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File #: 2016-0359, File Type: Informational Report

Agenda Number: 51.

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**REVISED**  
**REGULAR BOARD MEETING**  
**JUNE 23, 2016**

**SUBJECT: DRAFT LONG RANGE TRANSPORTATION PLAN FINANCIAL MODEL  
INFORMATION FOR THE POTENTIAL BALLOT MEASURE EXPENDITURE PLAN**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

**RECEIVE AND FILE Financial Forecasting Model Information for the Potential Ballot Measure Expenditure Plan.**

**ISSUE**

In April 2016, the Metro Board of Directors approved a motion by Directors Knabe, Dubois and Butts, instructing the CEO to “report to the Board with copies of the draft ‘Financial Forecasting Model for the potential Ballot Measure Expenditure Plan’ for review and discussion by the Board” at the May Board Meeting (Motion, Attachment A). In response to the Motion staff is providing the attached information about major transit and highway projects from the current Long Range Transportation Plan (LRTP) Financial Model (Attachment B), as compared with the Draft Potential Ballot Measure Expenditure Plan.

**DISCUSSION**

The LRTP is a thirty-year action plan identifying project priorities and schedules for the region, including those approved through Measure R, last adopted in 2009. The next LRTP may be longer to better capture anticipated benefits of projects proposed through the potential ballot measure. The process for updating the LRTP is a multi-year effort that is anticipated to be complete in 2017.

The Financial Forecast Model Update (the Model) of costs and available resources for the LRTP projects is presented annually to include changing assumptions and current economic conditions. The last Financial Forecast Update was presented to the Board in June 2015. The Model has been updated and one copy is provided to each Board Office with this report. The public may view the Model online at [https://media.metro.net/docs/LRTP\\_Financial\\_Forecast\\_Update\\_3-30-16.pdf](https://media.metro.net/docs/LRTP_Financial_Forecast_Update_3-30-16.pdf). The development of the Potential Ballot Measure and its Draft Expenditure Plan is ongoing. Staff anticipated providing the model in June 2016, with a request to adopt the Potential Ballot Measure Ordinance. To properly prepare for this integration a consultant was hired in late November to upgrade the computer based financial model for greater capacity and integration of financial best management practices. Time was not sufficient to fully integrate the new computer model with the base of the Metro Board approved LRTP ending in 2040, and the Plan, which includes 50 years of

additional revenues and expenditures beyond 2017.

Attachment C was created in partial response to the Motion. It provides information from the Model as compared to the emerging recommendations for the Expenditure Plan, for all major highway and transit projects shown in the Expenditure Plan.

### **FINANCIAL IMPACT**

The attached information will have no impact on the FY 2016 Budget as the necessary expenditures have already been included in the FY 2016 Budget.

### **ALTERNATIVES CONSIDERED**

Due to the complexity of the modeling effort involved, Metro staff could not provide the fully detailed Financial Forecast Model in the time available. We considered and ruled out providing incomplete work and decided instead to focus on modeling and providing the major project detail found in Attachment C. With respect to the substance of the information provided, numerous alternatives were considered in response to the request from the Metro Board of Directors. The preliminary recommended information here represents the best combination of the existing and Potential Ballot Measure funding to maximize the acceleration of major project schedules consistent with prior actions of the Metro Board of Directors.

One substantive alternative considered was a lower level of State Regional Improvement Program (RIP) funds in FY 2022 and beyond. We first considered \$100 million per year in these funds, consistent with our prior modeling, and then considered up to \$150 million per year of these funds. Given the ongoing work by the Governor and the State legislature to address declining amount and value of State fuel tax revenues, we determined it was prudent to recommend the \$150 million per year level of State RIP funding beginning with the new years to be programmed in the 2018 State Transportation Improvement Program, FY 2022. This is consistent with a Statewide level of STIP funds of approximately \$900 million per year. While bringing this assumption into fruition will require actions of the State Legislature and the Governor, we believe it is appropriate for the Metro Board of Directors to plan for how it wants these revenues to be deployed to accomplish the Potential Ballot Measure Expenditure Plan.”

### **NEXT STEPS**

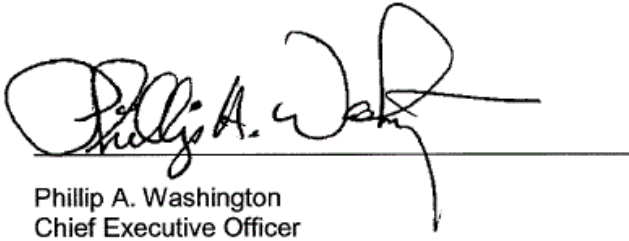
The information and action items scheduled to be presented to the Metro Board in June include: an updated Model; a draft ordinance; taxpayer oversight recommendations; a summary of public input and outreach; and other related potential ballot measure requests.

### **ATTACHMENTS**

Attachment A - April 14, 2016 Construction Committee Motion by Directors Knabe, Dubois and Butts  
Attachment B - LRTP Financial Forecasting Model Update  
Attachment C - Comparison of LRTP Financial Forecasting Model with the Potential Ballot Measure Expenditure Plan

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