

**Board Report**

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PLANNING AND PROGRAMMING COMMITTEE
OCTOBER 14, 2015
EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 15, 2015

SUBJECT: LONG RANGE TRANSPORTATION PLAN - DRAFT POTENTIAL BALLOT MEASURE FRAMEWORK, ASSUMPTIONS, AND INPUT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE:

- A. The draft **Long Range Transportation Plan (LRTP) Potential Ballot Measure Framework** in Attachment A and draft Assumptions in Attachment B;
- B. Stakeholder Input in Attachment C, Attachment D, and Attachment E, as described below; and,
- C. The Roadmap to a Potential Ballot Measure in Attachment F.

ISSUE

Since Fall 2012, Metro has explored the feasibility of pursuing a new potential ballot measure in conjunction with updating the 2009 LRTP. By participating in over 190 meetings, Metro staff has worked with subregional representatives and other stakeholders including, but not limited to, business, public health, labor, environmental groups, Active Transportation stakeholders, and numerous other groups. These various stakeholders were asked to submit their priorities and policy input by September 1, 2015.

While all projects submitted are anticipated to be included in the LRTP update, they must be categorized in one of two ways: financially constrained or financially unconstrained. These financial constraints are defined in federal planning regulations as revenues that can be reasonably expected to be available. The purpose of the LRTP draft Potential Ballot Measure Framework and Assumptions in Attachment A is to assess the performance metrics of major highway and transit projects for potential funding through the 2017 LRTP, which could include funding from a potential ballot initiative, if the Board decides to proceed with placing it on the November 2016 ballot and it is approved by the voters. Specifically, Attachment A describes the performance analysis for assessing highway and transit projects, including the major themes, goals, objectives, and performance

measures that will be used in assessing and scheduling major transportation projects. Attachment B describes staff assumptions used in the Stakeholder Input Process, and Attachment C describes the feedback received through the Stakeholder Input process. Attachment D summarizes the constrained subregional stakeholder priorities and Attachment E summarizes the unconstrained Regional Facilities Needs. The Roadmap in Attachment F describes the steps staff plans to take before the Metro Board considers agendizing a potential ballot measure. The Board is being asked to receive and file this information now. The draft Framework and Assumptions will be brought back for approval in December 2015.

DISCUSSION

Through various correspondences, meetings, and actions, the Metro Board directed that a proposed ballot measure follow a “bottoms-up” process that began with the Mobility Matrix process. The Mobility Matrices, as directed by the Board in February 2014, were completed in collaboration with the subregions and received by the Board in April 2015. This process identified over 2,300 projects totaling over \$273 billion in 2015 dollars. In January 2015, the Metro Board also created a Regional Facilities category that includes Burbank Bob Hope Airport, Los Angeles World Airports (LAX), Long Beach Airport, Palmdale Airport, the Ports of Long Beach and Los Angeles, and Union Station. Concurrent with the work of the subregional and regional facilities groups, staff worked closely with other stakeholder groups described above to determine their priorities and policy considerations. Metro executives attended several productive meetings with coalitions of leadership representatives from environmental, active transportation, business, and disadvantaged community organizations. These leaders jointly expressed significant support for a potential ballot measure, if it properly balances their mobility, economic development, and environmental justice concerns.

Proposed LRTP Performance Metrics

To balance these stakeholder concerns, the process going forward should include an analysis of projects based on the recommended LRTP draft performance metrics found in Attachment A. The LRTP draft performance metrics enable Metro staff to provide a performance-based recommendation for a potential ballot measure ordinance and expenditure plan. The authorizing legislation for the LRTP potential ballot measure, SB 767 (de León), requires that an expenditure plan be developed using a transparent process to determine the most recent cost estimates for each project and program identified in the expenditure plan. Metro’s transparent, inclusive, and bottoms-up process to date provided high and low cost estimates to aid stakeholders in making their priority setting decisions. Staff will continue to refine these costs in that same transparent manner and plans to use the draft performance metrics to guide our ultimate recommendations.

Expenditure Plan Requirements in Authorizing Legislation

SB 767 (de León) was passed on September 15, 2015 and is on the Governor’s desk as of this writing. In addition to transparent process requirements, SB 767 (de León) requires that the expenditure plan include the following elements: the most recent cost estimates for each project and program; the identification of the accelerated cost, if applicable, for each project and program; the approximate schedule during which Metro anticipates funds will be available for each project and program; and, the expected completion dates for each project and program within a three-

year range. To meet these requirements and the bottoms-up process requirements originally directed by the Metro Board, a number of assumptions must be used in developing the expenditure plan, including a tax increase, tax extension, tax sunset, project cost inflation, revenue growth, subregional revenue targets, and population and employment data as described in Attachment B, the draft Framework Assumptions.

Potential Ballot Measure Process Characteristics and Results

The Potential Ballot Measure Funding Targets examined current (2017) and projected (2047) population and employment figures, which were given to each subregion to inform their ultimate funding target. As discussed in detail in Attachment B, if current population was the highest percentage figure for a specific subregion, that figure was used to develop that subregion's target. If another subregional percentage figure was higher, such as future employment, that figure was used instead. This funding allocation formula was deemed feasible because Metro staff anticipates additional revenue from other LRTP resources will be available to meet the relatively modest demand for supplemental funding. After establishing a consensus with all the subregional representatives on the Potential Ballot Measure Funding Targets earlier this year, Metro staff initiated the next steps in the process by requesting subregional priorities that were constrained to the Framework Funding Targets.

As of September 1, 2015, Metro received the project priority and policy input found in Attachment C to this report. Attachments D and E contain draft Stakeholder Input project lists that staff has attempted to synthesize in order to summarize the subregional and Regional Facilities priorities. Together, these attachments complete one phase of a multi-phase stakeholder and public input process summarized in the Roadmap in Attachment F. In addition to the input identified in Attachment C, many stakeholders also provided policies for Metro's consideration going forward. These are included in Attachment C as well.

Non-Project Needs and Contingencies: The Other Half of the Pie

Further defining the other funding priorities not captured in the input process to date must now begin. This was reiterated in some of the Stakeholder Input received as part of Attachments C. These needs include, but are not limited to, transit operating and state-of-good repair needs; countywide bus system, Metrolink and paratransit services; local return, including local streets and roads and local transit; highway innovation and operating needs such as ExpressLane system improvements, highway systems and operations management, and other transportation needs not captured in any other way.

In addition to non-capital project needs, a contingency strategy will be needed to handle fluctuations in project costs and revenue forecasts that will arise over a four decade planning horizon. A reliable strategy to make allowances for variations in revenue and cost uncertainties, contingencies, escalation and assumptions in debt service costs will be developed within the recommended sequencing plan and then incorporated as necessary in the recommended Expenditure Plan to support the potential ballot measure and LRTP update.

Public Opinion Research Background

Staff embarked on general public opinion research on the region's transportation priorities to supplement information gathered from stakeholders. In February 2015, four focus groups were conducted to help shape the survey questionnaire. Some of the main points expressed by participants included that traffic congestion is considered a serious problem and that it is getting worse due to the perceived increases in population and drivers on the road. They also believed that there is a need for new funding and that the public transportation system needs to be better connected.

In March 2015, a follow-up survey of 1,400 respondents was conducted with statistically significant sub-samples representing seven county sub-areas. This was not a traditional voter poll, but a sample representative of the general public. A sub-sample of self-reported likely November 2016 voters was also analyzed. Some of the key findings included: concern over the growth in the driver population and traffic congestion; and, the belief that a transportation plan must include a package of local roads, freeways and public transit projects. The transportation improvements that resonated with respondents most included traffic congestion relief, freeway improvements, keeping fares low for seniors the disabled and students, bridge and tunnel safety improvements, and pothole repair and repaving local streets. Finally, support for a transportation ballot measure appeared relatively strong among survey respondents, slightly above the two-thirds threshold.

NEXT STEPS

Consultant support for the LRTP process was secured and kicked-off on September 15, 2015 and staff is now working on travel demand modeling and other related tasks to enable the Potential Ballot Measure Framework in Attachment A and the subsequent Expenditure Plan and Ordinance processes to be completed by June 2016. Though staff proposes a final decision by the Metro Board of Directors on whether to support the agendizing of a November 2016 Ballot Measure in June 2016, the Metro Board must make a go/no go decision no later than the regularly scheduled meeting in July 2016 in order to ensure placement on the November 2016 ballot. The next steps in the LRTP and potential ballot measure framework are as follows:

1. Continue stakeholder outreach in October/November/December 2015;
2. Adopt Framework in December 2015;
3. Finalize non-project needs assessment and constraints in January 2016;
4. Conduct final needs and performance metrics and project scheduling analysis February 2016;
5. Release preliminary Expenditure Plan and Ordinance in March 2016;
6. Subregional and stakeholder outreach in April/May 2016;

7. Approve final Expenditure Plan and Ordinance in June 2016; and
8. Submit final Expenditure Plan and Ordinance to the County of Los Angeles Board of Supervisors in July/August 2016.

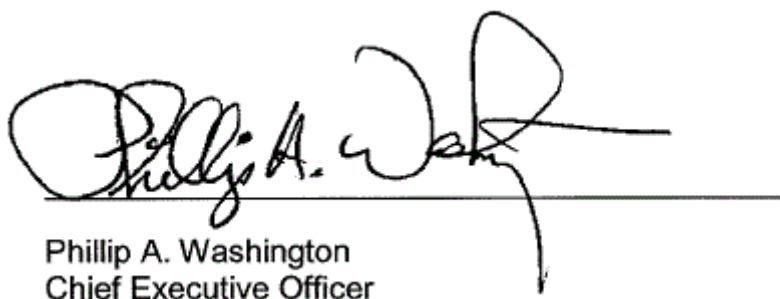
The LRTP update will be finalized and provided to the Board for adoption in 2017, after the results of the potential ballot measure process are known.

ATTACHMENTS

Attachment A: LRTP Potential Ballot Measure Framework Performance Metrics;
Attachment B: LRTP Potential Ballot Measure Framework Assumptions;
Attachment C: Stakeholder Process Input (through an On-Line Link);
Attachment D: Subregional Stakeholder Draft Project Priorities (Constrained);
Attachment E: Regional Facility Provider Draft Needs Lists (Unconstrained): and,
Attachment F: Roadmap for LRTP Potential Ballot Measure Process.
Attachment G: LRTP Potential Ballot Measure Framework Presentation

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