



San Gabriel Valley Council of Governments

AGENDA AND NOTICE OF THE **SPECIAL MEETING OF THE TRANSPORTATION COMMITTEE – NOVEMBER 15, 2018 – 4:00 PM** Upper San Gabriel Valley Municipal Water District Office (602 E. Huntington Drive, Suite B, Monrovia, California, 91016)

The Transportation Committee encourages public participation and invites you to share your views on agenda items.

Chair

John Fasana, Duarte

Vice-Chair

Sam Pedroza, Claremont

Members

- Alhambra*
- Claremont*
- Diamond Bar*
- Duarte*
- El Monte*
- Glendora*
- La Cañada Flintridge*
- Pomona*
- San Gabriel*
- South El Monte*
- South Pasadena*
- Temple City*
- Walnut*
- First District, LA County Unincorporated Communities*
- Fifth District, LA County Unincorporated Communities*

MEETINGS: *Regular Meetings of the Transportation Committee are held on the third Thursday of each month at 4:30 PM at the Upper San Gabriel Valley Municipal Water District Office (602 E. Huntington Drive, Suite B, Monrovia, California, 91016).* The Transportation Committee agenda packet is available at the San Gabriel Valley Council of Government’s (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, www.sgvkog.org. Copies are available via email upon request (sgv@sgvcog.org). Documents distributed to a majority of the Committee after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

CITIZEN PARTICIPATION: Your participation is welcomed and invited at all Transportation Committee meetings. Time is reserved at each regular meeting for those who wish to address the Committee. SGVCOG requests that persons addressing the Committee refrain from making personal, slanderous, profane, or disruptive remarks.

TO ADDRESS THE TRANSPORTATION COMMITTEE: At a regular meeting, the public may comment on any matter within the jurisdiction of the Committee during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. If several persons wish to address the Committee on a single item, the Chair may impose a time limit on individual remarks at the beginning of discussion. **The Transportation Committee may not discuss or vote on items not on the agenda.**

AGENDA ITEMS: The Agenda contains the regular order of business of the Transportation Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Transportation Committee can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Committee member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Committee.



PRELIMINARY BUSINESS

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*If necessary, the Chair may place reasonable time limits on all comments*)
5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

CONSENT CALENDAR (*It is anticipated that the Transportation Committee may take action on the following matters*)

6. Transportation Meeting Minutes – 10/18/2018 -- Page 1
Recommended Action: Approve Transportation Committee minutes.

PRESENTATIONS (*It is anticipated that the Transportation Committee may take action on the following matters*)

7. SGV Active Transportation Initiative: 5-City Plans & SGV Greenway Study Findings and Recommendations: Presentation by Ryan Johnson, Planning Associate, & James Powell, Design Associate, Alta Planning + Design, Inc. -- Page 7
Recommended Action: For information and discussion.
8. Metro Rideshare/Shared Mobility Program: Presentation by Emma Huang, Principal Transportation Planner, Office of Extraordinary Innovation, LA Metro -- Page 11
Recommended Action: For information only.
9. Express Lanes Interfund Loan Principles and Policies: Presentation by Shahrzad Amiri, Executive Officer of Congestion Reduction, LA Metro -- Page 13
Recommended Action: For information and discussion.

METROPOLITAN TRANSPORTATION AUTHORITY (MTA) REPORT (*It is anticipated that the Transportation Committee may take action on the following matters*)

10. Oral Report
Recommended Action: For information only.

UPDATE ITEMS

11. Metrolink Update
Recommended Action: For information only.
12. Update on Active Transportation Planning Efforts
Recommended Action: For information only.

EXECUTIVE DIRECTOR'S REPORT (*It is anticipated that the Transportation Committee may take action on the following matters*)

13. Oral Report
Recommended Action: For information only.

COMMITTEE MEMBER ITEMS

ANNOUNCEMENTS

ADJOURN



SPECIAL SGVCOG Transportation Committee Unapproved Minutes

Date: October 18, 2018
 Time: **4:00 PM**
 Location: Upper San Gabriel Valley Municipal Water District
 602 E. Huntington Dr., Suite B, Monrovia, CA 91016

PRELIMINARY BUSINESS

1. Call to Order
 The meeting was called to order at 4:14 p.m.

2. Pledge of Allegiance

3. Roll Call

Members Present

Claremont S. Pedroza
 Diamond Bar C. Herrera, D. Liu
 Duarte J. Fasana
 La Cañada Flintridge G. Brown
 Pomona T. Sandoval
 San Gabriel J. Pu
 South El Monte G. Olmos
 Temple City A. Avery
 LA County District 1 M. Reyes

Members Absent

Alhambra
 El Monte
 Glendora
 South Pasadena
 Walnut
 LA County District 5

SGVCOG Staff

M. Creter
 K. Ward
 P. Hubler
 C. Cruz
 P. Duyshart

4. Public Comment

No general public comment.

5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

No changes to the agenda order.

CONSENT CALENDAR

6. Transportation Meeting Minutes: 07/19/2018

There was a motion to approve the 07/19/2018 Transportation Committee Minutes. (M/S: T. Sandoval / C. Herrera).

[MOTION PASSED]

AYES:	Claremont, Diamond Bar, Duarte, La Cañada Flintridge, Pomona, San Gabriel, South El Monte, Temple City, LA County District 1
NOES:	

ABSTAIN:	
ABSENT:	Alhambra, El Monte, Glendora, South Pasadena, Walnut, LA County District 5

ACTION ITEMS

7. Measure M MSP Subregional Fund Programming – Proposed Projects List for the First Five-Year Programming Plan

Marisa Creter, the Executive Director of the SGVCOG, provided the staff report on this matter to the TAC. She began by mentioning how, in June 2017, the Metro Board of Directors adopted the Measure M guidelines, establishing a process by which subregional funds under Measure M will be programmed by the subregional entities, including the SGVCOG, through the development of five-year subregional fund programming plans. Ms. Creter then described how there will be \$31,827,287 in available funds for Active Transportation, First/Last Mile, and Complete Streets projects for the first Measure M Multi-Year Subregional Program (MSP) 5-Year Plan, which includes FY 2017-18 through FY 2021-22.

Creter explained how the COG held a transparent and accessible call for projects process for about two months, through which cities could submit projects for Measure M programming consideration simply via email. The COG ended up receiving 54 projects from a total of 16 San Gabriel Valley agencies (cities and LA County). The total cost of all qualifying projects which were submitted to the SGVCOG for Measure M MSP subregional funding consideration was approximately \$158,096,065. Out of the \$158 million, SGV local agencies requested about \$142,703,919 in Measure M MSP subregional dollars to fund their respective projects.

Since there is only \$31,827,287 in available funds, but \$142,703,919 in funding and programming requests from 16 different SGV agencies, COG staff tried to come up with an equitable way to distribute the allocation of funding. Creter stated that COG staff felt the fairest way to distribute the funding is to fund each submitting-agency’s top priority project. When considering only each agency’s top project, the total amount of MSP-requested funds totals \$31,242,200, which is below the \$31,827,287 cap. She also emphasized that there are two large-scale projects which are currently being recommended for funding for Design only, and that is because it is projected that the Construction expenditures for those two projects will not take place until FY 2022-23, which is not part of the current MSP 5-Year Plan.

Ms. Creter continued by mentioning that cities which have submitted a project for Measure M funding need to make conservative monetary projections and need to be very realistic when assessing whether or not project delivery of their projects is attainable. The reason for these warnings is LA Metro’s Measure M Guidelines and eventual funding agreements stipulate that cities must draw down and fully expend funds for a project within 3 fiscal years of their award fiscal year. If cities do not fully draw down these funds, then Metro reserves the right to take back the allotted funding. While the funding is still required to be programmed for SGV projects, Metro has the right to not apportion the funding to the subregion for another 20-30 years, for example. Additionally, Creter quickly talked about funding projection and planning documents that are required to be submitted to Metro by each awarded agency in order to execute funding contracts with Metro.

PUBLIC COMMENT: Wesley Reutimann, who is the Executive Director of Bike SGV, provided public comments to the members of the Transportation Committee on this agenda item. A summary of his comments are as follows:

- Mr. Reutimann first mentioned how, as an organization that is occupied with safety, Bike SGV is wondering if the recommended projects consider key safety components to it. One project in particular which can do better in this regard is an LA County Class II Bike Lane project on Huntington Drive. Reutimann stated that it is not safe for bicyclists to ride in a Class II lane on a street like Huntington. He feels that \$4.3 million is too expensive just for striping bike lanes. Bike SGV would rather see other Greenway projects get built, or see a protected bike lane on this same stretch. When Bike SGV surveys bike riders, they say they feel bike lanes that are only striped aren't safe.
- Mr. Reutimann also said how there are four cities in the SGV area which don't have Active Transportation plans, and he wondered if any MSP funding can go toward planning efforts like this. He asked if any extra MSP funds can be used for efforts such as this.
- He also stated how there are cheap options for even pedestrian safety projects that cities can implement if they have the funding.
- Mr. Reutimann also mentioned how Bike SGV wants to make sure that these funds are maximized, and wants to see some projects get re-prioritized to consider safety and best practices, too.

Questions/Discussion: The following issues were asked about and discussed by Committee members and SGVCOG staff:

- A Committee member asked: what was the reaction and feedback from the TACs that have been presented to so far? M. Creter responded that all SGVCOG TACs and Committees which have been presented with this information so far have unanimously approved the recommendations of SGVCOG staff on this matter.
- Another committee member asked if San Jose Creek can connect to other cities such as the City of Industry? A different member of the Committee responded by pointing out that the Thompson Creek trail connects to SJ Creek corridor.
- M. Creter also announced that the SGVCOG will be extending the process and deadline for cities to submit projects for the COG to take over management of. There was confusion between MSP process and ACE project selection process, which caused some cities to not submit LOIs.
- One Committee member asked: what prioritization process did other COGs use for this process? He pointed out that the Malibu COG utilized a per-capita allocation process.

There was a motion made to recommend that the SGVCOG Governing Board:

- 1.) **Approve SGVCOG Staff's methodology for prioritizing and selecting projects for MSP programmatic funding.**
- 2.) **Approve SGVCOG Staff's recommended Measure M MSP 5-Year Plan projects and funding proposal.**
- 3.) **Direct SGVCOG Staff to work with local SGV agencies which have been awarded funding for an MSP project to refine the scope, schedule, and funding of the project.**

(M/S: T. Sandoval / S. Pedroza).

[MOTION PASSED]

AYES:	Claremont, Diamond Bar, Duarte, Pomona, San Gabriel, South El Monte, Temple City, LA County District 1
NOES:	

ABSTAIN:	La Cañada Flintridge
ABSENT:	Alhambra, El Monte, Glendora, South Pasadena, Walnut, LA County District 5

PRESENTATIONS

8. Los Angeles and San Bernardino Inter-County Transit and Rail Connectivity Study – Final Report

Steve Fox, a Senior Regional Planner with SCAG, provided the presentation on this report. Mr. Fox explained that the Los Angeles and San Bernardino Inter-County Transit and Rail Connectivity Study is a detailed transportation and transit study for the geographic area which consists of eastern LA County, including the eastern portion of the SGV, and southwestern San Bernardino County. In order to analyze and assess the effectiveness of current, planned, and future transportation, transit, accessibility, and mobility options in this inter-county subregion, the Southern California Association of Governments (SCAG) has been conducting a thorough study to determine the optimum mix and service levels of commuter rail, light rail, hybrid rail, Bus Rapid Transit (BRT), and express bus for this inter-county corridor and subregion. The study assesses the market for transit and rail travel in the corridor, estimates potential ridership, travel and economic benefits, and capital operating costs of each transit alternative in the study area, and recommends a path forward for cost-effective transit and rail service to best serve the communities in the area.

Mr. Fox explained that there are eight main project alternative options in the report, and that seven of these options are build options. After thorough multi-faceted scoring analyses were conducted on each of the project types, the study’s scoring methodology revealed that the two Gold Line LRT Alternatives scored the best out of the seven build alternatives. Mr. Fox provided information about the different scores and rankings of each transit project type during the second half of the presentation. He also addressed some of the current transit infrastructure issues in the region, too.

Questions/Discussion:

- There was a question about potential transit corridors through Pomona.
- One Committee member asked questions about the transit routes to the Ontario Airport, and a route from Pomona North to Pomona Downtown.
- A Committee member asked what the next steps pertaining to this study are. Steve Fox of SCAG replied that SCAG will formally hand this study over to LA Metro and the SBCTA.
- A member of the Committee pointed out that it is great to have these plans, but what really matters is what can get funding. But now, since we have studies and plans for this corridor, we can refer to these plans for ideas of how to build these projects.

9. Follow-up on Metrolink’s SCORE Program

Alex Davis, the Government Relations Manager for the SCRRA and Metrolink, provided this presentation. He provided an overview on the Metrolink regional commuter rail system, and discussed some of the funding challenges and operational capacity and infrastructure issues that Metrolink faces on a daily basis. Mr. Davis then went on to discuss the SCORE Program which is a \$10 billion proposed program that has been internally developed by Metrolink to guide capital investments into its rail system. So far, Metrolink has received \$1.2 billion for the SCORE Program from the State of California; \$876 million will go directly to Metrolink, and the remaining funds will go to cities and local agencies for crossings safety projects. Davis also announced how, earlier today, the CTC approved a second request for funding from Metrolink, and will be receiving

\$91.2 million for this second funding allocation. Additionally, Metrolink also plans to do a Cal State LA project on the San Bernardino Line under the SCORE Program. Many of Metrolink's system upgrades have to do with eliminating more single-track sections and building more double track areas in order to improve commuter speed times on the system.

Questions/Discussion:

- One member of the Committee asked about the corridor between the Cal State LA station and the El Monte station, and what plans there are to improve speed times through that corridor.
- A Committee member asked: how many trains can you run in each direction on the SB Line? The same Committee member asked to what extent are there freight conflicts with BNSF on the San Bernardino Line.
- A Committee member remarked that, conceptually, the SCORE Program is something that the COG is supportive of.

METROPOLITAN TRANSPORTATION AUTHORITY (MTA) REPORT

10. Oral Report

Lilian De Loza-Gutierrez, Metro' Government Relations staffer for the SGV subregion, provided the first portion of this report. Below is a summary of her report:

- The 710 North Final EIR is coming out in the next couple of weeks. Caltrans is finalizing the document, and it should be available at end of month.
- Metro just finished a round of community meetings for the SFV-to-Pasadena BRT route. This route would provide connections to the Red, Orange, and Gold Lines.
- Regarding the on-going NextGen Bus Study, Metro anticipates holding community meetings in Pasadena and San Gabriel to get resident and community feedback.
- In early February, Metro will be starting a pilot for an Uber or Lyft type service to provide trips to and from the El Monte Bus Station within a certain zone. The cities that will be served include El Monte, South El Monte, and Rosemead.
- In the next week, the E-5 Phase 2 project is going to the Metro Board; staff will ask the Board to re-open the environmental contract.

Chair John Fasana also added that, in Metro committees, there has been extensive discussion about the cleanliness of the buses and the trains. Cleanliness of service is an important and pressing issue right now. De Loza-Gutierrez also added that SGV cities should call her if they notice these cleanliness issues.

UPDATE ITEMS

11. Metrolink Update

A. Davis of Metrolink reiterated that Metrolink's top priority right now is delivering the SCORE Capital Improvement Program.

12. Update on Active Transportation Planning Efforts

M. Creter, the Executive Director of the SGVCOG, provided this update report. She announced that SGV cities did an excellent job in the Metro Open Streets Cycle 3 program. The San Gabriel Valley has four open streets events get awarded with funding:

- Heart of the Foothills, Part Two

- An El Monte / South El Monte Open Streets Event on Halloween 2019
- An open streets event through South Pasadena on State Route 110
- An open streets event which will run through South Pasadena, Alhambra, and San Gabriel

EXECUTIVE DIRECTOR'S REPORT

13. Oral Report

There was no report on this item.

COMMITTEE MEMBER ITEMS

J. Fasana announced that his Metro Board seat is up for re-election, and he also announced that he will seek another term in the Board. There will be a subregional process to nominate a candidate to the seat.

S. Pedroza announced that, earlier today, at the Gold Line Authority meeting, the Board voted in Tim Sandoval of Pomona to replace Mr. Pedroza as the SGVCOG's representative on that board.

ANNOUNCEMENTS

There were no additional announcements.

ADJOURN

The meeting was adjourned at 5:27 p.m.

REPORT

DATE: November 15, 2018

TO: SGVCOG Transportation Committee

FROM: Marisa Creter, Executive Director

RE: **SGV GREENWAYS STUDY & CITY ACTIVE TRANSPORTATION PLANS**

RECOMMENDED ACTION

For information and discussion.

BACKGROUND

In 2014, the SGVCOG was awarded funding under the Active Transportation Program (ATP) Cycle 1 grant program to conduct a greenway feasibility study and develop active transportation plans for the cities of Glendora, Irwindale, La Puente, Monrovia, and Montebello. The grant requires that all work be completed by December 2018 and that the implementing agency (SGVCOG) receive and file the final report.

THE GREENWAY FEASIBILITY STUDY

The SGVCOG's consultant, Alta Planning + Design, was tasked with preparing the feasibility study for the San Gabriel Valley Greenway Network. This work was reviewed by the SGVCOG's Greenway TAC, which included broad representation from member agencies. That group met four times in the last fiscal year to hear updates on, and review, the findings of the greenway feasibility study.

In order to score and then consequently rank the various greenway corridors, Alta established an evaluation methodology which was consistently applied to all project corridors. The methodology criteria utilized scoring metrics which are meant to reflect the expected scoring for ATP Cycle 4 grant applications. A corridor can receive a possible score of 32 to 115 points, and each Greenway segment received a segment score based on the scoring methodology. The components and criteria are as follows:

- I) Disadvantaged Community (0 or 10 points)
 - a) Cal Enviro Screen Percentile
 - b) Median Household Income
 - c) Percentage of students eligible for free or reduced priced school meals
- II) Need (7-50 points)
 - a) School Enrollment
 - b) Parks Need
 - c) Transit Adjacency
 - d) Destinations
 - e) Population Density
 - f) Zero Vehicle Households
 - g) Bikeway Gap Area

- h) Bikeway Connectivity
- III) Safety (22-30 points)
 - a) Collisions
 - b) Schools
- IV) Public Participation (0-10 points)
 - a) Previously Planned
 - b) Dedicated Outreach
- V) Feasibility (3-15 points)
 - a) Constructability
 - b) Cost
 - c) Land Ownership

The Greenway TAC was able to review Alta's corridor descriptions, and the scoring results of the evaluations and analyses. While this ranking system provides information and context about each greenway corridor, it does not take into account possible right-of-way acquisition or permission hurdles for some of the corridors, as the rights of way for these greenway segments are owned and/or operated by LA County Flood Control District, SCE, or a railroad. Additionally, while this study did consider and score connectivity, as well as nearby accessible schools and parks for each greenway segment, the study did not project or analyze potential ridership figures for each corridor.

At its June 2018 meeting, the Greenway TAC approved a motion which generally approved of the progress of the SGV Greenway Corridor Study and Results. The motion also stipulated that the item be moved to the Transportation Committee for further review, analysis, and direction. The Greenway Corridor Study was then presented to the Transportation Committee at its meeting on June 21, 2018. At this meeting, members of this committee were able to provide input and feedback on the report and were able to provide comments on which greenway corridors are the most practical and needed in their respective communities. Staff from Alta Planning + Design received these comments and were going to consider them as they worked to prepare the final draft of this report.

ACTIVE TRANSPORTATION PLANS

Alta Planning + Design, Inc. has also been working with five San Gabriel Valley cities to develop specifically tailored active transportation master plans for each of the five respective cities. Alta Planning + Design, Inc. has been drafting these detailed plans for the cities of Glendora, Irwindale, La Puente, Monrovia, and Montebello. The final drafts of these municipal plans include, among other items:

- 1.) Proposed Bikeway Networks
- 2.) Pedestrian Recommendation Maps
- 3.) Comprehensive Lists of Recommended Projects
- 4.) Prioritization Strategies

Note, that while the primary SGV Greenway and Active Transportation Plan Report document has been completed, the Appendix items are not fully finished yet, and will be inserted into the report at a later date.

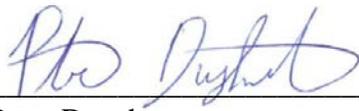
REPORT

Note, due to the large size of the file, the SGV Greenway Study and the Active Transportation Plans will be sent out separately.

NEXT STEPS

Alta Planning + Design, Inc. staff will be providing an overview presentation on the final versions of the SGV Greenway Study and the City Active Transportation Plans to the Transportation Committee. Committee members will be able to provide comments and feedback on the reports at this Committee meeting. Later that day, this item will be on the Governing Board's agenda. SGVCOG staff is recommending that the Governing Board receive and file the SGV Greenway Study and the five City Active Transportation Master Plans.

Prepared by:



Peter Duyshart
Project Assistant

Approved by:



Marisa Creter
Executive Director

ATTACHMENTS:

Attached Separately

REPORT

DATE: November 15, 2018

TO: San Gabriel Valley Council of Governments Transportation Committee

FROM: Marisa Creter, Executive Director

RE: Metro Mobility on Demand First/Last Mile Pilot Project

RECOMMENDED ACTION

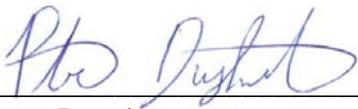
For information only.

BACKGROUND

Public agencies, transportation providers, and transportation planning authorities are expanding public transit options while also aggressively working toward providing more sustainable transportation options and toward reducing vehicle miles traveled. One component of this includes trying to develop and devise innovative ways by which to improve connectivity to transit, especially by expanding first/last mile options for transit users which do not have access to a car and who do not live immediately adjacent to a transit station, but are attempting to connect to transit and bus lines. First/Last Mile connections to transit stations can be enhanced and improved by utilizing ride share services and programs, as well as by building new infrastructure which encourages travel by bicycle or walking to and from transit stops. LA Metro

LA Metro has been a regional leader in in trying to improve first/last mile connections for transit users in LA County. Pertaining to improving ride share options, LA Metro is launching a Mobility on Demand first/last mile pilot project with Via Transportation, Inc. (Via). This pilot project is funded in part by a \$1.35M FTA Mobility on Demand Sandbox Demonstration grant. Via will be providing on-demand shared rides to and from select Metro stations. The three stations are North Hollywood, Artesia, and El Monte. The service is launching the last week of January 2019 and will be in operation for 12-months, with an option to extend. Rides will be on-demand, shared, accessible, and affordable. For the El Monte Bus Station, which is the busiest bus-specific terminal in the United States west of the City of Chicago, this Mobility on Demand project will serve SGV cities which are near the station: the cities of El Monte, South El Monte, and Rosemead.

Emma Huang, who is a Principal Transportation Planner for LA Metro's Office of Extraordinary Innovation, will provide the Transportation Committee with an overview presentation on this pilot project, which will include more details about the purpose, funding, operations, and logistics of this program, which will be launching in the very near future in the middle of the San Gabriel Valley.

Prepared by: 
Peter Duyshart
Project Assistant

Approved by: 
Marisa Creter
Executive Director

Attachments:

Presentation slides for the Mobility on Demand First/Last Mile Pilot Project will be provided separately.

REPORT

DATE: November 15, 2018

TO: San Gabriel Valley Council of Governments Transportation Committee

FROM: Marisa Creter, Executive Director

RE: **ExpressLanes Interfund Loan Principles and Policies**

RECOMMENDED ACTION

For information and discussion.

BACKGROUND

In November 2012, LA Metro opened its first ExpressLanes on the I-110 freeway. Additionally, in February 2012, the I-10 ExpressLanes opened. Due to the popularity and because of the benefits of the ExpressLanes, in January 2017, Metro staff drafted the Los Angeles Countywide ExpressLanes Strategic Plan. This plan identified a network of ExpressLanes to enhance mobility options and to try to alleviate some traffic for some motorists throughout the LA County region. This plan identifies a 25+ year timeline for the development of the ExpressLanes network, and this timeline includes multiple tiers of projects. However, the development of the network is mainly unfunded.

In an attempt to possibly accelerate project delivery of some ExpressLanes projects and to figure out possible manners by which to fund these projects, in March 2017, the Metro Board passed a motion which directed the CEO of Metro to develop a comprehensive acceleration strategy for constructing 1st tier and 2nd tier projects as outlined in the Strategic Plan. After further contemplation on this matter, in September 2017, the Board requested the development of an Interfund Loan Policy for the ExpressLanes by Metro staff. A policy such as this is necessary because all of the ExpressLanes projects which are identified in the Strategic Plan will very likely have to be funded through a new financing mechanism and strategy. A recent Metro survey found that a majority of respondents indicated that ExpressLanes expansion projects are more important to prioritize investment in than roadway improvements, transit, and active transportation projects, so Metro has been trying to devise ways and methods to fund ExpressLanes projects.

Moreover, 56% of Net Toll Revenue grants which were awarded in 2014 remain unspent, and that 94% of the Net Toll Revenue grants which were awarded in 2016 remain unspent. According to Metro guidelines, at least 20% of the net revenue may be used for a new round of ExpressLanes Net Toll Revenue Grant Program once a total of 50% of the grants which were awarded in a prior cycle are expended. In order to effectively and efficiently expend this un-used grant money, Metro is proposing to potentially execute Interfund Loans to fund new construction projects.

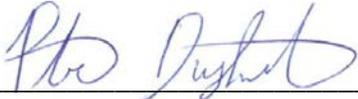
Shahrzad Amiri, the Executive Officer of Congestion Reduction for LA Metro, will provide the Transportation Committee with an overview presentation which will include additional details on the ExpressLanes Interfund Loan Principles. During this presentation, she will discuss the rules, requirements, and guidelines for investing and expending interfund loans and she will explain in detail an example loan repayment and cash flows schedule. In summary, for this loan schedule

REPORT

example, for an interfund loan of \$100 million repaid with an interest rate of 5% over 20 years, the I-10/I-110 corridors could receive:

- \$115.8 million in principal repayment;
- \$89.5 million in interest earning; and,
- \$147.6 million in Net Toll Revenue Grant along the existing 10/110 corridor.

Ms. Amiri will explain how interfund loans can potentially create increased capital for other ExpressLanes-related projects within Los Angeles County.

Prepared by: 
Peter Duyshart
Project Assistant

Approved by: 
Marisa Creter
Executive Director

Attachments:

Attachment A – Metro ExpressLanes Interfund Loans Informational Slides -- Page 15



METRO EXPRESSLANES INTERFUND LOANS SAN GABRIEL VALLEY COUNCIL FOR GOVERNMENTS

November 15, 2018

Background

- In November 2012, Metro opened its first ExpressLanes on the I-110 freeway. Shortly thereafter the I-10 ExpressLanes opened in February 2013.
- In January 2017, Metro staff presented the Los Angeles Countywide ExpressLanes Strategic Plan identifying a network of Express Lanes to enhance mobility options throughout the County. The Plan identifies a 25+ year timeline for the development of the network which is largely unfunded.
- Tier 1 (5-10 years):
 - I-10 (I-605-SBCL)
 - I-105 (I-405-I-605)
 - I-405 (101- OC CL)
 - I-605 (I-10- OC CL)

Background

- In March 2017, the Metro Board passed a motion directing the CEO to develop an acceleration strategy for constructing first- and second-tier projects outlined in the LACMTA Countywide ExpressLanes Strategic Plan.
- In September 2017, the Board requested the development of an Interfund Loan Policy.
- It is anticipated that virtually all the ExpressLanes projects identified in the Strategic Plan will need to be constructed through some sort of financing mechanism.

Background

- A recent ExpressLanes customer survey found that, when ranking among improvements such as transit, ExpressLanes expansion, active transportation or local roadway improvements, the highest percentage, 41% of the respondents identified ExpressLanes expansion to other corridors as the most important.
- 56% of the Net Toll Revenue grants awarded in 2014 remain unspent; 94% of the net toll revenue grants awarded in 2016 remain unspent.

Conditions

- On an ongoing basis, at least 20% of the net revenue may be used for a new round of the ExpressLanes Net Toll Revenue Grant Program once an aggregate of 50% of the grants awarded in a prior round are expended.
- A PSR for the ExpressLanes corridor must be completed before recommending an individual Interfund Loan
- When recommending an individual Interfund Loan for approval by the Board, the staff will report on the funding need and purpose of the Interfund Loan, including estimated expenditures, revenues identified for repayment, key loan terms, including but not limited to: loan amount, interest rate, term, repayment profile, and potential cost to Metro if such Interfund Loan is not made.

Interfund Loan Principles

- Investment – To ensure each Interfund Loan is treated as an investment, it must adhere to the following requirements:
 - Individual loans must be approved by the Board;
 - A repayment source, interest rate, and schedule must be identified;
 - The Minimum Interest Rate required to be paid must be set based on the normal opportunity cost.
 - The principal repayment of an Interfund Loan must begin no less than 5 years after the opening of the ExpressLanes project for which the Interfund Loan provided funding.
- Interfund Loans outstanding and payments on such loans, as applicable, shall be recorded/reflected in a proposed ExpressLanes Interfund Loan Annual Report.

Interfund Loan Example Assumptions

- The interfund loan example shows an indicative loan repayment schedule. Funds are borrowed for project construction and interest on the borrowed amount is capitalized (added to the loan) through the new ExpressLanes project ramp-up period. Mandatory level debt service payments are made annually from net toll revenues. This example includes the net toll revenue grants from 20% of the available net toll revenues of the I-10/I-110 ExpressLanes, the project cash flow repaying the interfund loan and the remaining I-10/I-110 ExpressLanes funds going to the ExpressLanes system development. This results in a 19-year repayment period after ramp-up.
- Key Assumptions include:
 - \$100 million construction cost for the ExpressLanes
 - 3-Year Construction Period
 - \$100 million Interfund Loan required; no other costs
 - Traffic and Revenue ramp-up is \$30M - Y1, \$40M - Y2, \$50M - Y3, thereafter 2.5% annual growth
 - O&M is 45% of projected Gross Toll Revenues
 - Transit Subsidy of \$7.4 million during ramp-up increasing by 1% annually
 - Interest rate is 5% based Municipal Market Data GO AAA + an appropriate credit spread for a BBB credit + a forward premium.
- This example does not take any required reserves such as debt service reserve fund, O&M reserve or Major Maintenance reserves into account.

Interfund Loan Example Cash Flows

(\$ millions)

Year	CONSTRUCTION			RAMP-UP			LOAN REPAYMENT								
	1	2	3	4	5	6	7	8	9	10					
Project Cash Flow															
Capital Costs	(33.3)	(33.3)	(33.3)												
Gross Revenue		30.0	50.0	51.3	52.5	53.8	55.0	56.3	57.8	59.3					
O&M Costs		(13.5)	(18.0)	(23.1)	(23.6)	(24.2)	(24.8)	(25.3)	(26.0)	(26.7)					
Transit Subsidy		(7.4)	(7.4)	(7.5)	(7.5)	(7.6)	(7.7)	(7.8)	(7.9)	(7.9)					
Net Toll Revenue		9.1	14.6	20.7	21.3	21.9	22.5	23.2	23.9	24.7					
Interfund Loan															
Loan Amount	100.0														
Capitalized Interest	5.0	5.3	5.5												
Principal Balance	105.0	110.3	115.8	115.8	115.8	112.0	108.0	103.8	99.4	94.8					
Principal Payment					3.8	4.0	4.2	4.4	4.6	4.8					
Interest Payment		5.8	5.8	5.8	5.8	5.6	5.4	5.2	5.0	4.7					
Debt Service		5.8	5.8	5.8	9.6	9.6	9.6	9.6	9.6	9.6					
Ending Principal Balance	105.0	110.3	115.8	115.8	112.0	108.0	103.8	99.4	94.8	90.0					
Project Cash Flow After Debt Service															
		3.3	8.8	14.9	11.7	12.4	13.0	13.6	14.3	15.1					
Net Cash Flow for 10/110 ExpressLanes	25.0	25.8	26.0	26.5	26.8	27.1	27.3	27.6	27.9	28.2					
Net Toll Reinvestment Grants 20%	5.0	5.1	5.2	5.3	5.4	5.4	5.5	5.5	5.6	5.6					
ExpressLanes System Development	20.0	20.2	20.4	20.4	20.4	20.4	20.4	20.4	20.4	20.4					

Interfund Loan Example Cash Flows (cont.)

(\$ millions)

Year	LOAN REPAYMENT													
	11	12	13	14	15	16	17	18	19	20	21	22	23	
Project Cash Flow														
Capital Costs														
Gross Revenue	60.8	62.3	63.8	65.3	67.0	68.8	70.5	72.3	74.0	75.8	77.8	79.8	81.8	
O&M Costs	(27.3)	(28.0)	(28.7)	(29.4)	(30.2)	(30.9)	(31.7)	(32.5)	(33.3)	(34.1)	(35.0)	(35.9)	(36.8)	
Transit Subsidy	(8.0)	(8.1)	(8.2)	(8.3)	(8.3)	(8.4)	(8.5)	(8.6)	(8.7)	(8.8)	(8.9)	(8.9)	(9.0)	
Net Toll Revenue	25.4	26.1	26.9	27.6	28.5	29.4	30.3	31.1	32.0	32.9	33.9	34.9	35.9	
Interfund Loan														
Loan Amount														
Capitalized Interest														
Principal Balance	90.0	84.9	79.6	74.0	68.1	61.9	55.4	48.6	41.5	34.0	26.1	17.8	9.1	
Principal Payment	5.1	5.3	5.6	5.9	6.2	6.5	6.8	7.1	7.5	7.9	8.3	8.7	9.1	
Interest Payment	4.5	4.2	4.0	3.7	3.4	3.1	2.8	2.4	2.1	1.7	1.3	0.9	0.5	
Debt Service	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	9.6	
Ending Principal Balance	84.9	79.6	74.0	68.1	61.9	55.4	48.6	41.5	34.0	26.1	17.8	9.1	(0.0)	
Project Cash Flow After Debt Service	15.8	16.6	17.3	18.1	18.9	19.8	20.7	21.6	22.4	23.3	24.3	25.3	26.4	
Net Cash Flow for 10/110 Expresslanes	28.5	28.7	29.0	29.3	29.6	29.9	30.2	30.5	30.8	31.1	31.4	31.7	32.1	
Net Toll Reinvestment Grants 20%	5.7	5.7	5.8	5.9	5.9	6.0	6.0	6.1	6.2	6.2	6.3	6.3	6.4	
Expresslanes System Development	38.6	39.6	40.5	41.5	42.6	43.7	44.9	46.0	47.1	48.2	49.5	50.7	52.0	

Interfund Loan Example Summary

For an interfund loan of \$100 million repaid with an interest rate of 5% over 20 years, the 10/110 corridors could receive:

- \$115.8 million in principal repayments;
- \$89.5 million in interest earnings; and,
- \$147.6 million in Net Toll Revenue Grants along the existing 10/110 corridor.