SOUTHERN CALIFORNIA ASSOCIATION of GOVERNMENTS

Major components of the proposed Draft 2012 RTP/SCS Issues, Challenges and Alternatives Analysis Framework

October 6, 2011
Regional Council Meeting

Purpose of today's meeting

- Discuss our vision for the future briefly
- Overview/Answer Questions of Staff Report
- Clarify Differences Between Alternatives
- Provide Feedback On Alternatives
- Understand Difference on Financial Gap between Alternatives
- Feedback on other potential funding alternative strategies to fill the gap

2012 RTP/SCS Sustainability Vision

Smart Land Use

Preserved Infrastructure

Transportation Choices

Active Transportation

Transit

Auto

HOT Lanes

TDM

Improved Air Quality Pollution Emissions

Health

Climate Change

Economic Competitiveness (Jobs)

Public Outreach Summary

- Public Outreach Workshops held in July through August 2011
  - 18 workshops
  - Over 700 participants

- A majority of participants indicated the economy was the most important priority for the region
  - Transportation and environment followed

Public Outreach Summary

- Participants, who represent a small sample of our population, overwhelmingly favored the RTP investing in a mix of transportation options.
- Almost 80% of participants either agreed or strongly agreed that we should:
  - Encourage more employment growth in or near residential communities
  - Encourage more residential growth in or near employment centers
- About 85% of participants preferred that future development of employment centers, commercial areas and residential areas be in mixed-use, walkable areas
- Almost 95% of participants favored either small lot detached, townhouse and multi-family development housing types to accommodate the region's future population.

What has changed since the 2008 RTP? The Good News

- SB 375 provides an opportunity to improve coordination/integration between land use and transportation
- Counties have extended or added sales tax measures
- Rising fuel efficiency on vehicles helps reduce dependence on foreign oil, reduces pollution and reduces costs for drivers

What has changed since the 2008 RTP? The Bad News

- Continuing economic downturn
- Persisting high unemployment
- Loss of over 3,000 businesses to the region and 800,000 jobs
- Loss of population and lower growth
- Declining federal and state revenues
- Declining county sales tax revenues
- Continued volatile and high energy prices

RTP/SCS Issues & Challenges

- Ability to Maintain or Improve Transportation System to State of Good Repair
- Inadequate Transportation Funding
- Facilitating and Mitigating Goods Movement Improvements to Retain Region's International Competitiveness
- Achieving SB 375 Green House Gas Reduction targets for 2020 & 2035
- Viability of High Speed Rail Phase I Implementation
- Improving Air Quality and Meeting Federal Conformity Findings
- Uncertainty Associated with Future Energy Costs

Preservation Challenges

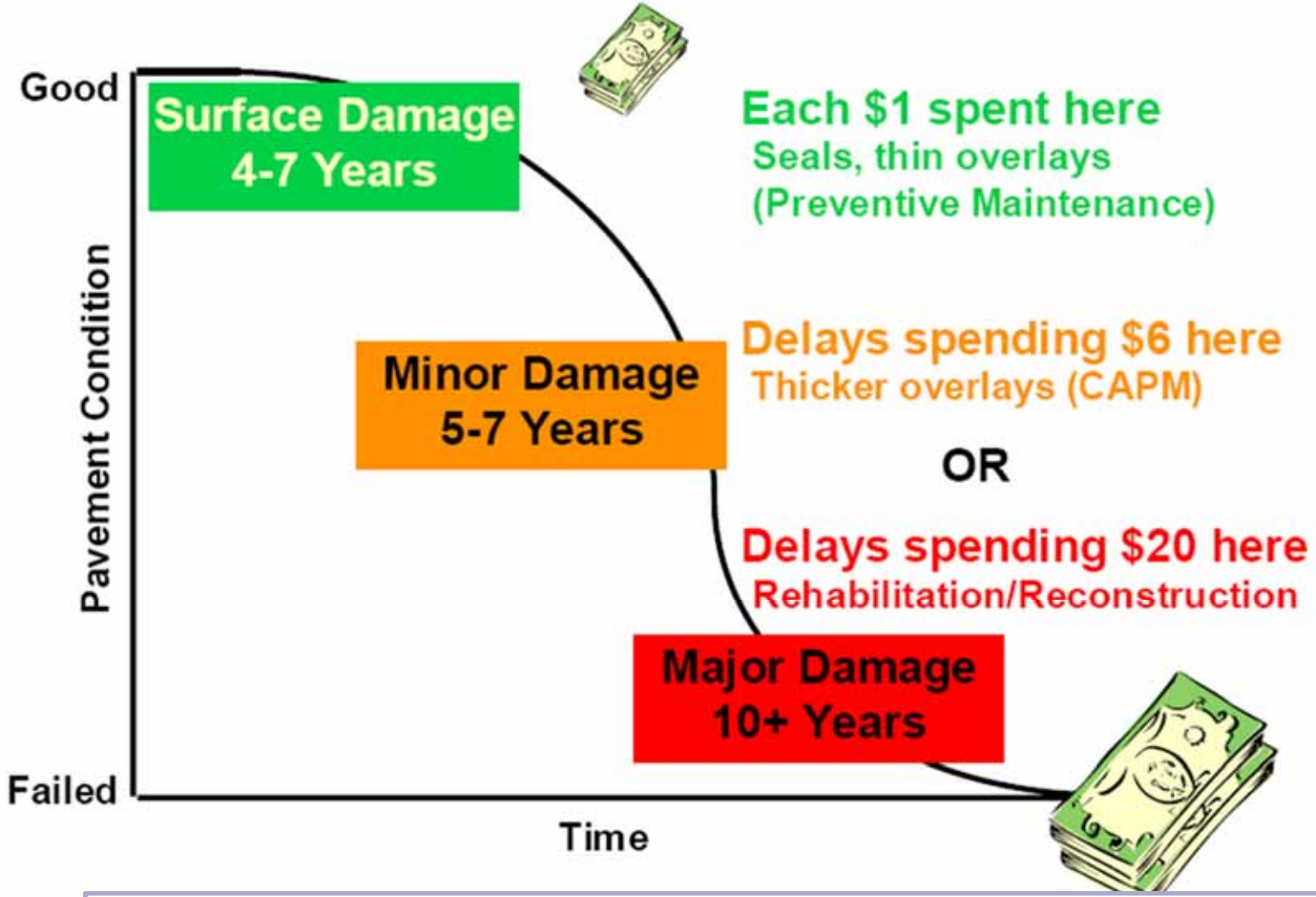
(to Maintain or Improve Transportation State of Good Repair)

What Does Distressed Pavement Look Like?

State 1: Excellent condition with no, few potholes or cracks - Future Preventive Maintenance project
State 2: Good condition with minor potholes or cracks - Preventive or Base Maintenance project
State 3: Fair condition with moderate potholes and cracks - CAPM project
State 4: Poor condition with significant cracks - CAPM project or Rehabilitation candidate
State 5: Poor condition with extensive cracks - Long Life or Rehabilitation/Reconstruction candidate

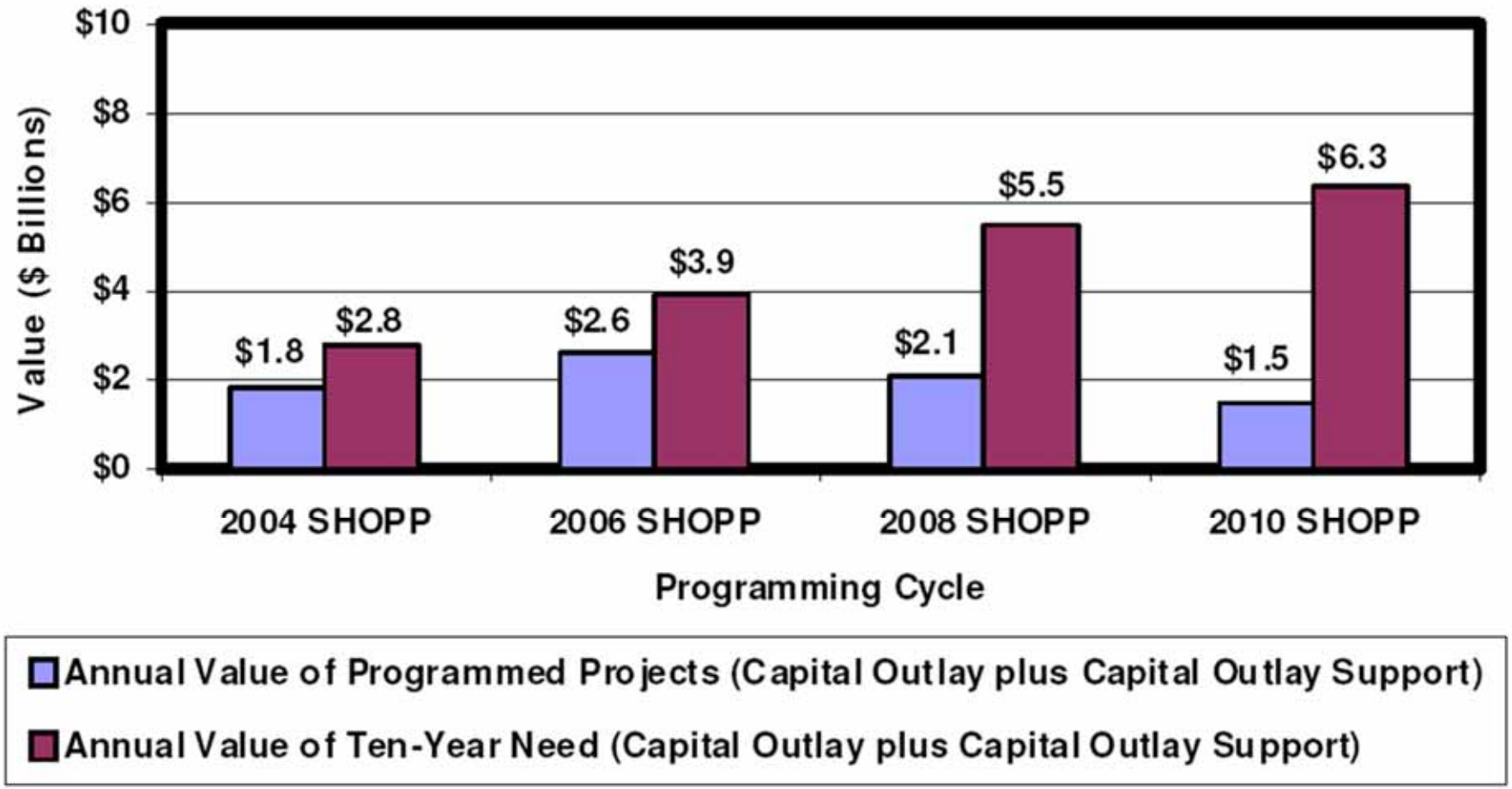
Source: Caltrans 2007 State of the Pavement Report

Cost Effectiveness of Pavement Treatment



Source: Caltrans 2007 State of the Pavement Report

Trends in State Highway Operations and Protection (SHOPP) Statewide Funding



Source: California Transportation Commission 2009 SHOPP Plan

State of Good Repair

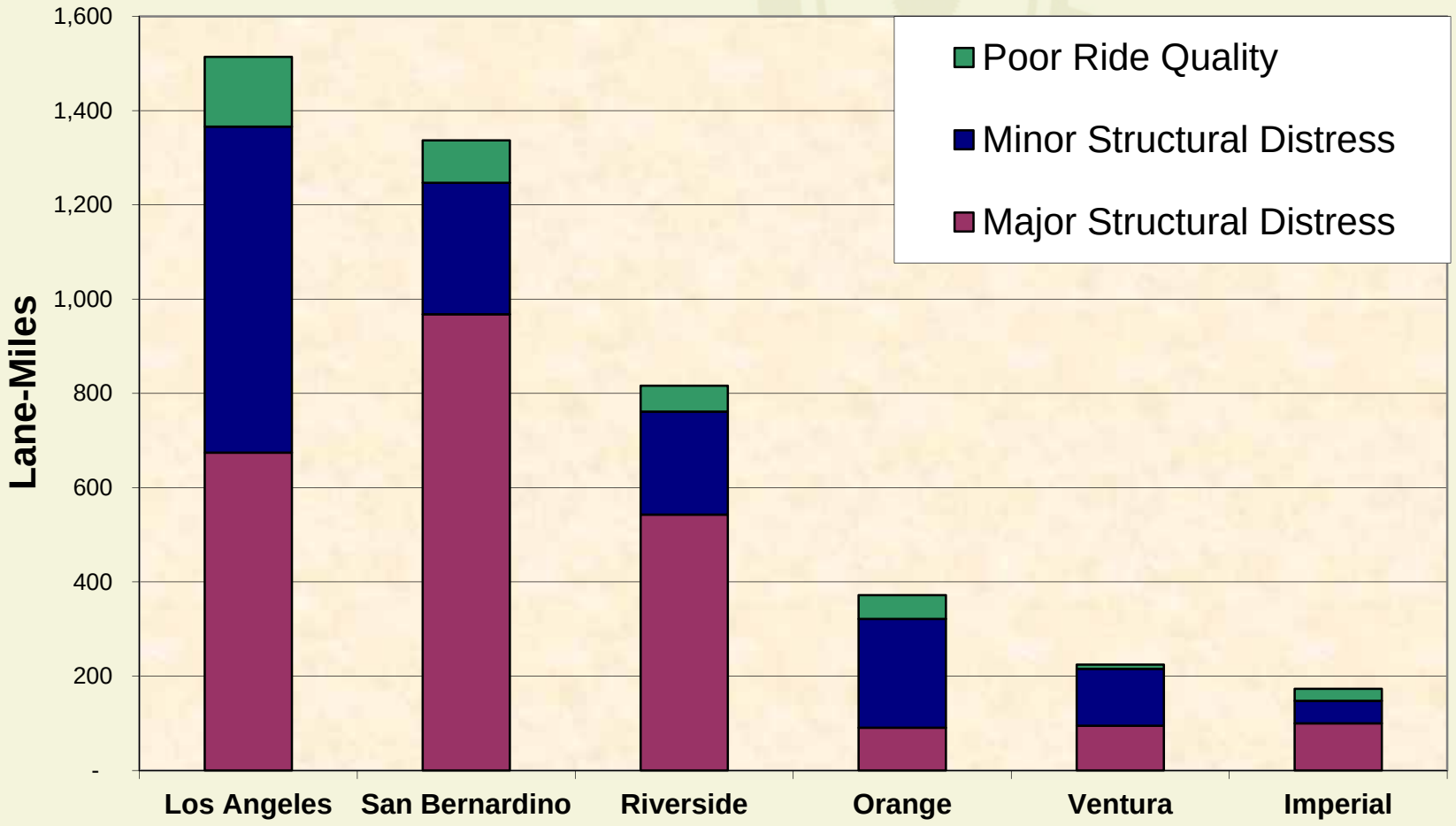
- Almost 30% of bridges on the State Highway System in the Region are rated deficient by Caltrans
- Only a third of that need is currently funded

State Highway Bridge Conditions in the SCAG Region

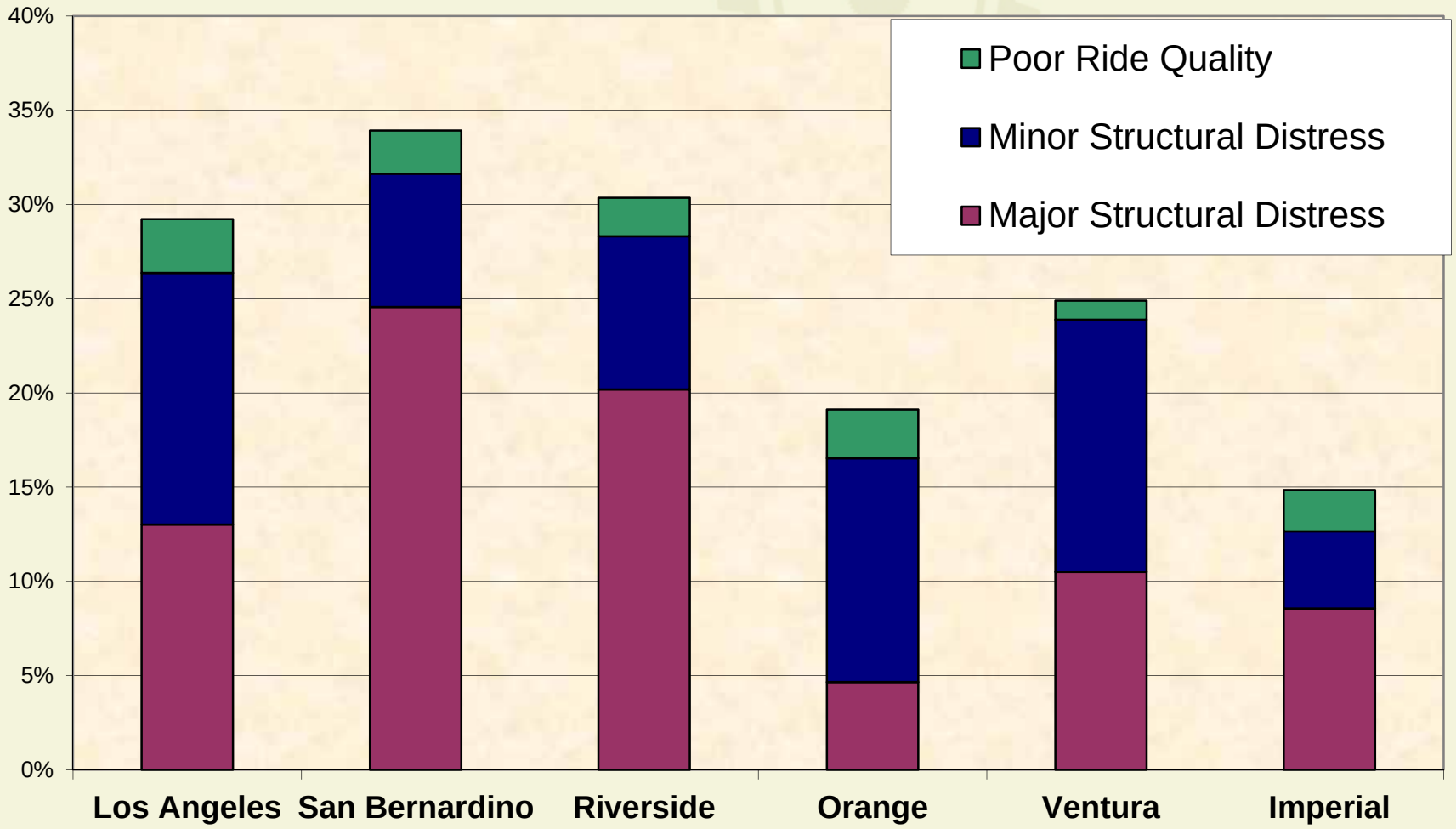
County	Number of Bridges	Deficient Bridges	% Deficient
Imperial	421	49	12%
Los Angeles	3,510	1,238	35%
Orange	1,117	286	26%
Riverside	1,061	215	20%
San Bernardino	1,370	282	21%
Ventura	486	125	26%
Totals	**7,965**	**2,195**	**28%**

Source: FHWA National Bridge Inventory (NIB), update 4/06/2011

Distressed Lane Miles in 2007



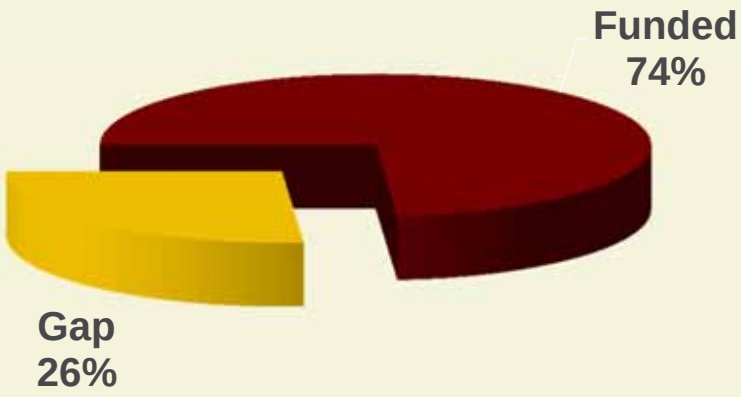
Percent of Distressed Lane Miles in 2007



Regional Transit O&M and Preservation Needs

High-Level Needs through 2035 (in nominal dollars)

- $176.6 billion total
- $130.3 billion funded
- $46.4 billion gap

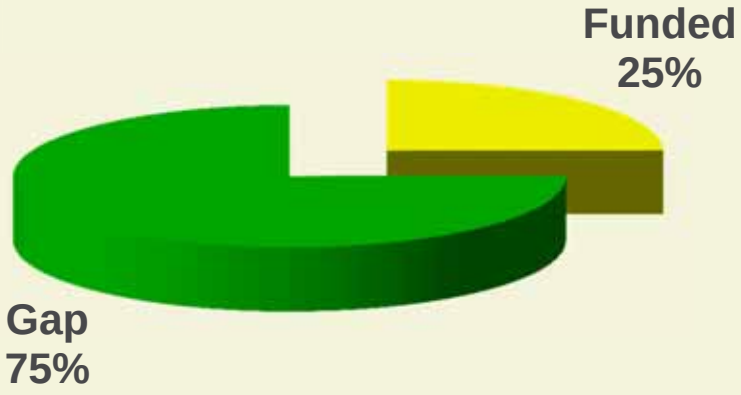


Source: California Transit Association, Caltrans, Federal Transit Administration, *California Unmet Transit Funding Needs: FY2011 – FY2020*, January 31, 2011

Regional State Highway Operations and Protection

High-Level Needs through 2035 (in nominal dollars)

- $67.3 billion total
- $16.7 billion funded
- $50.6 billion gap



* Estimated from gap between goal-constrained and fiscally-constrained needs in *2011 Ten-Year SHOPP Plan*

Regional Local Streets and Roads Needs

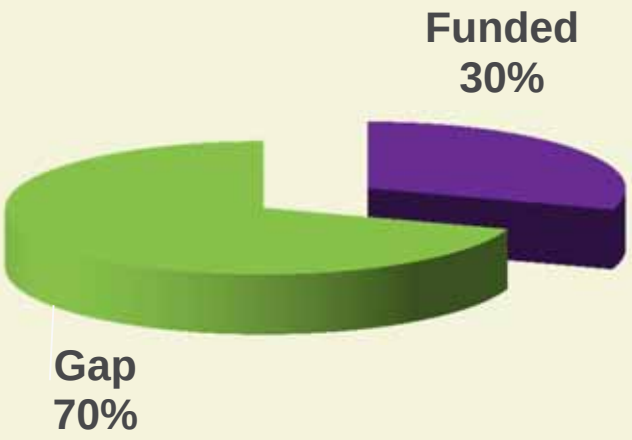
High-Level Estimate of Needs Through 2035*

Maintain Current Conditions (in nominal dollars)

- $87.0 billion total
- $30.6 billion funded
- $56.4 billion gap

State of Good Repair (in nominal dollars)

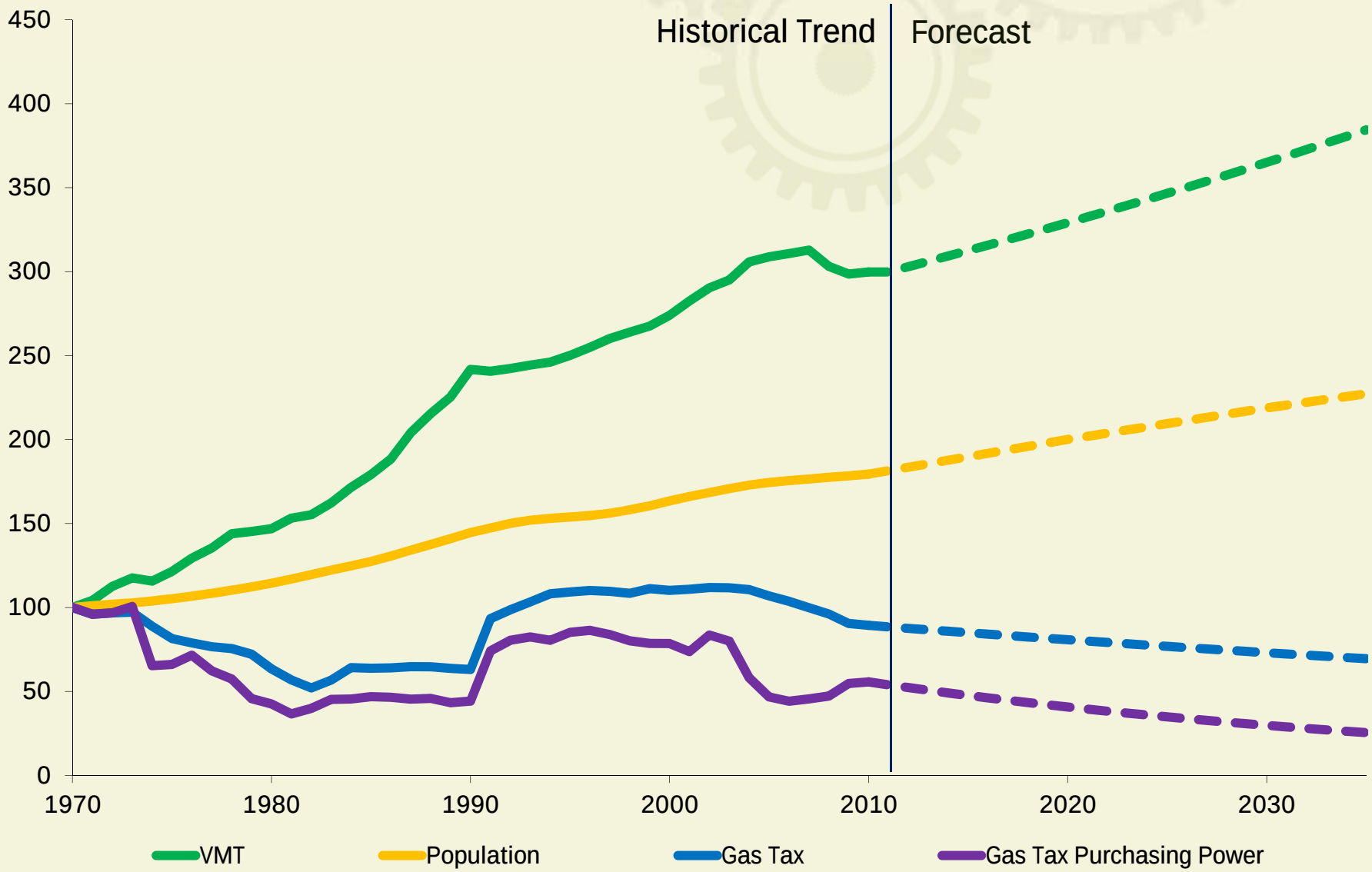
- $101.4 billion total
- $30.6 billion funded
- $70.8 billion gap



* Estimated from 10-year needs or cost-to-maintain estimate

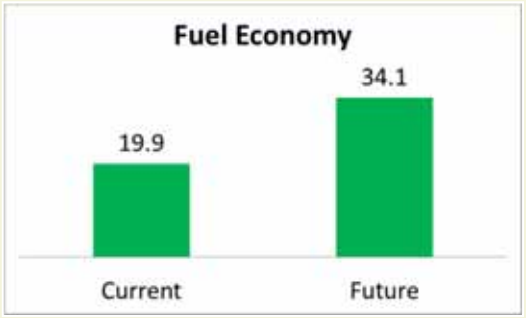
Funding Challenges

Gas Tax Revenue Has Not Kept Pace with VMT and Population



Reduced Purchasing Power of Gas Tax

- Increasing fuel efficiency with new CAFE Standards
  - 19.9 mpg average today to 34.1 mpg in 2016; 54.5 mpg by 2025
- Improved fuel efficiency reduces fuel consumption and ultimately gas tax revenues



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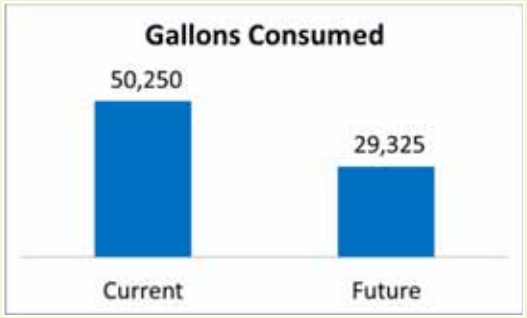

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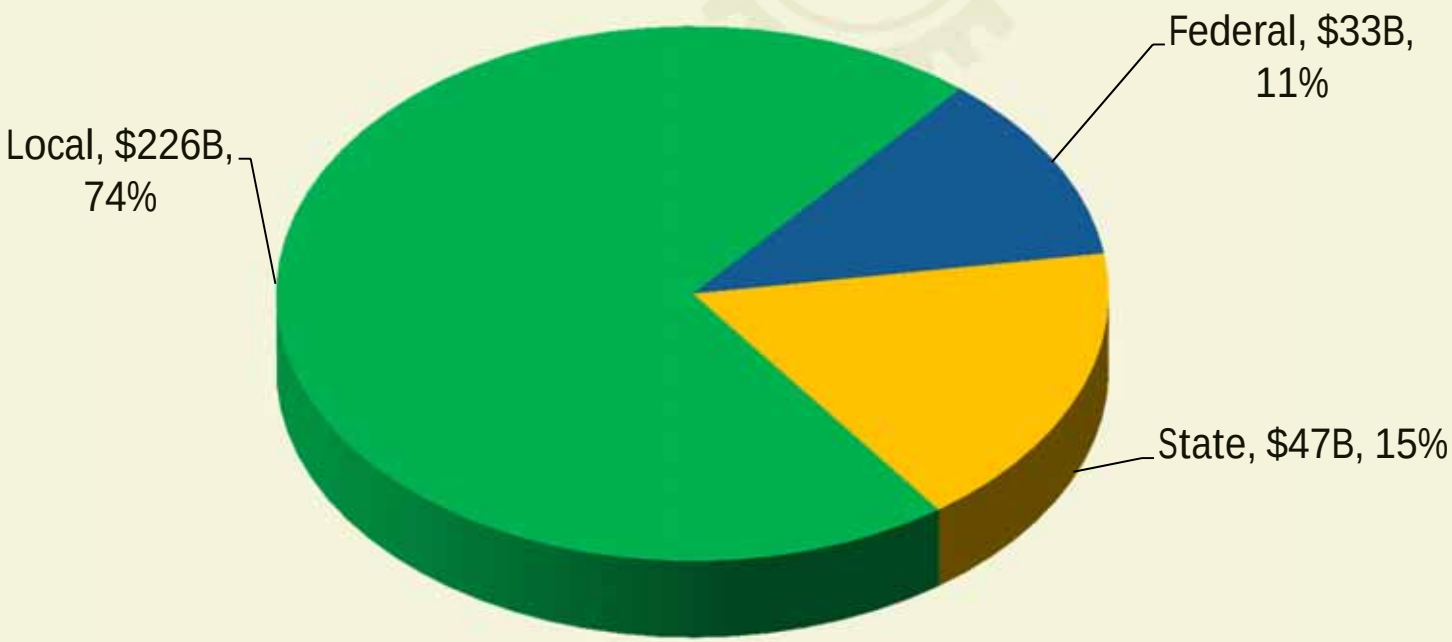
80 percent reduction in purchasing power by 2035

How Do We Pay for Mobility Improvements?
Working Core Revenue Forecast

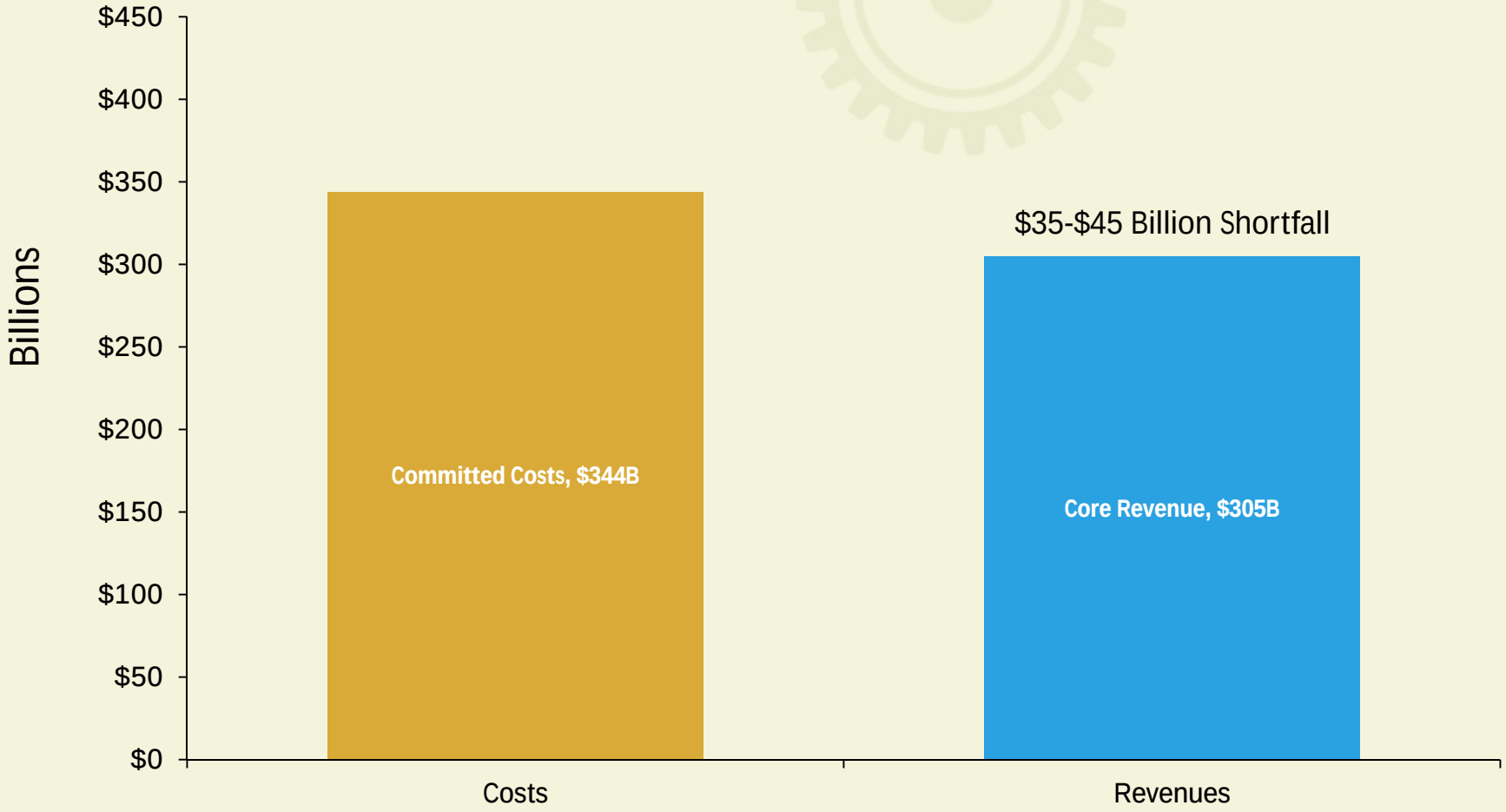
$306 Billion (in nominal dollars)



Assumes existing state and federal gas tax rates, sales tax forecasts consistent with county transportation commissions, and no new revenue sources

Initial Shortfall

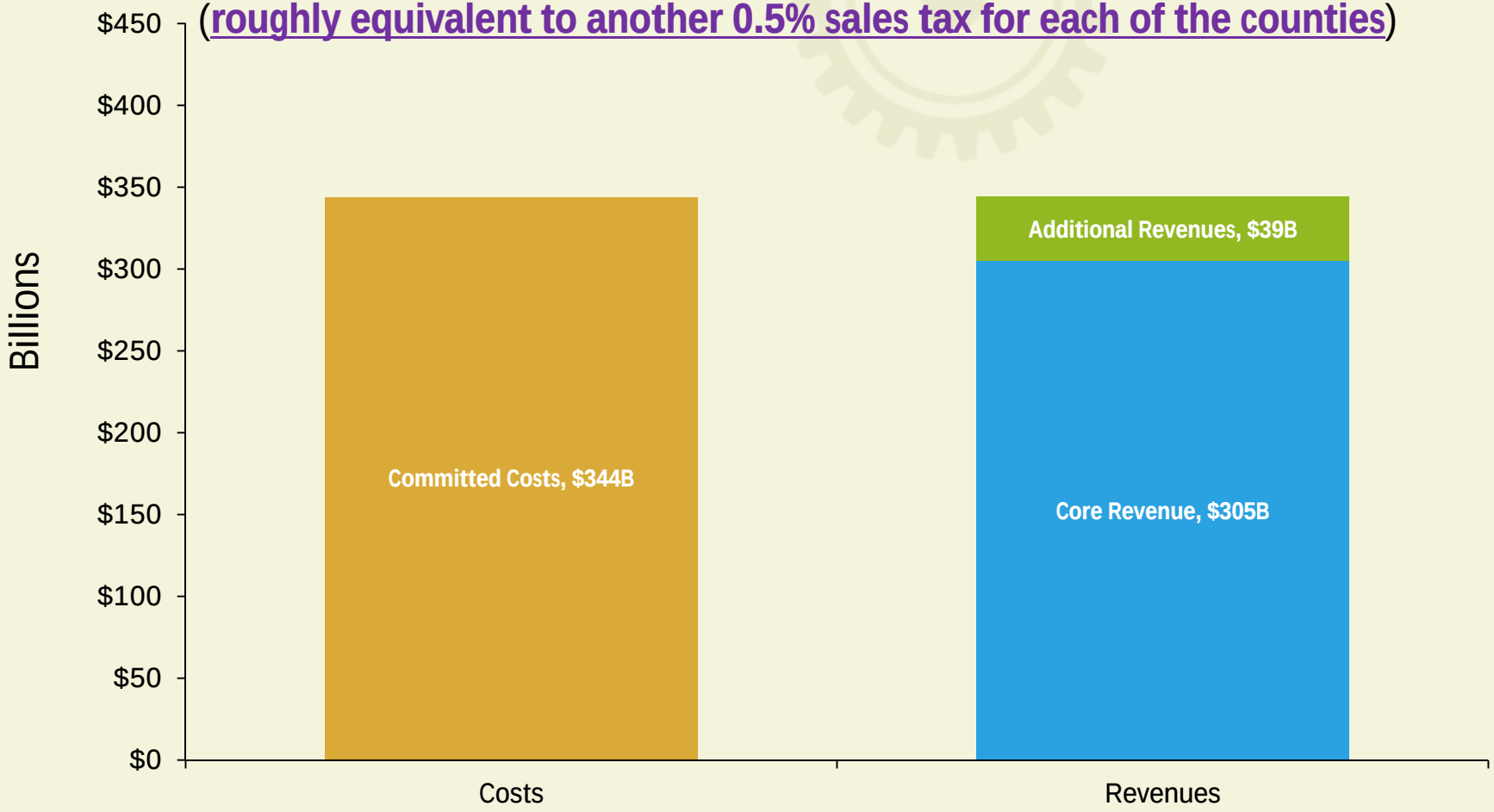
Committed Costs – Core Revenue



Balancing Options
To Deliver Committed Projects

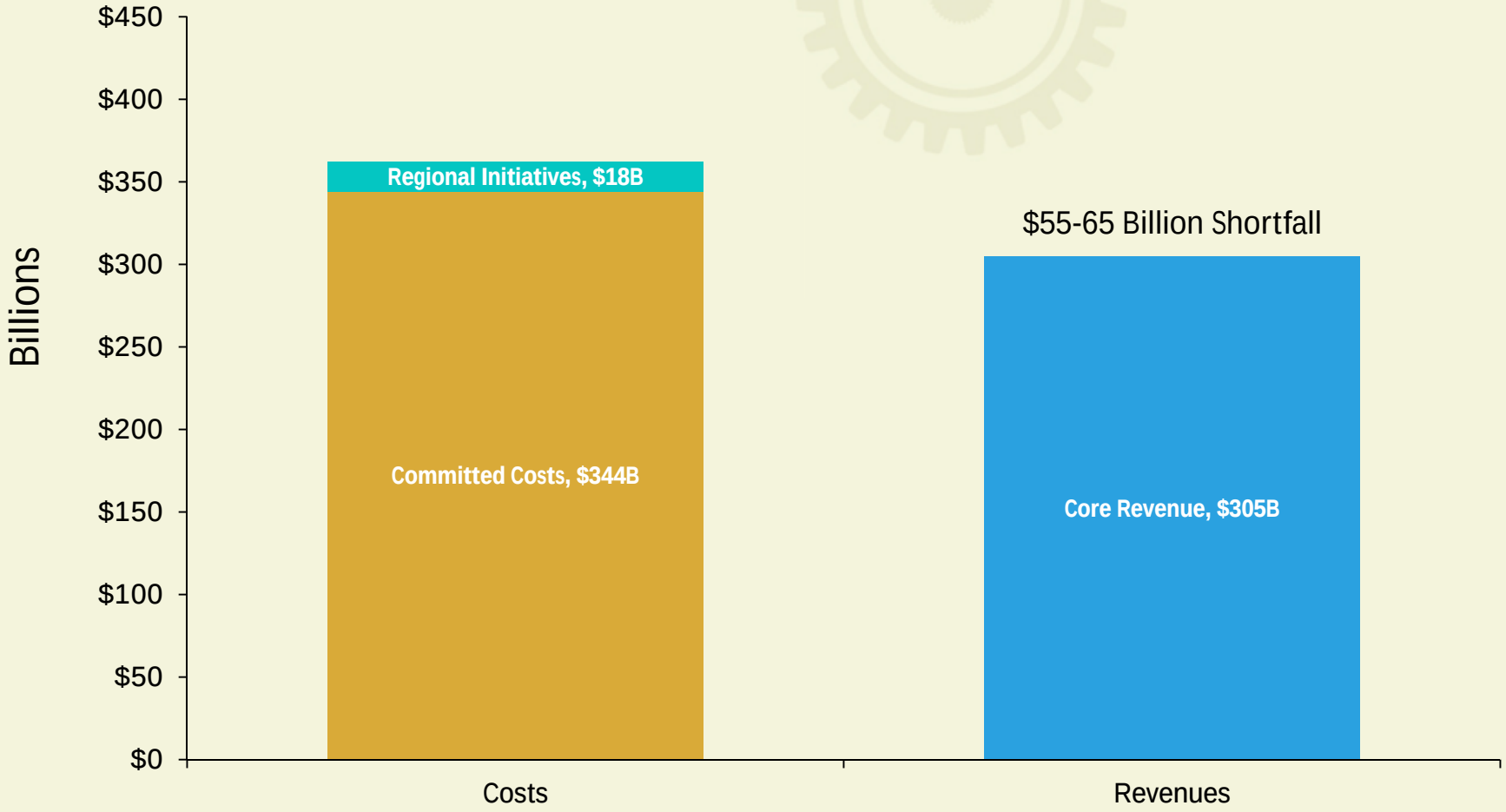
$0.90 Gas Tax Per Gallon or $0.033 Per Mile Fee*

(roughly equivalent to another 0.5% sales tax for each of the counties)



* Additional revenues are assumed to start in 2020; gas tax reflects total rate (including existing $0.54 per gallon); mileage-based user fee would replace existing gas tax

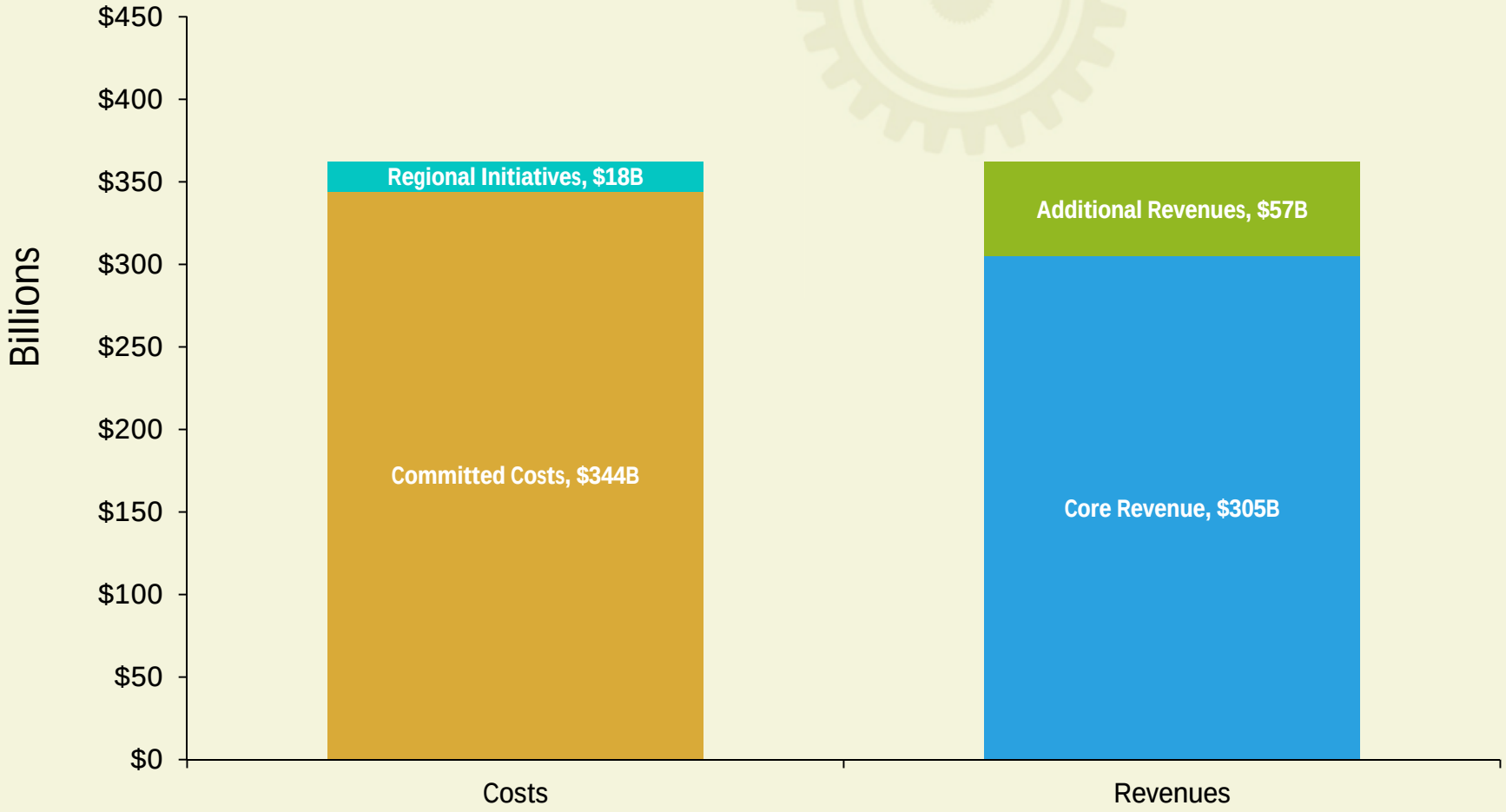
Revised Shortfall
(Committed Costs + Regional Initiatives) – Core Revenue



Balancing Options

To Deliver Committed Projects and Regional Initiatives

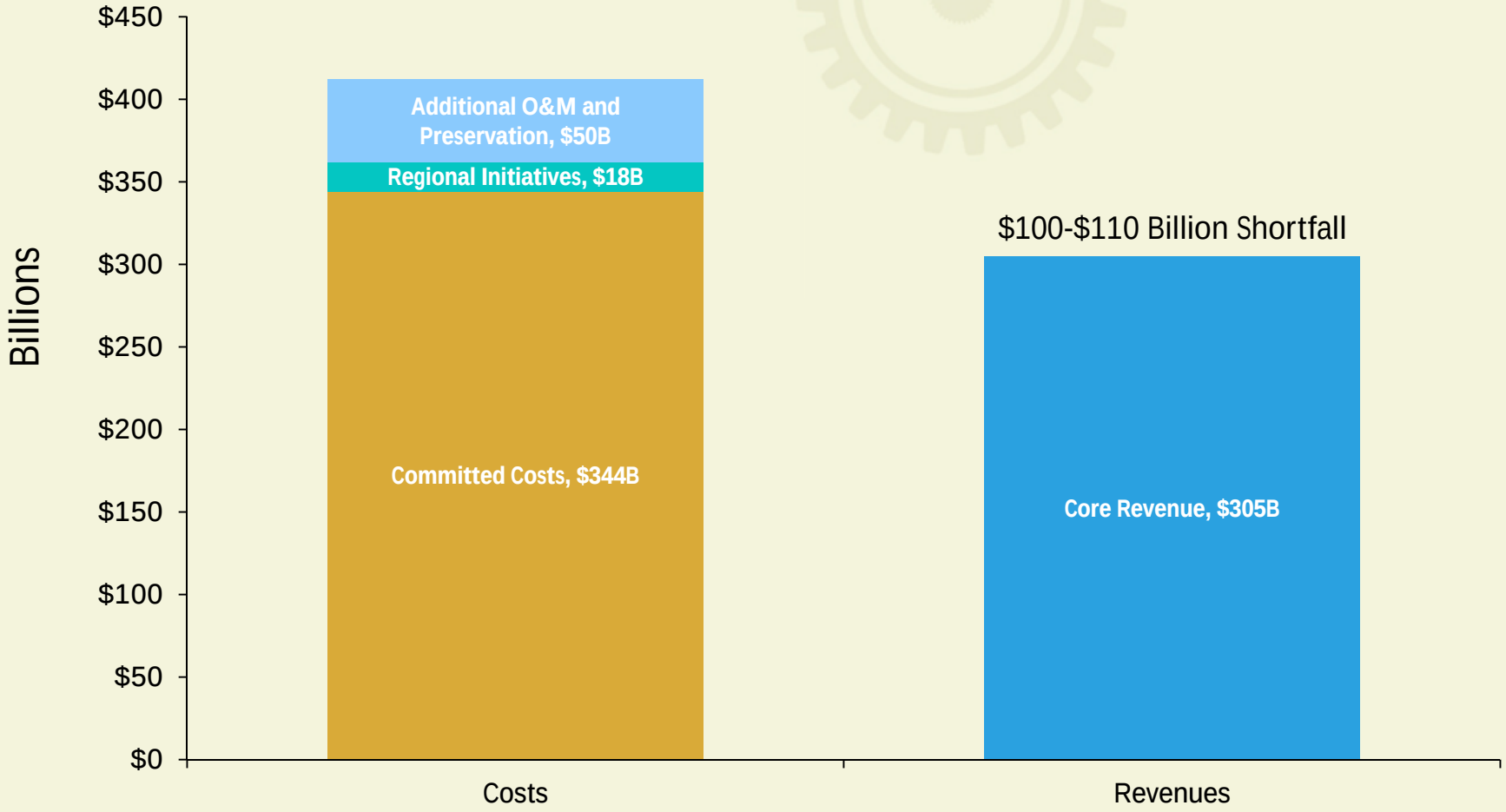
$1.07 Gas Tax Per Gallon or $0.039 Per Mile Fee*



* Additional revenues are assumed to start in 2020; gas tax reflects total rate (including existing $0.54 per gallon); mileage-based user fee would replace existing gas tax

Revised Shortfall

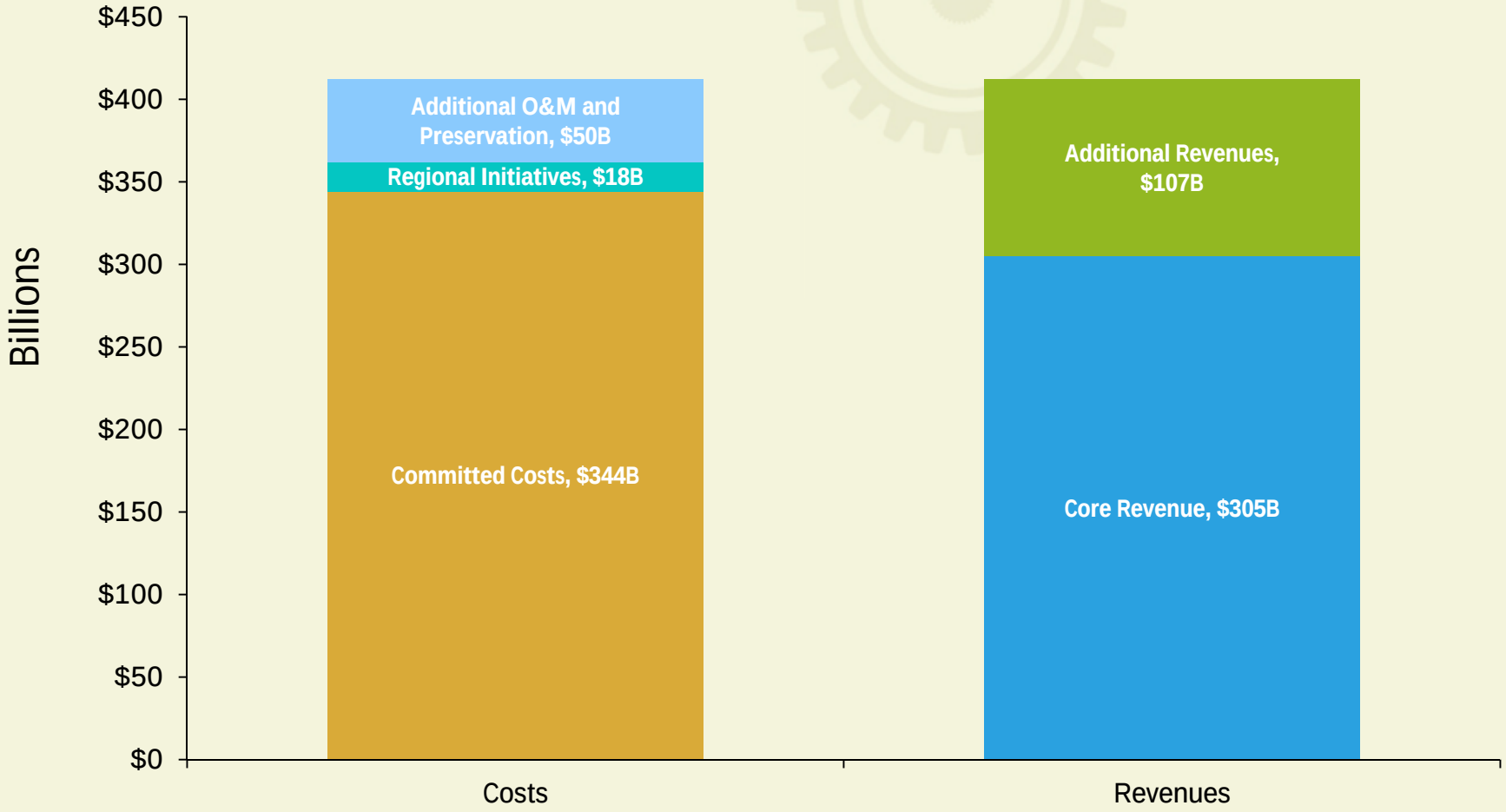
(Committed Costs + Regional Initiatives + Additional O&M and Preservation) – Core Revenue



Balancing Options

To Deliver Projects and Maintain Current Condition

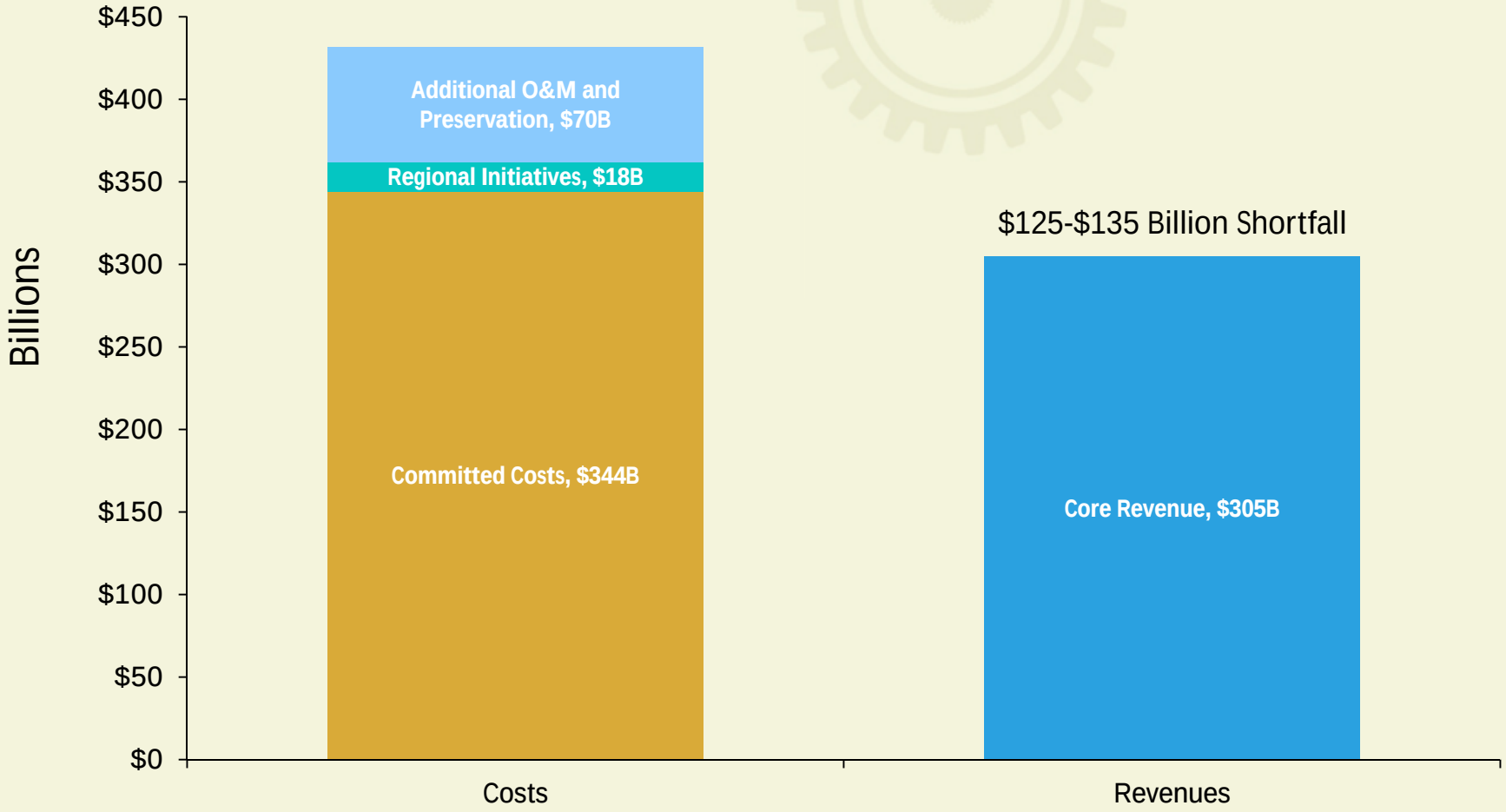
$1.54 Gas Tax Per Gallon or $0.056 Per Mile Fee*



* Additional revenues are assumed to start in 2020; gas tax reflects total rate (including existing $0.54 per gallon); mileage-based user fee would replace existing gas tax

Revised Shortfall

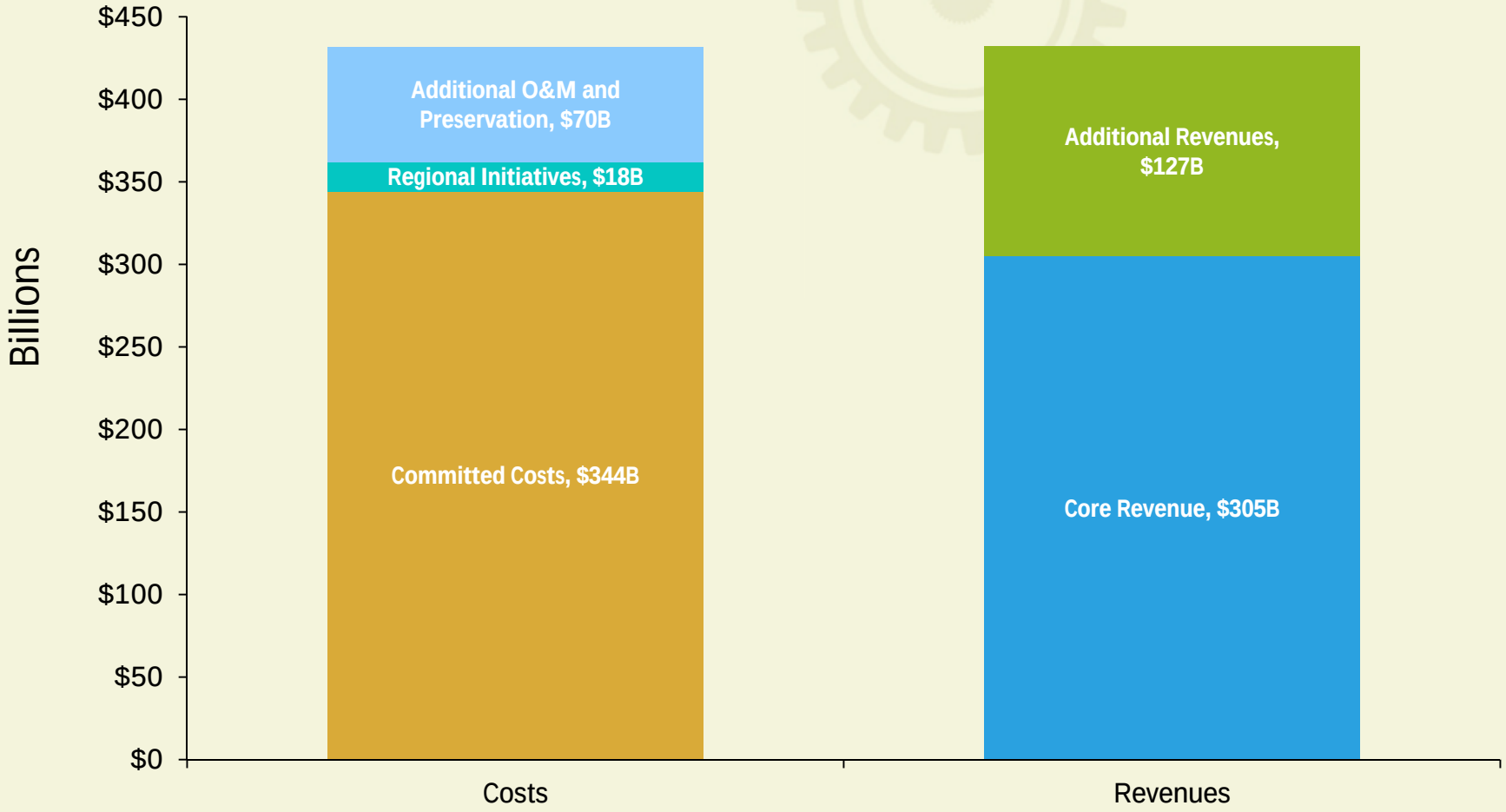
(Committed Costs + Regional Initiatives + Additional O&M and Preservation) – Core Revenue



Balancing Options

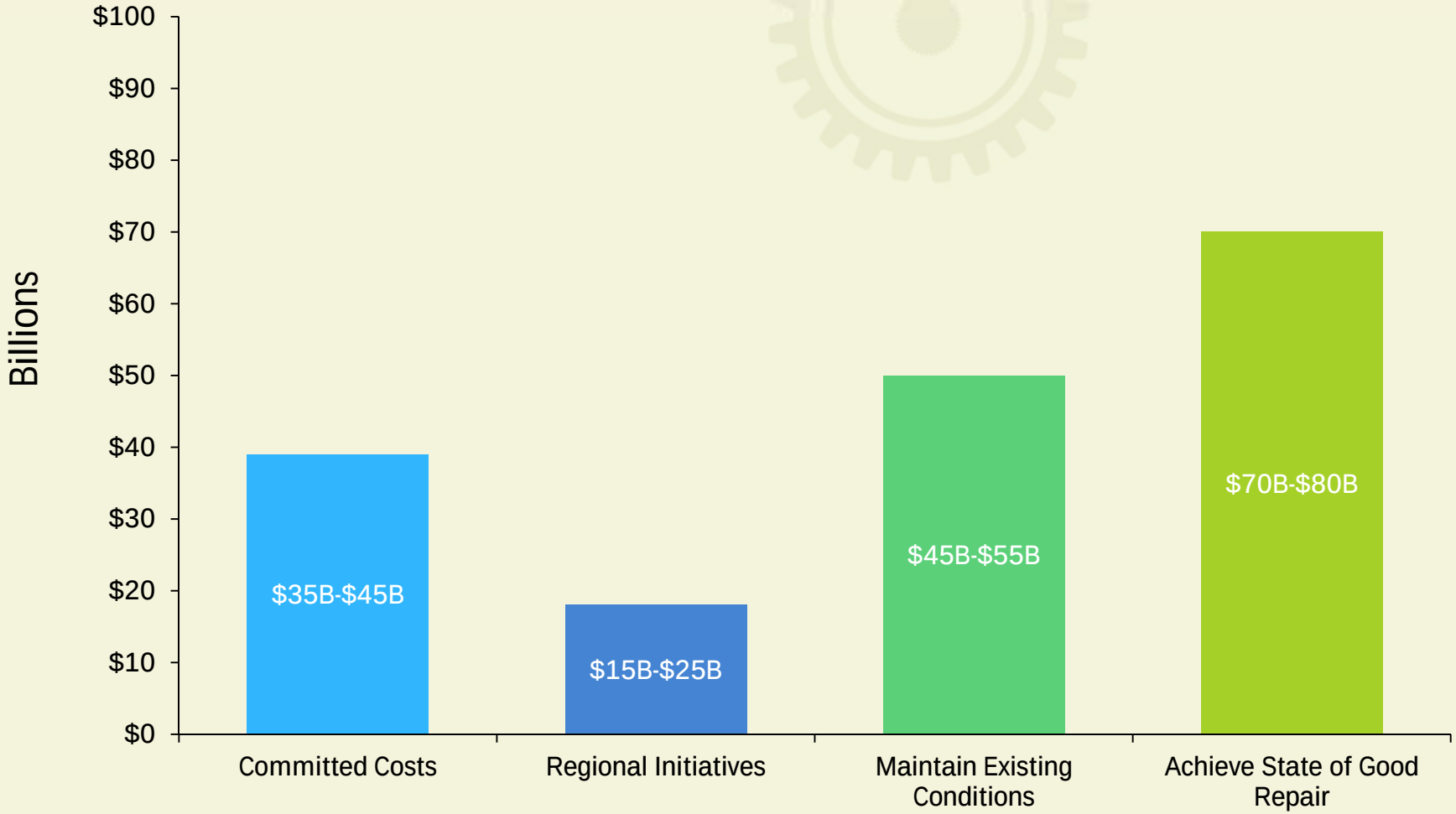
To Deliver Projects and Achieve State of Good Repair

$1.73 Gas Tax Per Gallon or $0.063 Per Mile Fee*

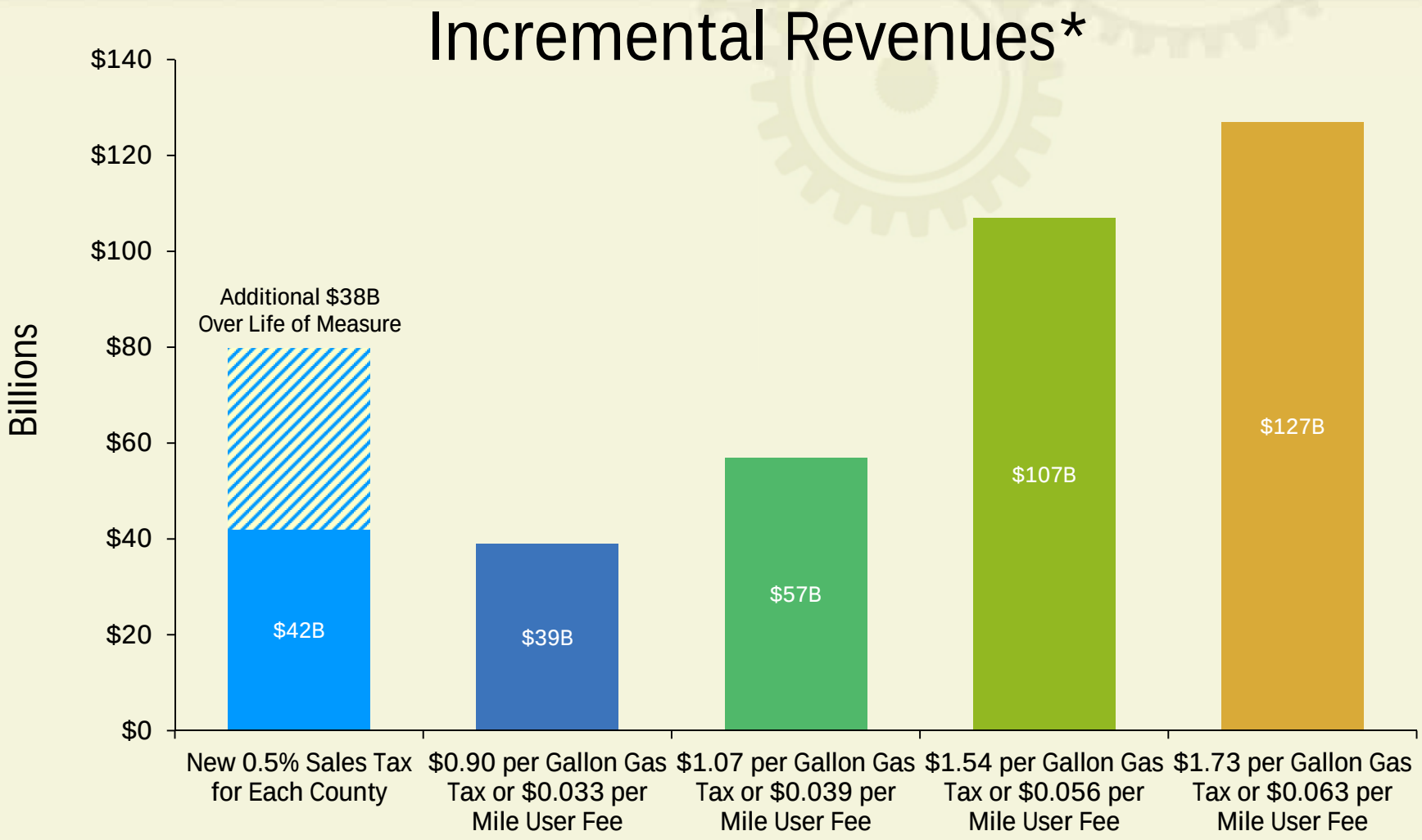


* Additional revenues are assumed to start in 2020; gas tax reflects total rate (including existing $0.54 per gallon); mileage-based user fee would replace existing gas tax

Summary of Funding Shortfalls



Summary of Funding Options to Address Shortfalls



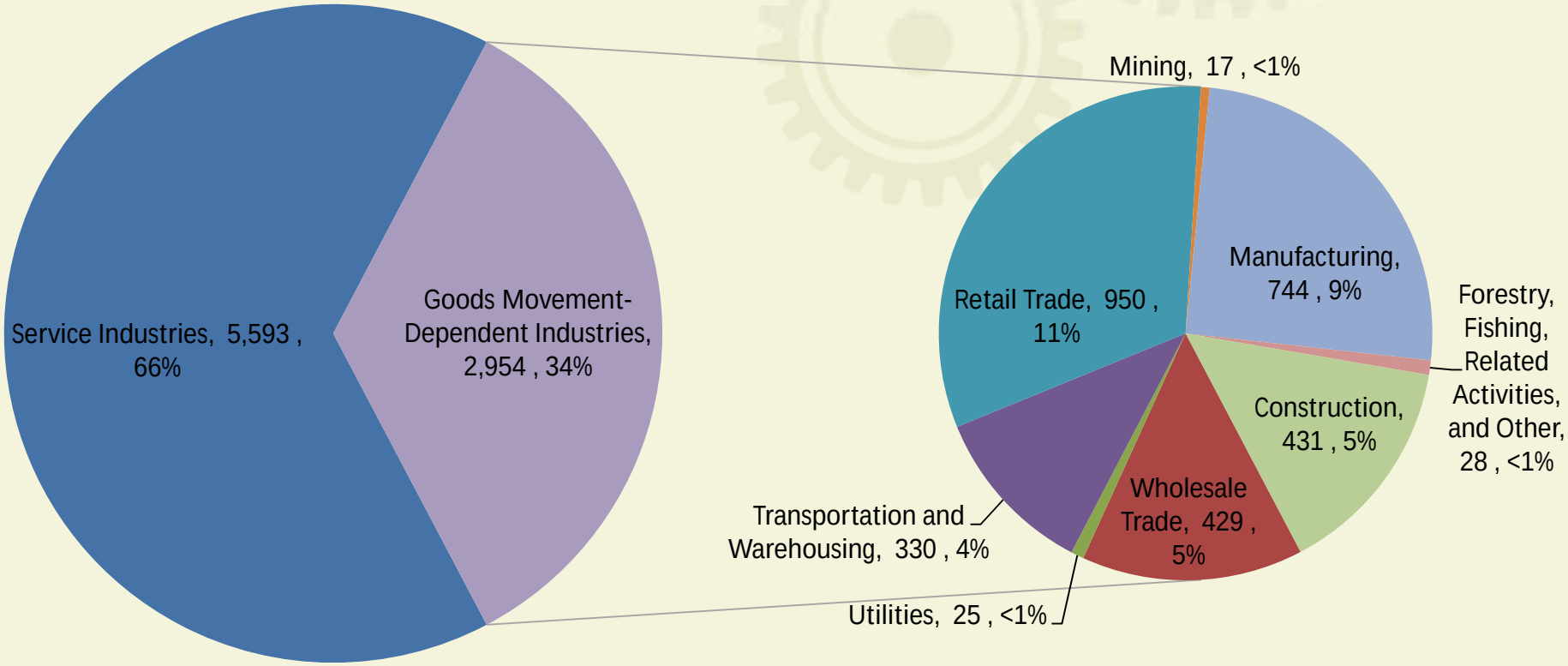
* Additional revenues are assumed to start in 2020; gas tax reflects total rate (including existing $0.54 per gallon); mileage-based user fee would replace existing gas tax

Goods Movement Challenges

Goods Movement

- SCAG Region is served by the Ports of Los Angeles and Long Beach that together handle $269 billion of imports and $67 billion of exports
- The Port of Hueneme plays a critical role as well, with over $7 billion in cargo value traversing through the Port annually
- Cross-border trade activity also contributes to the region's growth in goods movement with Imperial County POEs handling $7 billion of imports and $5 billion of exports
- Goods movement is critical to our economy

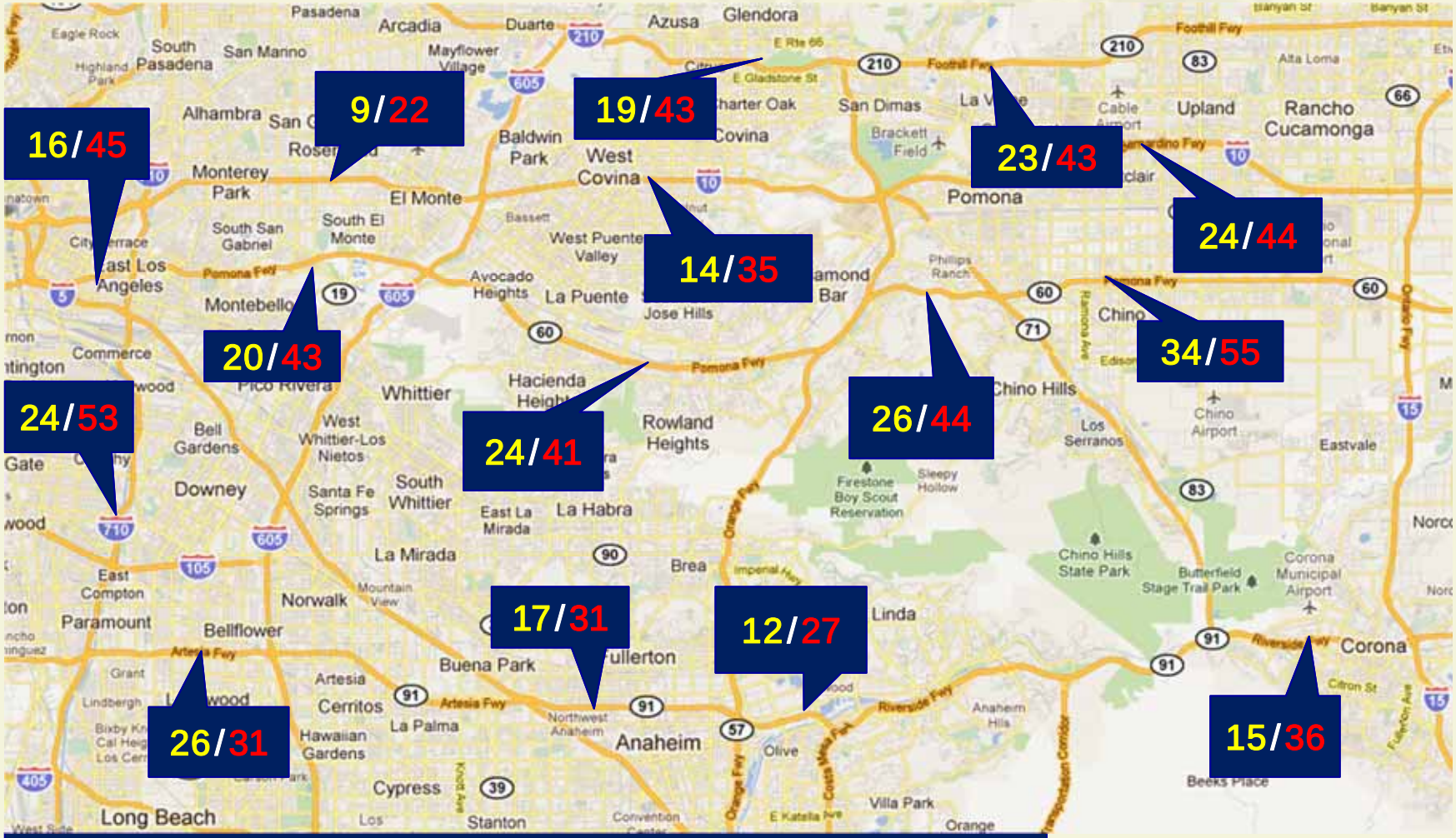
Goods movement sector contribution to regional economy



Goods movement-dependent industries contribute 34% of the SCAG regional employment – almost 3 million jobs

Improving mobility for trucks and autos

Rising truck volumes



2008 Daily Trucks (bi-directional)/2035 Daily Trucks (bi-directional)

* numbers in thousands (rounded)

SB 375 – Sustainable Communities Strategy

SB 375 – Sustainable Communities Strategy

- Develop a Sustainable Communities Strategy (SCS)
- Reduce GHG by 8% in 2020 and 13% in 2035 on per capita basis from auto and light trucks from 2005 level
- Seek voluntary efforts by 2035 through incentive grants funded locally since no state funds provided

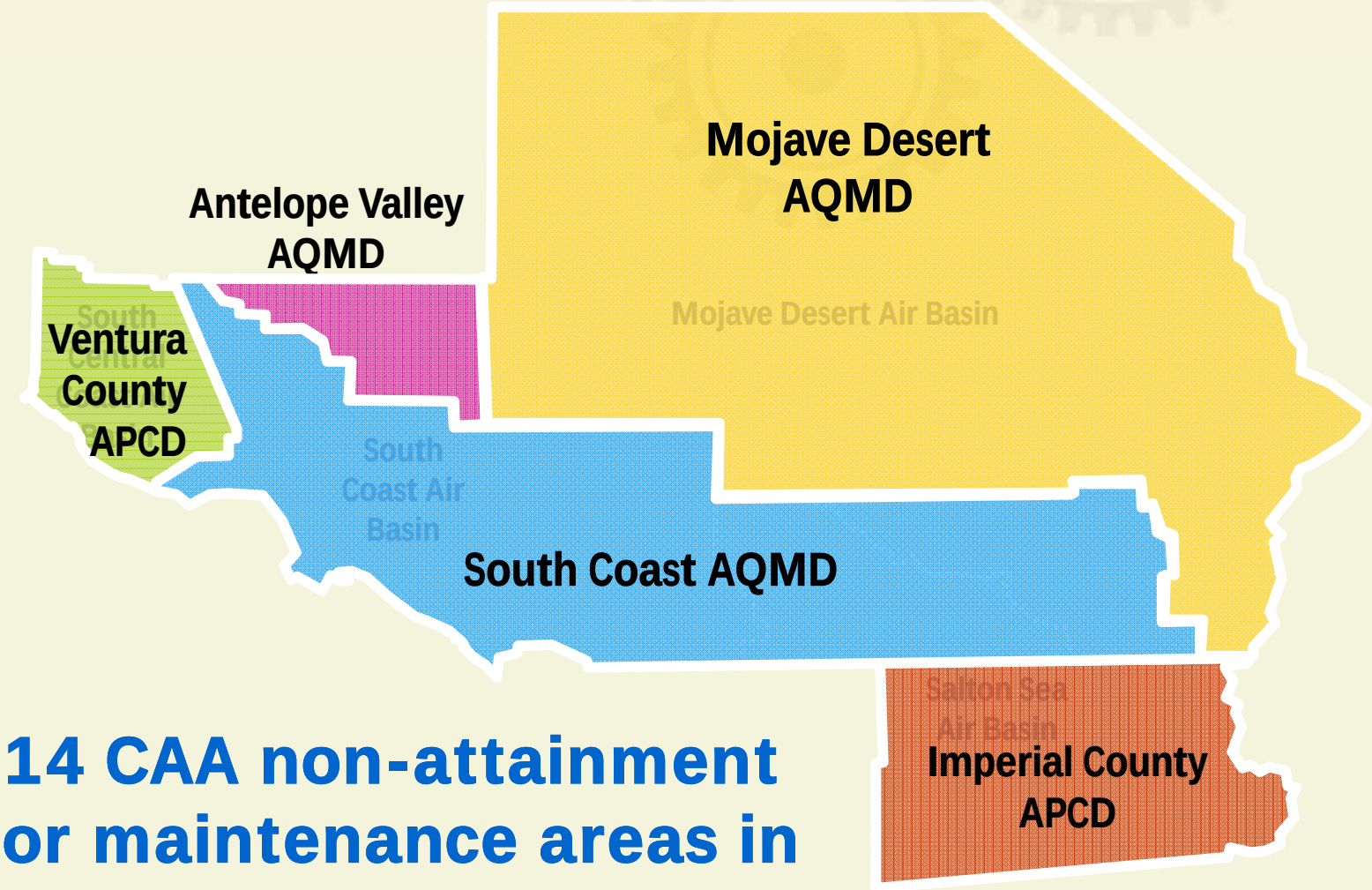
High Speed Rail Challenges

High Speed Rail Challenge

- CHSRA has committed currently secured funding ($6.3 B) towards Initial Construction Segment in Central Valley
- CHSRA Business Plan Due to Legislature October 15th is not financially constrained as of this date
- This raises realistic concerns about CHSRA's ability to fund, build and operate Phase I (SF Bay Area to Anaheim) by 2035
- More realistic goal for Region is to support LOSSAN Corridor and Metrolink system improvements to achieve higher speeds strategically by diverting some of the ARRA funds

Transportation Conformity

Air Districts in the SCAG Region



14 CAA non-attainment or maintenance areas in 5 air districts

Transportation Conformity

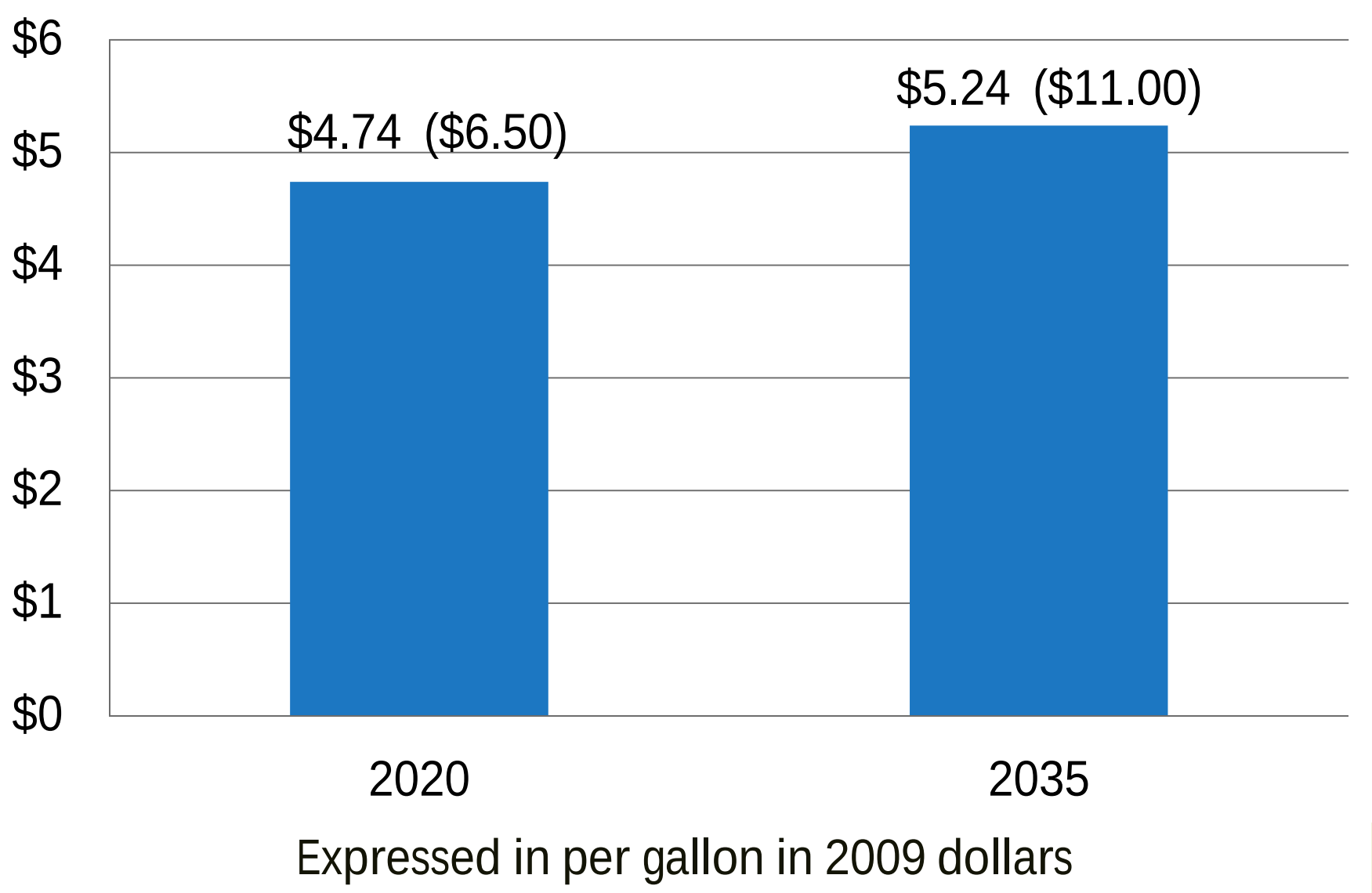
- SCAG region continues to have the worst air quality in the nation
- Meeting federal transportation conformity must continue to be our top priority
- Without timely adoption of conforming RTP, timely delivery of critical transportation projects could be in jeopardy

Energy Cost Uncertainty

Energy Cost Uncertainty

- Fossil fuel **supply** is likely to get tighter:
  - Pace of discovery of new reserves is likely to slow down dramatically
  - New reserves are more likely to be harder and expensive to extract
- **Demand** from emerging countries are likely to grow exponentially
- Future of energy cost is unpredictable
- Energy cost is directly related to cost of transportation and impacts travel choices

Fuel Price Assumptions Agreed To By MPOs



Alternatives Development Framework

Alternatives Development Framework Guiding Principles

- Consider economic competitiveness and overall economic development in framing the alternatives
- Respect County Transportation Commission decisions, which support sustainable development in the long run
- Respect and integrate Subregional SCS
- System preservation will be given higher priority in the use of new revenues
- Evaluate each of the alternatives using a set of performance measures
- Support transportation strategies that would support sustainable development

Alternatives Development Framework

- All alternatives embed county projects included in the 2008 RTP amendment #4 with more recent updates.
- Primary differences among alternatives:
  1. Socio-economic and land use assumptions
  2. Congestion pricing and revenue generation strategies
  3. Incremental spending from new revenues on transportation: preservation, transit, environmental mitigation, regional projects, non-motorized

Alternatives Development Framework Baseline/No-Project Definition

- Uses technical trend (not locally supported) growth forecast based on historic data and existing land use patterns
- Only includes programmed projects in the current TIP (2011 FTIP) that have environmental clearance and/or have substantial work underway
- **All alternatives will be compared to Baseline**

Alternative A : Modified 2008 RTP

- 2012 RTP/SCS local input utilizing updated general plans and existing land use data and consultation with local jurisdictions beginning in May 2009
- Includes transportation projects currently committed as reflected in the 2008 RTP Amendment #4 with more recent updates from the commissions
- Assumes these funding as adopted in the 2008 RTP

Alternative A : Modified 2008 RTP Continued…

- Embeds progressive land use as reflected in the locally supported SED input
- Includes significant investments in transit such as:
  - Purple Line Extension to Westwood
  - Gold Line Extension to Glendora
  - Metrolink San Jacinto and Temecula Extension
  - High frequency Metrolink service from Laguna Niguel to LA
  - Rail feeder service in Orange County
  - Anaheim Rapid Connector
  - New BRT services in Orange County
  - Redlands Rail
  - E Street Corridor

Committed Projects Example - Rail Investments

Build 2035 Fixed-Guideway Transit Network (2008 RTP)

20%

Regional transit ridership growth since 2000

Alternative A – What are we looking for?

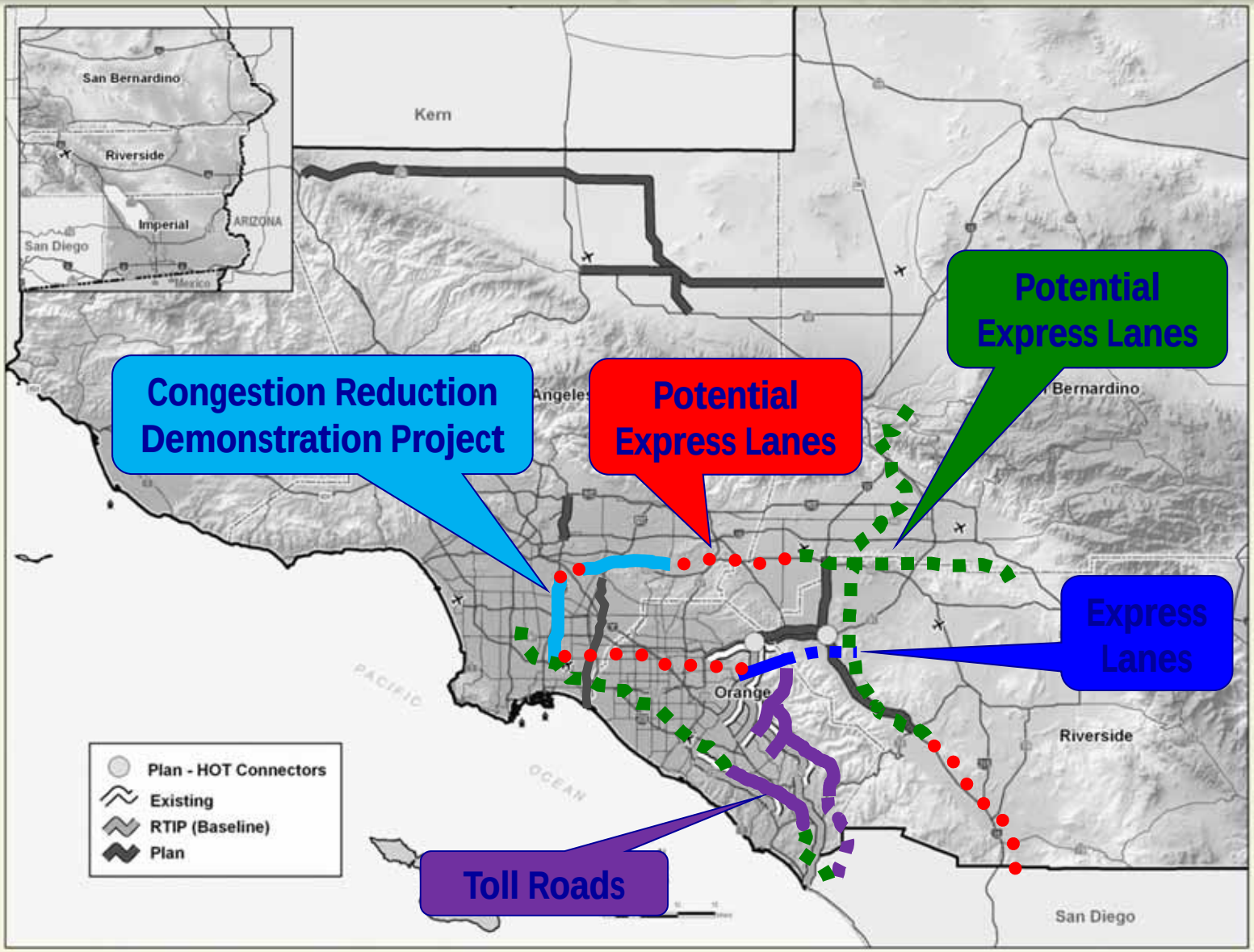
- To what extent do the (a) progressive land use strategies already reflected in the locally supported SED in conjunction with (b) committed transportation projects by the counties contribute to achieving our goals :
  - Conformity
  - SB 375
  - System performance

Note: This alternative may fall short of meeting state/federal requirements pending model results.

Alternative B :Building on our Success

- Strategically builds off of Alternative A Land Use
- Existing funding gaps addressed by congestion pricing revenues and other sources (e.g., toll revenues on 710 truck lane)
- Congestion pricing strategies: Strategic HOT Lane Network, Los Angeles Cordon Pricing Pilot Demonstration, User Fee Enacted in 2020 by Congress/State
- High Speed Rail – Phase I and LOSSAN improvements
- Preservation – Maintain current conditions
- Goods Movement – Implement Commission GM projects, EW Corridor, selected grade crossing, selected truck bottlenecks improvements

Tolled Highway Facilities



Goods Movement System

Potential East-West Freight Corridor

Alternative B: Building on our success Continue…

- Increased funding levels for bike/ pedestrian improvements, TDM and TSM.
- Implement LA Metro's 30/10 Initiative by 2035
- Additional transit improvements proposed over and beyond what is included in the Alternative A
  - Targeted expansion of existing and planned fixed guideways to close gaps
  - Add services on highly utilized corridors
  - Add BRT service on targeted corridors
  - Add Express service on proposed HOT Lane Network

Alternative B Land Use

- Based on extensive local input process to reflect emerging trends to better integrate land use and transportation plans
- Represents increase or decrease in housing and/or jobs in certain cities based on adequacy of infrastructure
- Emphasizes both residential and employment development in Transportation Priority Project Areas (TPPs)
- Meets expected demand for a broader range of housing types, with new housing focused towards smaller-lot single family homes, townhomes, and multifamily condominiums and apartments

Alternative B – What are we looking for?

- What impacts (beyond Alternative A) would our congestion pricing strategies in conjunction with non-motorized and TDM investments produce?
  - How much higher will transit mode share be, especially to and from downtown Los Angeles?
  - How many trips are eliminated?
  - How many additional carpools did we incentivize?
  - What is the reduction in VMT?
  - What is the reduction in congestion? Truck delays?
  - What are the reductions in pollutants and GHG emissions?
  - How does this impact conformity/SB 375
- What will be the potential impact on our economy?

Alternative B – How will this perform?

We cannot be sure until we have the model results. But, it is most likely to:

- Meet federal and state requirements
- Provide more travel choices
- Improve mobility and accessibility
- Improve our transportation asset conditions
- Stimulate the economy and generate more jobs

Alternative C: Pushing the Envelope

- Strategically builds off of Alternative B Land Use
- Strategic shifts of households and jobs across jurisdictions to achieve a better jobs/housing balance
- Additional growth in fixed guideway transit oriented development (TOD) districts
- Additional investments in transit, bike/ped improvements and TDM beyond Alternative B to support more progressive land use in this alternative

Alternative C – What are we looking for?

- What impacts (beyond business as usual and compared to the balanced alternative) would additional land use balancing and transit investments achieve?
  - How much higher will transit mode share be, especially to and from downtown Los Angeles?
  - How many trips are eliminated?
  - How many additional carpools did we incentivize?
  - What is the reduction in VMT?
  - What is the reduction in congestion?
  - What are the reductions in pollutants and GHG emissions?
  - How does this impact conformity/SB 375
- What will be the potential impact on our economy?

Alternative D

- Uses Alternative A as the base for both transportation and land use
- **Fuel costs double by 2035 to $8 per gallon in 2011 dollars due to supply/demand imbalances**
  - **$8 per gallon represents fuel costs growing approximately twice as fast as consumer price index**
- $8 per gallon in 2011 dollars is about $16.80 per gallon in nominal dollars

Alternative D – What are we looking for?

- What impacts can we expect from a further significant spike in energy prices?
  - How does this impact conformity/SB 375?
  - How much higher will transit mode share be?
  - How many trips are eliminated?
  - What is the reduction in VMT?
  - What is the reduction in congestion?
  - What are the reductions in pollutants and GHG emissions?
- SCAG may consider including a discussion in the RTP/SCS of potential implications of significant energy spikes occur.

Next Steps

- Continue discussion on alternatives and financing options at Oct. 20 Board workshop
- Policy committees review and recommend preferred Alternative to the Regional Council at the Nov. 3 meeting
- RC approves release of Draft 2012 RTP/SCS for public review and comments at Dec. 1 meeting
- Public Outreach Workshops continue January-February
- Public Comment expected to close February 2012
- Regional Council reviews public comment and approves RTP/SCS on April 5, 2012 for submittal to State/Feds

Feedback

- Comments on Alternatives?
- Comments on Other Solutions to Challenges?