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**REVISION #2
AD HOC CONGESTION PRICING COMMITTEE
SEPTEMBER 16, 2009**

SUBJECT: LIFE OF PROJECT BUDGET ADJUSTMENT FOR EXPRESSLANES

**ACTION: APPROVE ADJUSTMENT TO LIFE OF PROJECT BUDGET AND
AMEND THE FY10 BUDGET**

RECOMMENDATION

Authorize the Chief Executive Officer to:

- A. Adjust the life-of-project (LOP) budget for the ExpressLanes on I-10 and I-110, Capital Project 210120, in the amount of \$34,100,000; and
- B. Amend the FY10 budget to transfer \$800,000 of expenses and revenues from 405548 to 210120. Approve the re-programming swap of \$20,000,000 in SLPP Funds along with the required local match of \$20,000,000 in Prop C 25% Funds from the Caltrans I-5 South Carmenita Interchange project in exchange for \$40,000,000 in CMAQ funds from the Congestion Reduction Initiative project; and,
- C. Amend the FY10 budget to transfer \$800,000 of expenses and revenues from 405548 to 210120 and include an additional \$14,000,000 of Prop C 25% Funds as the local match for the SLPP Funds.

RATIONALE

This action will provide for a technical adjustment to the LOP ExpressLanes budget. The adjustment of \$34,100,000 results in no net increase to the overall Los Angeles County Congestion Reduction Demonstration (LA CRD) program budget and requires no further financial obligation to MTA. ~~The primary reason for the technical adjustment is the reallocation of~~ The technical adjustment will reallocate the Congestion Reduction Demonstration funds to MTA rather than Caltrans in order to facilitate the design-build-operate-maintain procurement for both the toll systems integrator and the civil roadway improvements. Caltrans concurs with this approach. The balance of the LOP adjustment is to incorporate the Congestion Reduction funds for MTA Project Management, marketing, and ExpressLane operations that are programmed and

approved by the Board but not in the initial establishment of the LOP in February of this year.

The re-programming of SLPP/Prop C 25% Funds to the LA CRD project in exchange for CMAQ funds to the I-5 Carmenita project, will allow MTA and Caltrans to obtain the required Design-Build authorization from the State. Caltrans District 7 also concurs with this approach.

BACKGROUND

At its September 2008 meeting, the Board of Directors approved the programming of \$290.6 million to implement projects under the LA CRD. The projects include transit improvements and the conversion of the carpool lanes on Interstate 10 and Interstate 110 to high-occupancy-toll (HOT) lanes. Funding for the September 2008 LA CRD programming action was obtained from a \$210.6 million grant from the United States Department of Transportation (USDOT), and \$80 million in State of California Proposition 1B Transit Modernization funding.

Design-Build authority from the State is required for MTA to proceed with the design-build-operate-maintain procurement of the toll systems integrator and civil roadway improvements. In order to obtain Design-Build authority from the State it is necessary to have State funds programmed to the project. Caltrans has agreed to re-program \$20 million of the SLPP Funds and \$20 million Prop C 25% Funds programmed to the I-5 Carmenita Interchange project, in exchange for \$40 million in CMAQ Funds from the LA CRD project. Once the exchange is approved by the CTC and the FHWA, the programming of the CMAQ funds to the I-5 Carmenita project will have no financial or schedule impact to the project since it already has some CMAQ Funds programmed to it.

As listed in Attachment A of the September 2008 Board Report, several of the LA CRD projects will be managed by MTA. The LA CRD also funds projects managed by other agencies, such as Metrolink improvements, municipal agency bus purchases, and the City of Los Angeles Intelligent Parking Management/ExpressPark project. Initially, the plan anticipated Caltrans management of the expansion of capacity and lane reconfigurations on I-10 and I-110, however, the recommendation is to procure the roadway operational improvements with the toll systems elements. Caltrans will continue to provide design and construction oversight support.

The roadway improvements include:

- Adams Blvd Improvements including adding a right-turn lane on the Adams Blvd off-ramp and widening of Adams Blvd with a pedestrian walkway
- Re-stripping I-10 El Monte to add 2nd HOT lane between I-605 and I-710
- Extension of transition lanes for I-110 Harbor Transitway

LA CRD Program Budget (\$210.6 M)			
Project	Agency	LOP	Amount
Transit Operations			
41 CNG Buses	Metro	LOP #201059	\$28.40 M
16 Buses	Foothill/Gardena/Torrance	N/A	\$12.50 M
Operating Subsidy	Metro/Foothill/Gard/Torr	N/A	\$14.50 M
Transit Signal Priority	LADOT	N/A	\$1.00 M
Vanpool	Metro	N/A	\$0.40 M
Subtotal Transit Operations			\$56.80 M
Transit Facilities			
El Monte Transit Center	Metro	LOP #202286	\$45.20 M
Pasadena Plaza Connector	Metro	LOP #202286	\$10.00 M
Harbor Transitway Improvements	Metro	LOP #202287	\$2.80 M
Pomona Metrolink Station	SCRRA	N/A	\$5.60 M
Bicycle Lockers	Metro	LOP #210115	\$0.11 M
Subtotal Transit Facilities			\$63.71 M
Intelligent Parking Management			
ExpressPark	LADOT	N/A	\$15.00 M
Toll Technology & Roadway Improvements			
PSR Adams/Figueroa Flyover	Caltrans	N/A	\$2.00 M
Environmental Doc and Oversight	Caltrans	N/A	\$8.80 M
I-10/I-110 HOV Conversion	Metro	LOP #210120	\$29.90 M
TVMs	Metro	LOP #210120	\$0.20 M
Project Management	Metro	LOP #210120	\$2.40M
Roadway Improvement	Metro	LOP#210120	\$25.70M
I-10/I-110 Toll Support	Metro	LOP #210120	\$6.00M
Subtotal Toll Technology & Roadway Improvements			\$75.00 M
GRAND TOTAL			\$210.6 M

FINANCIAL IMPACT

The adjustment of \$34,100,000 results in no net increase to the overall LA CRD program budget approved September 2008 and requires no further financial obligation to MTA.

However, the re-programming swap of \$20,000,000 in SLPP funds to the LA CRD Project from the I-5 Carmenita project will result in a net increase of \$14 million to the FY10 budget. SLPP Funds will require a \$20 million Prop C 25% local match. Since \$6 million is already in the FY10 budget, an additional \$14 million in Prop C 25% needs to be added to the FY10 budget.

ATTACHMENTS:

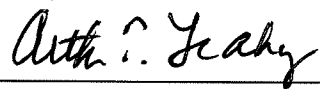
ATTACHMENT A: Funding/Expenditure Plan

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Arthur T. Leahy
Chief Executive Officer

CP 210120 FastLanes on I-10 and I-110
Funding/Expenditure Plan

Dollars in (000's)		FY09 Forecast	FY10	FY11	FY12+	Total	%
Uses of Funds							
Project Adm		100	750	1,550	0	2,400	3.7%
Design/Specs/Other Prof Svcs		1,100	3,700	5,300	0	10,100	15.7%
Construction/Equipment		0	11,800	39,400	0	51,200	79.8%
Contingency		0	450	50	0	500	.8%
Total Project Cost		1,200	16,700	46,300	0	64,200	100%
Sources of Funds							
CMAQ		0	13,050	44,750	0	57,800	90%
PC25		1,200	3,650	1,550		6,400	10%
Total Project Funding		1,200	16,700	46,300	0	64,200	100%