

Item 18.1 – Response to May 2021 Board Motion

PLANNING AND PROGRAMMING COMMITTEE

SEPTEMBER 15, 2021

CONSTRUCTION COMMITTEE

SEPTEMBER 16, 2021

Related to Item 18: Metro ExpressLanes Program Management Support Contract Modification

Interstate 105 Funding and Financing -- Grant and Funding Alternatives

CEO to report back in September 2021 with recommendations to fully fund the I-105 ExpressLanes with funding sources that minimize the use of the corridor's future net toll revenues, in order to maximize available resources from the project for future capital improvements to the Metro Green Line.



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Grants Background

- **What we have done to date**
 - Voters Approved Measure M to build ExpressLanes on the 105 (\$175 million, 2016)
 - Pursued Interfund loans in 2017/2018; denied by COGs
 - Pursued INFRA grants in 2017 & 2019 without an award
 - RAISE/TIGER/BUILD denied (other Metro projects advanced)
 - Pursued State SCCP Funding (Awarded \$150 million, 2020)
 - Federal Legislative Earmarks, none anticipated
 - **Future Funding Pursuits**
 - Climate Action Plan for Transportation Infrastructure (CAPTI)
 - State LA Olympics funding pending State budget process
- Senate Infrastructure Investment and Jobs Act of 2021:**
- Federal Congestion Relief Program; National Infrastructure Project Assistance; and future INFRA and RAISE rounds



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Grant Alternatives for Metro C (Green) Line

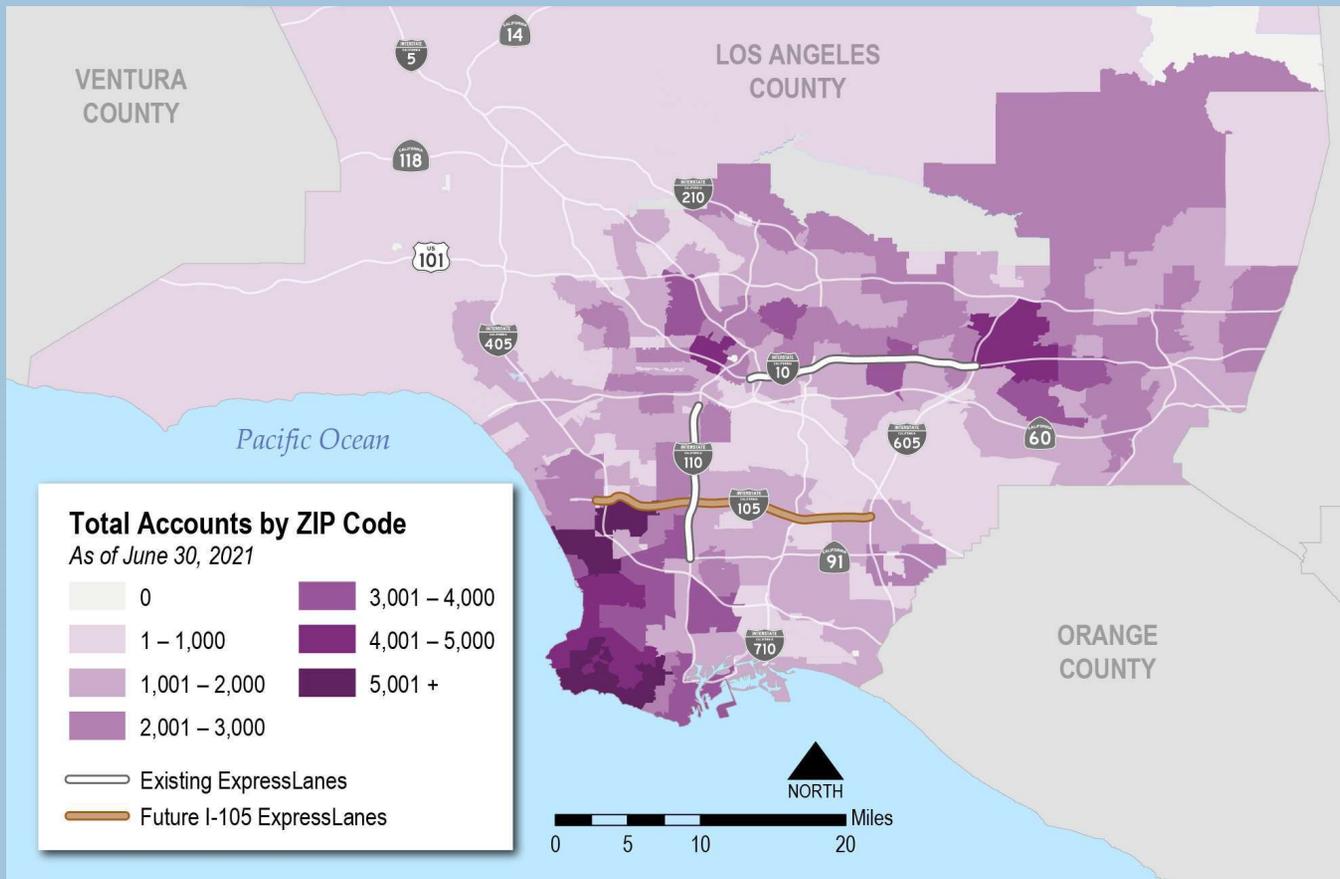
- **Station Platform Expansion and Traction Power Substation (TPSS):**
 - State SB1 Solutions for Congested Corridors Program (SCCP) and Local Partnership Program (LPP)
 - State Transit and Intercity Rail Capital Program (TIRCP)
 - LA Olympics funding pending State Budget process
 - Federal RAISE and other new transit programs
- **State of Good Repair:**
 - Federal Core Capacity Program



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Where ExpressLanes Customers Live



77%
of Metro ExpressLanes
accountholders
are LA County residents

20.5%
of Metro LA County
ExpressLanes
live within 3 miles of I-105

11%
Reduction in GHG
emissions. Decreases in
CO and NOx as well.



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I-105 Risk – Phase 1 Completion

- Phase 1 – section from 405 to 110 can be built using SCCP funds -- \$150 million
- Phase 2/3 -110 to 605 can be built with Measure M, TIFIA (toll revenues) – Funding Plan Needed by **Dec. 2023**



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Continue to Pursue Grants

1. First Approach: Continue to Pursue Grants Through December 2023

- Federal Grants
- State Grants
- Funding opportunities around LA Olympics

2. Fall back: Any remaining funding gap identified by December 2023 can be funded by debt financing using TIFIA and other capital market financing

(Conversations with TIFIA and USDOT will continue as grant opportunities are identified.)



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TIFIA is Well Suited for Express Lanes

- Nearly all Express Lane projects built in the US have used TIFIA for financing, including:
 - I-405 (OCTA) -- SR-91 (RCTC)
 - I-15 (RCTC) -- I-10 (SBCTC)
 - Also Toll Roads in Colorado, Texas, North Carolina, Florida, et al.
- TIFIA provides flexible loan terms with a low cost of capital, up to 33% of project cost or \$227 million
- Allows user fees to fund the project
- Debt to be repaid through future toll revenues
- Excess Revenue can be used to fund C Line



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I-105 Funding Proposal

Project Costs by Phase and Funding

Source	(\$000s)
COST BY PHASE	
PAED	\$13,121
PS&E	\$46,883
ROW	\$3,081
CON	\$626,036
TOTAL	\$689,121
FUNDING BY SOURCE	
Federal	
CMAQ	\$2,607
State	
SB1 - SCCP	\$150,000
Local	
Funding Gap	\$361,514
Measure M - Preconstruction	\$60,478
Measure M - Construction	\$114,522
TOTAL	\$689,121

- SCCP Funds predicated on December 2023 construction start
- Measure M construction funding available beginning in FY27
- Need commitment by Dec 2023
- TIFIA draws can be designed to match anticipated construction schedule beginning in FY24

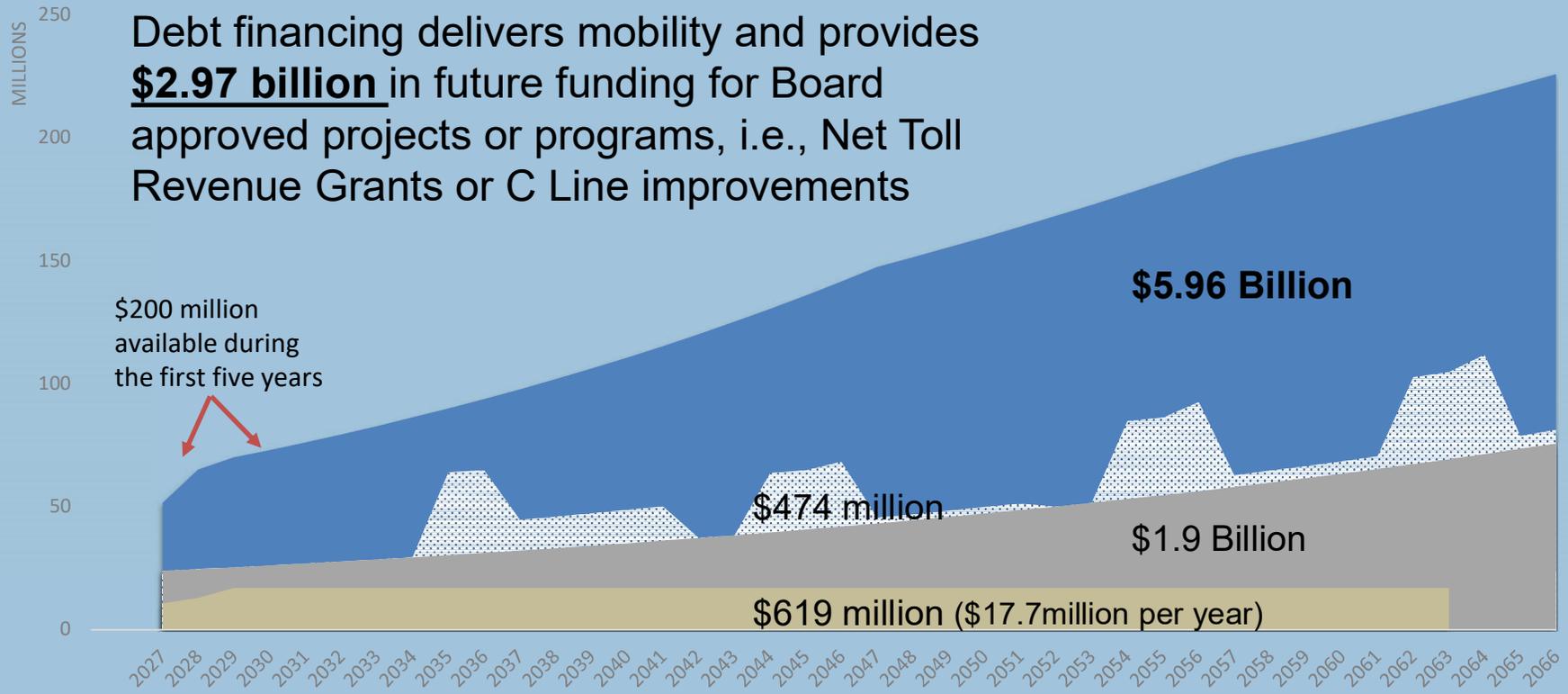


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I-105 Revenue Forecast with Debt Service

I-105 Revenue and Expense Forecast - Including Roadway O&M
(40 Years)



■ Gross Revenue ■ Major O&M ■ Routine O&M ■ Debt Financing

	millions
Revenue	\$5,960
Major Maintenance	\$474
Annual O&M	\$1,900
Debt Service	\$619
Remaining Cashflow	\$2,967

