



Board Report

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3rd REVISED
PLANNING AND PROGRAMMING COMMITTEE
NOVEMBER 18, 2015
EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 19, 2015

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

ACTION: APPROVE POTENTIAL BALLOT MEASURE FRAMEWORK AND WORKING ASSUMPTIONS

RECOMMENDATION

- A. APPROVING the 2017 **Long Range Transportation Plan (LRTP) Update Proposed Performance Metrics Framework** (Attachment A) to be used in analyzing all proposed major transit and highway projects (including Measure R projects not yet under construction) in order to develop a Potential Ballot Measure Expenditure Plan; and,
- B. RECEIVING AND FILING the LRTP Potential Ballot Measure Framework Working Assumptions in Attachment B, the Stakeholder Process Input (through an On-Line Link) in Attachment C, the Subregional Stakeholder Project Priorities in Attachment D, the Regional Facility Provider Needs Lists in Attachment E, and the Roadmap for LRTP Potential Ballot Measure Process in Attachment F.

KUEHL AMENDMENT to move “increased access to parks and open space” from Quality of Life to Accessibility category.

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.

Adoption of the recommended performance metrics framework, working assumptions, and acceleration parameters is essential to conducting the substantial travel demand and financial

analytical staff work that comprises the next steps in our Roadmap process shown in Attachment F. For example, the travel demand modeling we are about to conduct requires complex system coding tasks that will enable us to provide a performance based recommendation to the Metro Board of Directors. Also, while all projects submitted are anticipated to be included in the LRTP update, they must be categorized in one of two ways: financially constrained (funding plan) or financially unconstrained (no funding plan). These financial constraints are defined in federal planning regulations as revenues that can be reasonably expected to be available. Deferring these analytical tasks will compromise our ability to provide the proper feedback necessary for a bottoms-up process.

BACKGROUND

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. The work began with an inventory of projects that was drawn from prior planning processes, such as the LRTP Strategic (unconstrained) Plan, but went further to identify any new needs not identified previously. 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. Continuing discussions are being held with Regional Facilities representatives and other Stakeholders on the appropriate role for Metro in addressing the presence of these facilities within Los Angeles County. In the end, this process identified over 2,300 projects totaling over \$273 billion in 2015 dollars.

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.

DISCUSSION

Mobility is an essential ingredient necessary to support economic growth spurring job creation and the movement of goods. While Metro is fundamentally responsible for developing a transportation plan that best addresses the county’s mobility needs, this goal is intrinsically linked with the several policy objectives and the accessibility needs of its most vulnerable citizens. The LRTP Potential Ballot Measure Framework and Assumptions were first presented in draft form October 2015. The 2017 LRTP Proposed Performance Metrics Framework now found in Attachment A, if approved, will serve as the basis for evaluating the acceleration of existing major projects and the addition of new major highway and transit corridors in the LRTP.

Metro Travel Demand Model

The staff has identified a set of highway and transit corridors to model after reviewing the 2,300 projects submitted by subregional agencies in the Mobility Matrix process. To achieve mobility and

other policy goals, Metro's Travel Demand Model outputs will require the Performance Metrics Framework to guide staff's recommendations. The Metro Travel Demand Model will be used to evaluate major transportation projects submitted through the Mobility Matrix process including major transit projects (bus rapid transit, light rail, or heavy rail transit corridor projects) and major highway projects (carpool lanes, managed lanes, or mixed flow lanes). We note that of the 2,300 projects submitted by subregional agencies in the Mobility Matrix process, many are not major projects, and therefore cannot be modeled. Those projects that cannot be modeled may be considered as part of other funding categories or for inclusion based on the priorities from the subregional priority setting process.

In addition to evaluating the performance of these new projects submitted by the subregions, we will also model major Measure R transit and highway projects that are not yet in construction, to use the performance measure analysis to inform the opportunity to accelerate Measure R projects.

Best Practices Framework

The recommended Framework draws from best practices of work done elsewhere in the nation and California. We reviewed performance measures used nationally to implement MAP-21 and the federal Clean Air Act and found that the best of these were modeled on work first performed in California. Specifically, the performance measure process used by the Southern California Association of Governments and the San Francisco Bay Area's Metropolitan Transportation Commission and others were the best fit for the Metro Board's policy objectives. For example, California is now again at the cutting edge of greenhouse gas performance analysis initiated by SB 32 and various state laws. Our work builds on these best practices.

Performance Measure Weights

The performance measures are organized under various themes, including accessibility, economy, mobility, safety, and sustainability/quality of life. Each of these theme groupings have been assigned percentage weights for the purpose of evaluating project performance of new highway and transit corridors, as follows:

- Mobility 35%
 - Easing congestion, increasing active transportation, and improving travel times, system connectivity, throughput, and reliability are all key Metro objectives addressed by mobility improvement. This weight reflects that emphasis.
- Economy 15%
 - Economic output, job creation and retention, goods movement, and addressing disadvantaged communities are goals that can be better achieved by implementing projects and services that address these needs. This weight enables us to identify the project's contribution to economic development.
- Accessibility 20%
 - The needs of the transit dependent, cyclists, youths, pedestrians, seniors, and people with disabilities are addressed here by increasing the population served by Metro

facilities. This weight reflects the strong relationships Metro has built with these populations and need to retain and improvement the services provided to them.

- Safety 15%
 - Safety is fundamental to the design, construction, and operation of highway and transit corridors, but it must also be considered in evaluating new highway and transit projects against each other. The relative safety benefit of major transportation capacity enhancement projects is accounted by this theme's weight.
- Sustainability and Quality of Life 15%
 - An important criteria for evaluating a project's impact on reducing greenhouse gases and improving air quality, improving public health, and improving the quality of life, including eliminating urban heat islands, storm water runoff, biological and habitat impact, noise mitigation, and access to parks and open space. This theme has been weighted to identify the project's contribution to addressing sustainability and quality of life.

Purpose, Use, and Limits of Performance Metrics

This evaluation process is intended to evaluate whether to include and how to sequence new projects to be added to the plan relative to other new projects. In addition, the Performance Metrics will be used to guide recommendations regarding the potential acceleration of some Measure R projects already in the LRTP relative to other Measure R projects. We are recommending that the Metro Board stipulate that these acceleration recommendations be considered by staff only to the extent that other existing LRTP projects remain on their current LRTP funding schedules and no later. The intent here is to prevent any existing LRTP project delays, while at the same time enabling the possible acceleration of highly beneficial major projects as a result of the potential replacement of the Measure R tax when it sunsets in 2039.

Authorizing Legislation and Expenditure Plan Requirements

The authorizing legislation for the 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 performance metrics to guide our ultimate recommendations.

SB 767 (de León) was passed on September 15, 2015 and the Governor announced his approval on October 7, 2015. 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 Framework Working 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 that a portion of existing funding resources will be available beyond the year 2039. For example, Proposition A and Proposition C do not sunset, and no planning has yet occurred in the year 2040 and beyond for these taxes. Since our working assumption is a 40-year tax measure ending in 2057, there will be about 18 years of Proposition A and Proposition C resources for planning purposes. 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. These attachments, previously presented to the Board in October 2015, have since been updated as indicated within the attachments.

If the Metro Board of Directors and/or the voters ultimately determine that additional taxes are not necessary at this time, the current LRTP will be updated consistent with that decision. Our LRTP process is scheduled to conclude in the fall of 2017, well after the potential vote, to permit either eventuality.

DETERMINATION OF SAFETY IMPACT

The proposed approval will not have any adverse safety impacts on employees and patrons.

FINANCIAL IMPACT

Approval of the LRTP Potential Ballot Measure Framework in Attachment A and Assumptions in Attachment B has no financial impact for the agency as the necessary funds remain budgeted for FY 2016.

Impact to Budget

Staff will continue to work within existing budgeted resources for development and outreach related to the LRTP update and potential ballot measure. Potential success of such a ballot measure would have a positive impact to future budgets if placed on the ballot and approved by voters.

NEXT STEPS

Non-Project Needs and Contingencies

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.

Roadmap Process

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;
2. Finalize non-project needs assessment and constraints in January 2016;
3. Conduct final needs and performance metrics and project scheduling analysis February 2016;
4. Release preliminary Expenditure Plan and Ordinance in March 2016;
5. Subregional and stakeholder outreach in April/May 2016;
6. Approve final Expenditure Plan and Ordinance in June 2016; and
7. 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

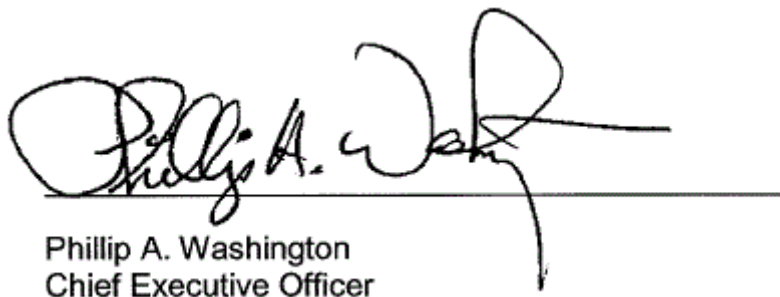
Attachment A - LRTP Potential Ballot Measure Performance Metrics Framework;
Attachment B - LRTP Potential Ballot Measure Framework Working Assumptions;
Attachment C - Stakeholder Process Input (through an On-Line Link);
Attachment D - Subregional Stakeholder Project Priorities;
Attachment E - Regional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

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