



## Board Report

File #: 2018-0107, File Type: Program

Agenda Number: 21.

### PLANNING AND PROGRAMMING COMMITTEE APRIL 11, 2018

**SUBJECT: STATE ROUTE 138 STATE TRANSPORTATION  
IMPROVEMENT PROGRAM (STIP) PROJECTS**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

- A. APPROVING the pursuit of a State Transportation Improvement Program (STIP) Amendment, pursuant to Assembly Bill (AB) 3090 provisions, to advance local funding for delivery of the State Route 138 highway widening projects described in Attachment A;
- B. PROGRAMMING up to \$44.7 million in federal Surface Transportation Block Grant Program (STBGP) funds for the identified projects; and
- C. AUTHORIZING the CEO to negotiate and enter into an agreement for the future repayment of state funds with Caltrans.

#### **ISSUE**

In November 2017, the Board adopted the 2018 Regional Transportation Improvement Program (RTIP) for Los Angeles County, which included programming for three widening projects on State Route (SR) 138. On March 21, 2018, the California Transportation Commission (CTC) adopted the 2018 State Transportation Improvement Program (STIP). The 2018 STIP includes the total RTIP funding requested by Metro for the SR 138 segments, but defers the programming of these STIP funds from Fiscal Year (FY) 2019 to FY 2020, and from FY 2020 to FY 2021 due to STIP funding capacity constraints in FY 2019 and FY 2020 (Attachment B). To avoid project delays and potential cost increases, Staff proposes to initiate what is known as the AB 3090 STIP Amendment process to reclassify the three SR 138 STIP projects as AB 3090 repayments through a STIP Amendment. This process would allow (A) Caltrans to initiate the projects with Metro-controlled federal Surface Transportation Block Grant Program (STBGP) funds and (B) permit Metro to secure the repayment of state funds within the five-year 2018 STIP period.

#### **DISCUSSION**

The 2018 STIP is a five-year capital improvement program that covers FY 2019 through FY 2023. In August 2017 the CTC adopted a Fund Estimate of \$2.2 billion in new STIP funding capacity for the 2018 STIP. This new funding capacity allowed Metro to program projects for the \$482 million formula share available for Los Angeles County, including the final three unimproved segments (Segments 4, 6, and 13) of SR 138.

Segments 6 and 13 of SR 138 are Metro's top priority projects in the 2018 STIP-these long-standing STIP projects were deleted from the 2016 STIP due to a funding shortfall of \$754 million, but are now restored in the 2018 STIP. However, due to the significant demand for funds in the first fiscal years of the STIP period, the CTC has deferred the proposed funding for SR 138 Segments 4, 6, and 13 by one or more years within the approved 2018 STIP funding cycle, delaying the funding necessary to initiate the project phases as planned for by Caltrans.

To mitigate the expected cost increases and delayed benefits associated with the expected deferral of STIP funding, Staff recommends that the Board pursue the AB 3090 STIP Amendment process whereby Metro will provide locally-controlled federal STBGP funds to advance the SR 138 project phases and will be reimbursed with the delayed funding identified in the 2018 STIP.

To proceed as proposed, the CTC AB 3090 STIP Amendment Guidelines require the following actions:

- A) Identification of the fund source to be used for project advancement;
- B) Board approval of the proposal to amend the STIP to reclassify these projects as AB 3090 Repayments; and
- C) Execution of a repayment agreement between Metro and Caltrans (to be entered into following CTC approval).

Staff has worked with Caltrans District Seven Program/Project Management staff to both develop the 2018 RTIP and explore options to prevent delay on the SR 138. If the Board approves proceeding with the use of the AB 3090 process to advance the SR 138 projects, Staff will pursue a STIP Amendment with the CTC and Caltrans. The amendment would reclassify the projects as AB 3090 Repayment projects to authorize the use of local funds to commence project phases to be reimbursed later with the STIP funding within the five-year period of the 2018 STIP. Staff seeks to amend the STIP with a required 30-day notice at the May 2018 CTC meeting, and approval at the June 2018 CTC meeting, allowing timely SR 138 work to proceed in FY 2019. Approval of the STIP Amendment and AB 3090 Repayment arrangement is contingent upon a repayment agreement between Caltrans and Metro that outlines the project delivery roles and responsibilities and the schedule for repayment relative to those project delivery activities.

If approved as AB 3090 repayments, the CTC could elect to repay the STIP funding commitment for the three SR 138 projects through a state cash reimbursement, or alternatively by substituting in another project to the 2018 STIP to receive the programmed STIP funding. Either repayment option would allow Metro and Caltrans to commence the projects as planned, without sacrificing the committed STIP funding.

## **DETERMINATION OF SAFETY IMPACT**

Approval of this item will have no direct impact on the safety of Metro customers or employees. However, as these projects include safety enhancements, eliminating delay in project delivery would ensure the timely realization of the projects' anticipated safety benefits.

## **FINANCIAL IMPACT**

Adoption of proposed amendment and repayment agreement would have no negative impact to the agency. Keeping the SR 138 Segments 4, 6, and 13 on schedule will help avoid possible cost increases that could arise from delaying the projects. Using locally-controlled federal STBGP funds to advance the delivery of the projects means that the federal funds are not available for other needs until reimbursed by the State. However, this action is revenue neutral and would not impact the delivery of other projects currently planned for delivery with STBGP funds.

### Impact to Budget

The approval of this item has no impact to the FY 2018 Budget.

## **ALTERNATIVES CONSIDERED**

The Board could elect to not commit federal STBGP funds, and accept the delay of the State Route 138 highway projects by one to two years. Staff does not recommend this option as delaying the projects' schedules would, defer the benefits of the projects, increase costs, and introduce greater uncertainty around project delivery timelines.

## **NEXT STEPS**

Upon Board approval of the recommendations, staff will proceed with the following:

- Work with Caltrans and CTC staff to obtain repayment agreements for as many of these projects as possible;
- Work with the CTC to notice the proposed STIP amendment at their May CTC meeting, and to place the STIP amendment on the June 2018 CTC meeting agenda for approval by the CTC; and
- Negotiate and enter into repayment agreements, pursuant to the AB 3090 Guidelines, with Caltrans to clearly delineate the roles and responsibilities to ensure timely project delivery and repayment.

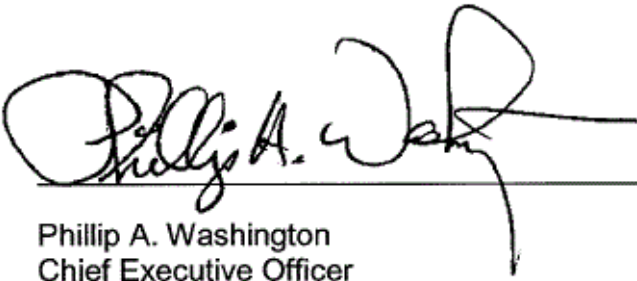
## **ATTACHMENTS**

Attachment A - Project Descriptions for SR 138 Segments 4, 6 and 13

Attachment B - 2018 STIP Programming Adjustments for the SR 138, Segments 4, 6 and 13

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