in process



# Improved Traffic Flow on Freeways

## Promises

- > Capacity enhancements
- > Soundwall construction
- > Grade separations
- > Highway improvements

## Progress

- > Soundwall program under construction
- > Several studies in progress
- > Developing program and schedule
- > Forming Measure R Highway Advisory Committee



# Highway Projects

- > Geographic equity
- > Not all sub-regions have rail projects
- > \$1.4 billion highway funds available first 10 years
- > Highway funds will be programmed by the Board
- > Where there are no rail projects, we focus on highway





# L RTP Measure R Assumptions: 20% Highway Capital Sub-fund Revenue Estimate

(millions)

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Subtotal	
2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
\$ 87.7	\$ 126.3	\$ 132.8	\$ 142.0	\$ 153.2	\$ 162.5	\$ 171.7	\$ 180.1	\$ 188.5	\$ 197.3	\$ 1,542.2	
						Years 20-'29				Years 30-'39	
						<u>\$ 2,501.7</u>				<u>\$ 3,510.8</u>	Total \$ 7,554.7



# Highway Project Status

Project Description	Measure R Funding	Project Status
Alameda Corridor East Grade Separations Phase II	\$ 400 M	At 7/09 Board meeting, we will recommend \$42M be programmed to Alameda Corridor East Construction Authority in FY10 for final design, right of way acquisition & utility relocations for San Gabriel Trench project to eliminate 4 grade crossings. Project to begin construction FY11 & end FY14.
BNSF Grade Separations in Gateway Cities	\$ 35 M	Environmental was completed in 2000 for 4 grade separations in City of Santa Fe Springs. Design is 30% complete.



# Highway Project Status

Project Description	Measure R Funding	Project Status
Countywide Soundwall Construction (Metro regional list and Monterey Park/SR-60)	\$ 250 M	6/09, Board approved Life of Project budget for Package 4 using Prop C25% funds. Construction to start this summer & completed Nov. 2011. Design of Packages 5, 6, 7, 8 & 10 to be complete 3/10. Package 11 to start design this summer, anticipated to be complete summer 2010. Added soundwalls to be programmed based on Board established priority list.





# Highway Project Status

Project Description	Measure R Funding	Project Status
High Desert Corridor (environmental)	\$ 33 M	In FY09 budget, Board approved \$500,000 for High Desert Corridor Joint Powers Authority (JPA). JPA expected to initiate Public Private Partnership (PPP) Feasibility Study this Fall, pending adoption of SBX2 4 guidelines by CTC. JPA will initiate environmental work following completion of PPP Feasibility Study, expected to be complete Fall 2010.



# Highway Project Status

Project Description	Measure R Funding	Project Status
Arroyo Verdugo Operational Improvements	\$ 170 M	Using Subregional LRTP priorities & Caltrans identified operational projects, a draft proposed project list was presented to COG 6/09. COG reviewing list.
Las Virgenes/Malibu Operational Improvements	\$ 175 M	Using Subregional LRTP priorities, Caltrans identified operational projects & US-101 Major Investment Study recommendations, a draft proposed project list was presented to COG 6/09. A follow-up meeting was held 6/16/09. COG reviewing list.



# Highway Project Status

Project Description	Measure R Funding	Project Status
South Bay I-405, I-110, I-105, SR-91 Ramp & Interchange Improvements	\$ 906 M	Using Subregional LRTP priorities, COG I-405 Corridor Study & Caltrans identified operational projects, a draft proposed project list was presented to COG 5/09. Added project information provided to COG in June. COG reviewing list.
I-5 North Capacity Enhancements from SR 14 to Kern County Line (Truck Lanes)	\$ 410 M	Project Study Report (PSR) completed for the SR-14 to SR-126 segment. Caltrans & I-5 Gateway Coalition completed EIR for 1st phase from SR-14 to Pico Canyon. This Phase ready for design.



# Highway Project Status

Project Description	Measure R Funding	Project Status
I-605 Corridor Interchanges	\$ 590 M	Three interchanges at I-605/I-10, I-605/I- 5, & I-605/SR-91 identified. PSR completed on I-605/I-10 interchange 9/08.
I-710 North Gap Closure (tunnel)	\$ 780 M	Caltrans conducting Tunnel/Geo Technical Study.
I-710 South and/or Early Action Projects	\$ 590 M	PSRs completed for 5 projects identified as Early Action Projects. These projects ready for environmental clearance. We & our funding partners conducting environmental clearance on I-710 South. Effort to be completed 8/11.
SR-138 Capacity Enhancement	\$ 200 M	Caltrans completed PSRs on 7 remaining segments identified in LRTP. These segments ready for environmental clearance.



# Highway Program Summary

- > Measure R earmarked 20% for Highway Projects/Programs
- > Over 30 years estimated to provide \$7.88 billion  
(prior to economic recession)
- > Total estimated cost projects/programs \$22 billion
- > Aggressively pursue other funding to fill gap



# Rail and Rapid Transit Expansion

## Promises

- > Rail expansion
- > Rapid transit expansion

## Progress

- > Broke ground on Canoga Orange Line
- > Multiple studies in progress
- > Board approved funding for Metrolink Positive Train Control Project

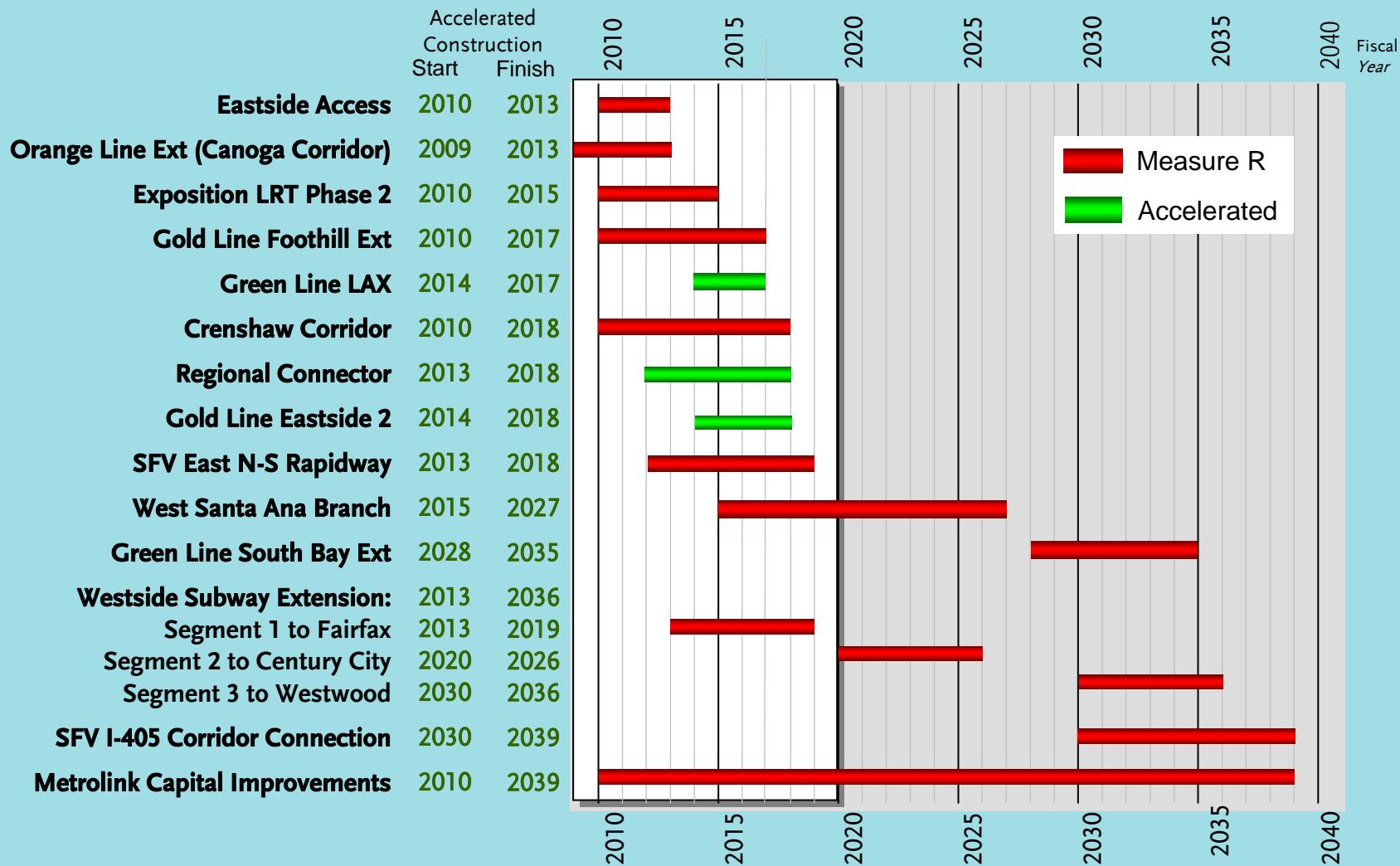


# If transit projects were accelerated...





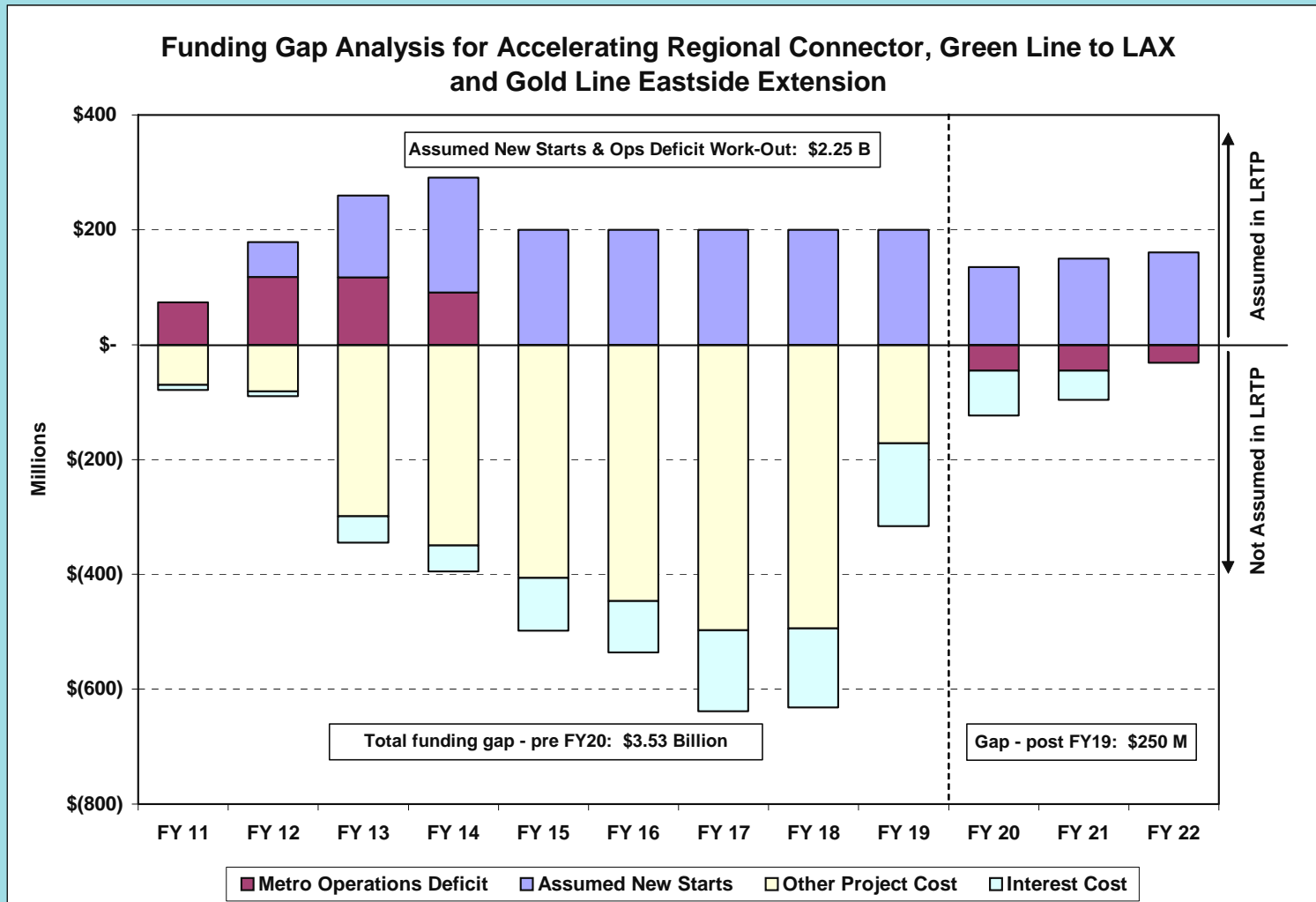
# If transit projects were accelerated...





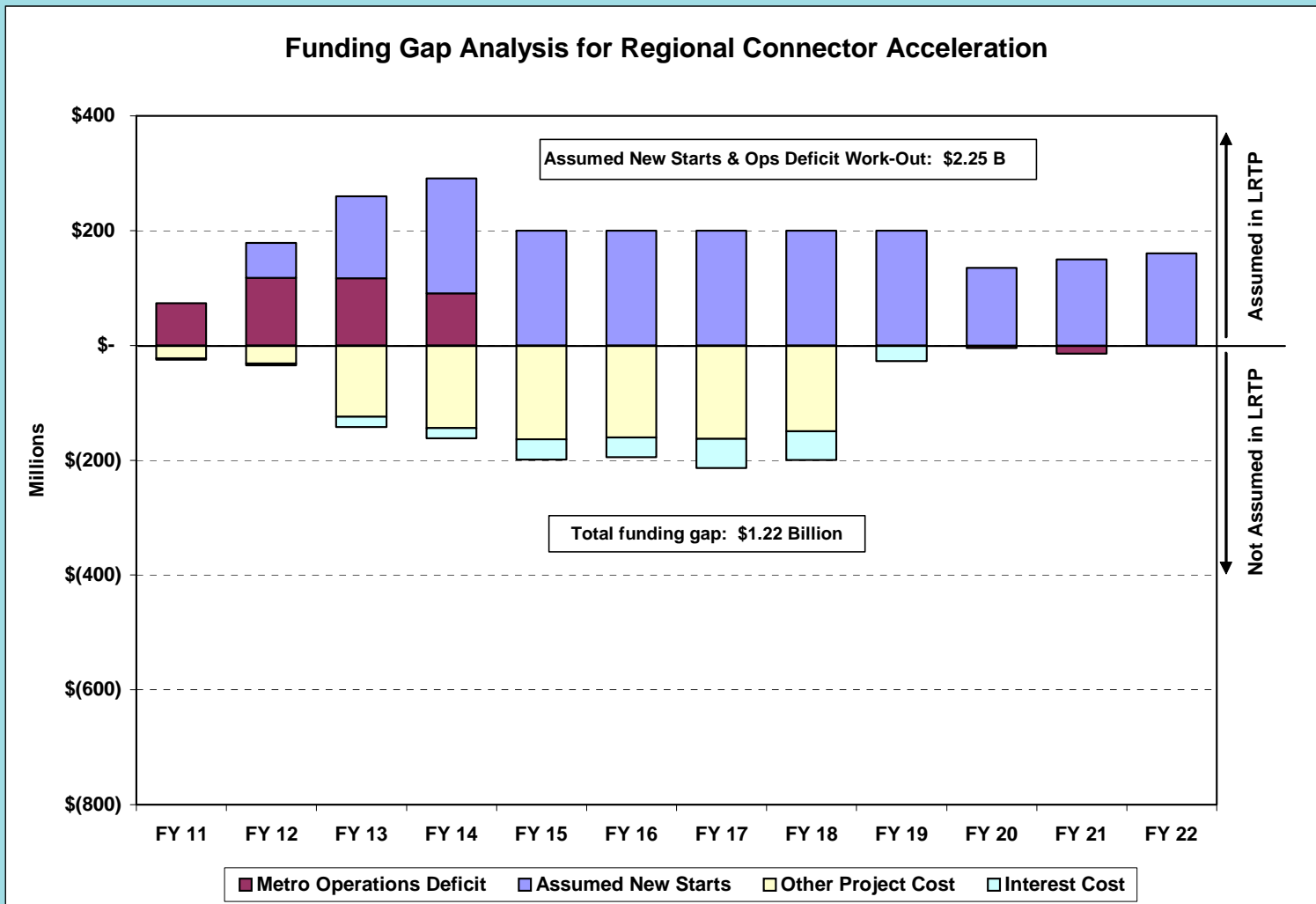


# If three projects were accelerated...





# If one project were accelerated...





# If transit projects were accelerated...

## Summary

- > We would have up to \$3.5 billion funding gap
- > We would incur additional debt and operating costs
- > We would save on construction escalation costs
- > We would require 2/3 vote of the Board to accelerate Measure R funds



# Managing the Funding Gap

- > Construction/acceleration savings
- > Real estate/PPP
- > Service efficiency savings/additional fare revenues
- > Prop A & C funds
- > PERS, non-state pension fund investment programs
- > Debt/bonding on Measure R funds
- > Increase debt limits beyond what is already assumed in LRTP
- > High Speed Rail funding offsets
- > Additional federal funding



# Public Private Partnerships

- > Potential funding source
- > Means to accelerate projects
- > Requires leveraging real estate and future revenue streams
- > Means of controlling risk
- > Certain projects better meet criteria
- > Consultant on board
- > Initial project recommendations Fall 2009



# High Speed Rail

## Integration into LRTP

- > \$2.7 billion starter line (OC/LA)
- > 50/50 federal and state funding
- > Federal/state/local effort
- > Construction funding offsets/economies possible



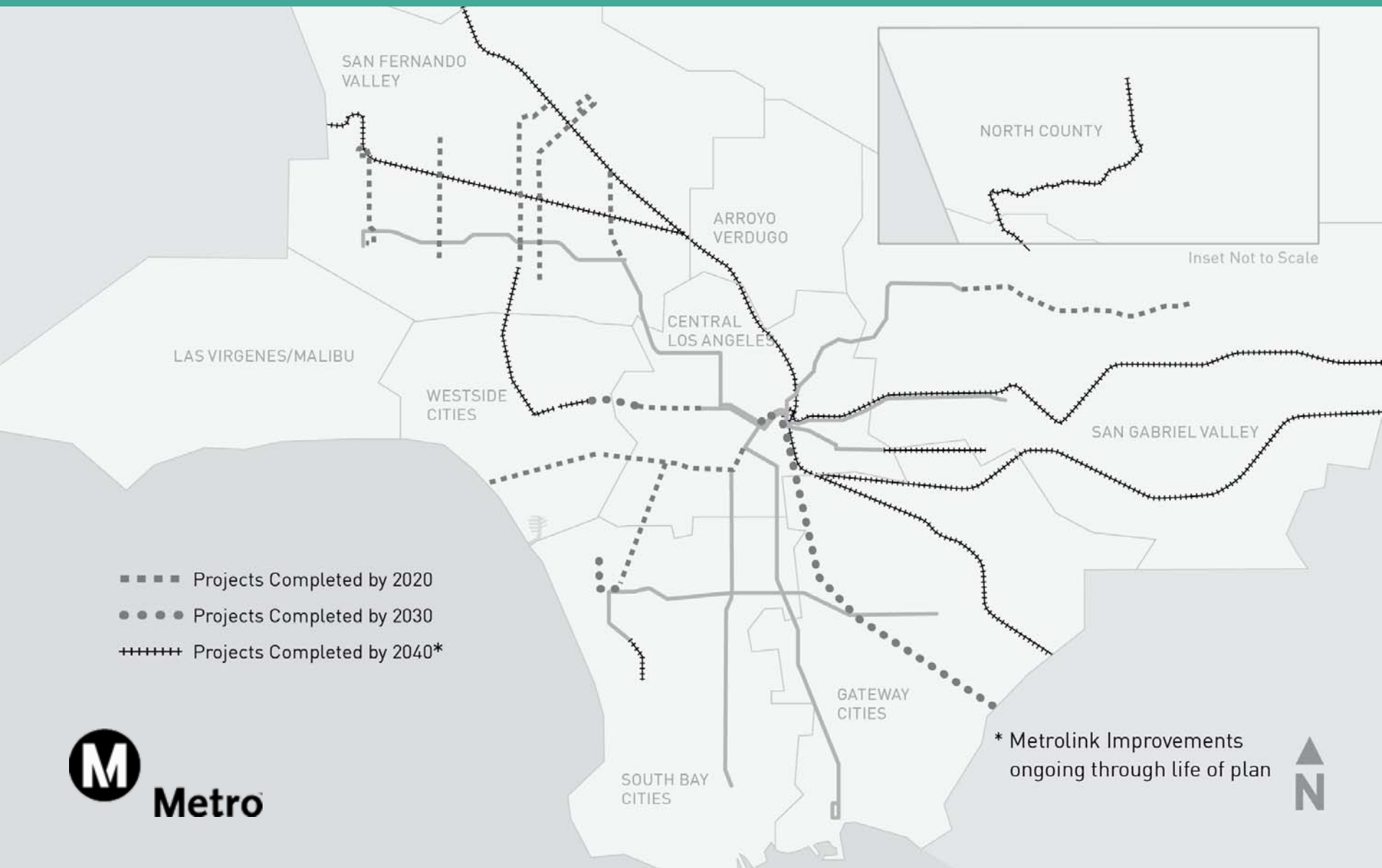
# A Serious Need for an FFGA

## **A project is needed**

- > Hundreds of millions of dollars at stake – annually
- > Seeking significantly larger agreement than historical average
- > Highest performing line: Regional Connector/Westside Subway
- > Metro is ideal partner (with Measure R)
- > Need to address operating shortfall to qualify



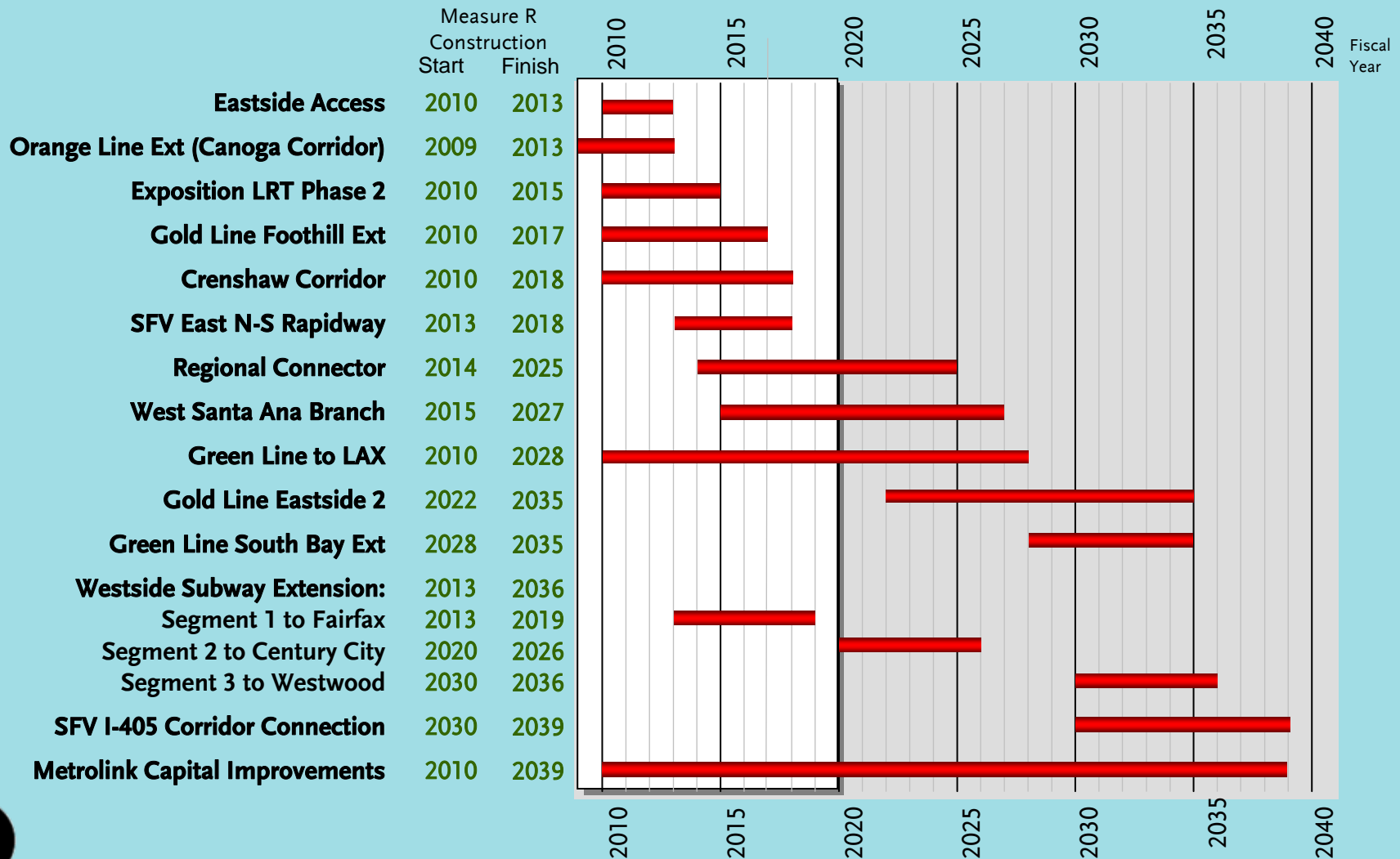
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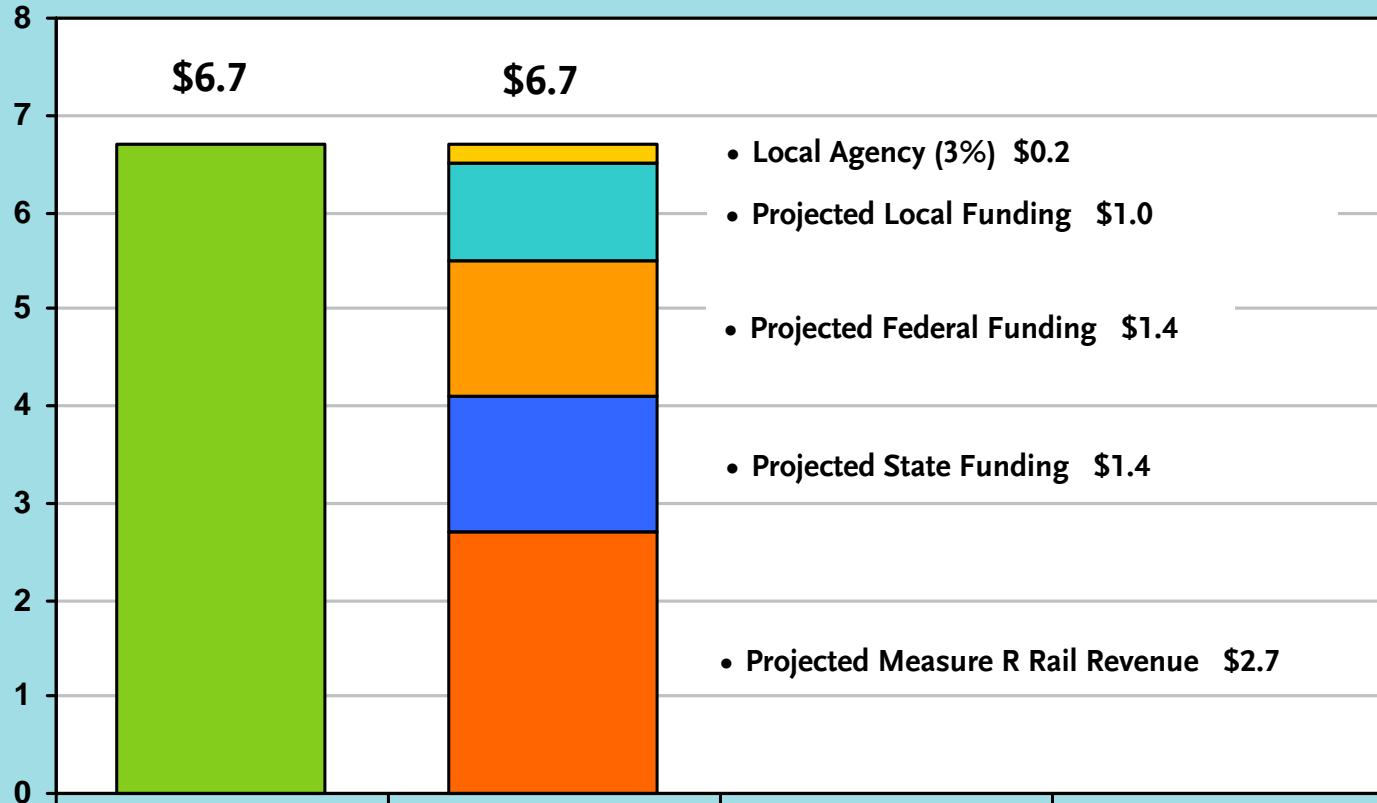




# If we strictly followed Measure R...

In \$ Billion

**First 10 Years**



- Local Agency (3%) \$0.2
- Projected Local Funding \$1.0
- Projected Federal Funding \$1.4
- Projected State Funding \$1.4
- Projected Measure R Rail Revenue \$2.7

**Escalated Rail Project Cost**

**Funding Sources**

Note: Does not include operating deficit



# If we strictly followed Measure R...

## Summary

- > Projects would be delivered in accordance with Measure R Expenditure Plan
- > After operating deficit is resolved there would be no funding shortfall
- > We would not save in construction escalation costs
- > We would not incur additional debt and operating costs



## Next Steps

- > Complete local return guidelines
- > Monitor Measure R receipts for accurate forecasting
- > Pursue local contribution (3%)
- > Leverage Public/Private Partnership opportunities
- > Leverage High Speed Rail program
- > Establish oversight
- > Prepare recommendation on path forward
- > Prepare recommendation on FFGA project
- > Work with State on guidelines for SB2X 4  
Public Infrastructure Advisory Committee
- > Monitor developments at state and federal levels:
  - National Infrastructure Bank
  - Private Activity bonds
  - Build America bond program