

Aldaron, Inc.

Public Policy Advisors to Industry and Government

10/1/2010

MEMORANDUM

TO: Jacki Bacharach
FROM: Don Camph
RE: Activities Summary, September, 2010

Measure R Highway Program

The Measure R Highway Program continued to develop at a fast pace. During the month we interacted frequently with members of the Iteris team.

An initial “performance assessment” of the list 129 of projects was performed pursuant to various evaluation criteria that were developed in consultation with the Infrastructure Working Group. On September 27 the project team met to discuss results to-date. Emerging from that discussion was the concept of a two-step project investment methodology. Step 1 is the initial project assessment evaluation based upon agreed-to evaluation criteria. However, it must be recognized that it is not possible to have a “scientifically” determined ranking of projects given wide differences in status of project development (ranging from “concept” to “ready to advertise”) and also in supporting data and documentation (both quantity and quality thereof). Accordingly, a second step that uses a combination of policy and technical judgment will be taken to further evaluate projects so as to take into account:

- Cities’ priorities;
- Geographic equity;
- Corridor-level or area-level impacts of “bundles” of projects; and,
- Strategic positioning of projects for future funding cycles.

At present, it is envisioned that there will be four groupings of projects:

- Ready-to-go projects that, for reasons beyond control of the project sponsor, may be facing a funding shortfall and for which, on a case-by-case basis, Measure R funds might be used to backfill.
- Projects that are fairly far along in the project development process but need an infusion of funds to get them over the top.

- “Incubator” projects: funding for project development activities for longer lead-time, generally bigger ticket projects to position them for future Federal, State and regional funding cycles.
- Projects that might compete well in the upcoming Metro Call-for-Projects (first year of funding currently scheduled for 2015/2016).

Work continues on schedule, and it is anticipated that a recommended South Bay Measure R Expenditure Plan for the first five years of the program will be finalized in January.

I-405 Impact Study

According to a motion (Knabe, Villaraigosa, DuBois) introduced at this month’s MTA Planning and Programming Committee (approved 5-0), the Orange County Transportation Authority (OCTA) is proposing to widen I-405 between the Orange/LA County line (I-605) and SR-73. OCTA and Caltrans are in the process of preparing an EIR/EIS for the project. The motion goes on to state:

“One of the alternatives being studied in the EIR/EIS is the "Express Facility Alternative" (Alternative 3) where new high occupancy toll (HOT) lanes would be built next to the existing carpool lane. HOT lanes offer drivers the option of driving on a high occupancy vehicle (HOV) lane for a toll, when they would normally not meet the occupancy requirements of the lane.

“The effectiveness of a HOT lane system increases as its reach expands. Conversely, ending a new freeway widening and HOT Lane facility at the 1-605 will constrict the project's effectiveness and potentially create an unintentional bottleneck.

“There is an opportunity for MTA to explore whether it makes sense to continue OCTA's proposed 1-405 widening and HOT lane project in Los Angeles County north of the 1-605.”

The motion, subsequently approved by the MTA Board on September 29, directs the MTA CEO to:

- A. Analyze the Orange County Transportation Authority 1-405 widening HOT lanes project and its impacts on Los Angeles County, including the potential for a corresponding facility in L.A. County;
- B. Complete a corresponding traffic analysis that describes the traffic impacts of the project at and near the Los Angeles-Orange county line; and,
- C. Report back in the November/December 2010 MTA Board cycle.

It is to be hoped that the SBCCOG will be involved in the study process.

“30/10” Measure R Transit Program Acceleration Plan

We continued to monitor developments with respect to the 30/10 Plan and the associated Accelerated Highway Program effort. On Sept. 3 the MTA released draft environmental impact report/studies (DEIR/S) for the proposed downtown regional connector and Westside subway extension rail projects. The release opens a 45-day comment period and a series of public hearings. Both projects are envisioned as parts of the “30/10” initiative. The downtown “Regional Connector” would be constructed as a light rail system and run two miles. Its primary purpose would be the linking of four rail lines serving downtown (Blue Line; Expo Line; Gold Line – Pasadena/San Gabriel Valley; Gold Line – East Side). The cost is estimated to run between \$900 million and \$1.24 billion depending upon whether a line that is mostly “at-grade” or a more expensive underground alignment is chosen. The Westside subway extension would run approximately nine miles between downtown's Union Station and a projected Westwood/UCLA station. The preliminary estimated cost is \$4 billion.

Public-Private Partnerships for Metro Transportation Projects

In an effort that is somewhat related to the 30/10 Plan, Metro is exploring the Public-Private Partnership (“P3”) project delivery method to partner with the private sector and deliver currently unfunded transportation projects. The program is to identify specific highway or transit projects that could be constructed through financing and project implementation arrangements with the private sector. It is our understanding that 3 transit and 3 highway project are being evaluated with respect to their “P3” potential:

- Transit Projects:
 - Westside Subway
 - Regional Connector
 - Crenshaw-LAX

- Highway Projects:
 - I-710 (South – Ports access/goods movement)
 - I-710 (North – South Pasadena tunnel)
 - High Desert Corridor

La Cienega Boulevard Corridor Improvement Project Study

The Draft Final Report became available in early September. It may be downloaded from:

<ftp://ftp.iteris.com/private/losangeles/La%20Cienega%20Corridor%20Draft%20Final%20Report>

The Final Report will be completed on or before Sep. 30 and posted to the SCAG web page. Also, each participating agency will receive a hardcopy.

A summary of the study recommendations is attached to this report.

Washington Report: Reauthorization Update:

Although the outlook for reauthorization of the Federal highway and Transit programs remains hazy, the Obama administration has finally released its key priorities for the long-stalled legislation. However, a lack of policy details or any specific ways to pay for it means Congress still faces a difficult task if they hope to approve the bill in 2011. The President stated that his administration is seeking an immediate \$50 billion investment in U.S. road, transit, high-speed rail, and airport infrastructure.

The short-term spending influx would be followed by a six-year surface transportation authorization bill that is more than a year overdue. While it outlined several broad reforms the legislation should enact, the White House kept largely quiet on policy specifics or how to pay for a bill that could top \$500 billion.

In a fact sheet released in early September, the administration broadly outlined four key “meaningful reforms” sought in the new transportation policy legislation, including a focus on “livability,” a key White House priority that seeks to improve quality of life by coordinating transportation, housing, and environmental decisions. The four reforms include:

- Creating an infrastructure bank;¹
- Integrating high-speed passenger rail into the regular surface transportation program;
- Consolidating the over 100 existing programs, with a focus on competitive funding programs that support innovative transportation projects; and,
- Increased spending on safety, environmental sustainability, economic competitiveness, and livability.

However, administration officials have provided Congress almost no additional details on the proposal. Moreover, although the President has said that he is committed to fully paying for the long-term transportation bill, it has made no mention of its preferred financing methods.

The general feeling in Washington seems to be that the proposal faces a tough battle on Capitol Hill, where lawmakers may be reluctant to back a spending package in a lame-duck session of the 111th Congress. Prospects for 2011 are highly uncertain, especially if Republicans win control of the House and/or Senate, and also for 2012, a Presidential election year during which raising the gas tax or imposing other revenue generating mechanisms would seem to be problematic.

According to Roy Kienitz, undersecretary for policy at the Department of Transportation, the administration plans to release detailed proposals for a surface transportation reauthorization bill

¹ The administration has proposed an infrastructure bank each of the past two years, so far to no avail. The president's fiscal year 2010 budget proposal included \$5 billion for an infrastructure bank, and the fiscal 2011 request featured \$4 billion for an National Infrastructure Innovation and Finance Fund, a slightly different iteration of the previous year's bank proposal. While popular with some lawmakers, the bank has faced enough opposition from Republicans and rural Democrats that it has not yet been authorized, a necessary first step before federal money can be provided.

and a national infrastructure bank with the fiscal year 2012 budget in February. It remains to be seen whether this will move the ball forward

Sacramento Report

California Design-Build: A bill enabling a \$1.5 billion expansion of State Highway Route 91 on a design-build model was chaptered on Sept. 24. The measure's text noted that, until Jan. 1, 2014, certain transportation entities can use a design-build process for contracting on projects under their aegis. The bill authorizes the Riverside County Transportation Commission (RCTC) to do so on the State Route 91 Corridor Improvements Project. The measure establishes the state Department of Transportation as the party responsible for the performance of construction inspection services and requires the RCTC to file reports with specified legislative committees. The bill's fate was an open question when Professional Engineers in California Government objected to the RCTC's condition that highway inspection be part of the eventual design-build contract. The matter was resolved to the union's satisfaction Aug. 26.

State Budget Impasse, Caltrans Delays: On Sept. 23 Caltrans announced that it had delayed or deferred \$932 million in transportation funding due to the state's on-going budget impasse. Over the past two months, \$3.9 billion-worth of projects statewide have been impacted, according to Caltrans. The \$932 million figure represents allocated funds dependent upon passage of a fiscal year 2010 budget. Among other projects, the deferred funding includes \$20 million for the conversion of bus/carpool lanes to bus/carpool toll lands on I-10 and I-110.

Meetings of Note

On September 22 Jacki Bacharach and I met with MTA CEO Art Leahy and Deputy CEO Paul Taylor to discuss a variety of issues, including: cost containment for rail transit projects; SBCCOG participation in forthcoming I-405 study (see above); convening the Artesia Transit Center task force in the very near future; and, meeting again Nov/Jan timeframe. I felt the meeting was very positive and constructive and establishes a solid basis for moving forward in a cooperative manner.

7.0 RECOMMENDATIONS

The evaluation of the alternatives indicated that ITS improvements would be appropriate for all segments of the corridor and access control/streetscape improvements would be appropriate in all but Segment 2 over the Baldwin Hills. These could also be implemented at relatively low cost and in the near term.

The evaluation of the grade separation alternatives indicated that they would have significant mobility benefits, but in the segments north of the Baldwin Hills, they would be incompatible with the land uses and policy directions of the Cities of Culver City and Los Angeles and counter-productive to the goal of establishing a transit-oriented district around the Jefferson Boulevard Exposition light rail station. The recommendation is therefore, to continue to pursue development of grade separations only at the Centinela/La Tijera/Fairview and Stocker Street locations.

Table 7.1 summarizes the study recommendations.

TABLE 7-1: STUDY RECOMMENDATIONS

Segment	Description	Recommendations
1	I-405-Fairview	Short-Term: ITS Improvements Proceed with Environmental Analysis of Grade Separation Alts
2	Fairview-Rodeo	Short-Term: ITS Improvements Proceed with Environmental Analysis of Grade Separation Alts
3	Rodeo-Fairfax	Short-Term: ITS Improvements Proceed with Development of Streetscape Improvements
4	La Cienega, Fairfax-I-10	Short-Term: ITS Improvements Proceed with Development of Streetscape Improvements
5	Fairfax, La Cienega-I-10	Short-Term: ITS Improvements Proceed with Development of Streetscape Improvements

The next steps in implementation of the study recommendations will be the responsibility of the individual jurisdictions along the corridor. They would likely be the lead agency for implementation of any of the recommended improvements. A corridor-wide ITS improvement would potentially be the only end-to-end project that would be jointly pursued by all of the jurisdictions, with one, potentially Los Angeles County, designated as lead agency for funding and contracting purposes. The County has lead such multi-jurisdiction ITS projects in other areas of the County.

Implementation of the streetscape, intersection and grade separation improvements would be lead by the jurisdiction(s) in which the improvements are located. The grade separation improvements would require preparation of an environmental impact report, so it is appropriate for the City of Inglewood to be the lead agency for environmental review of the Centinela/La Tijera/Fairview grade separation and for Los Angeles County to be the lead agency for environmental review of the Stocker Street grade separation. Preparation of an environmental impact report will also provide decision makers in each jurisdiction with additional analysis to compare the two alternatives at each location and to refine the preliminary designs as well as develop mitigation measures to reduce any impacts associated with the grade separations.

An additional recommendation of the study is related to the continued pursuit of an off-street pedestrian and bicycle facility over the Baldwin Hills. Los Angeles County should continue to coordinate with the adjacent jurisdictions and the California Department of Parks and Recreation and Baldwin Hills Conservancy on the planning for such a future connection when the oil extraction activities are no longer in operation and the potential expansion of the Kenneth Hahn State Park is possible.

