Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

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PLANNING AND PROGRAMMING COMMITTEE
SEPTEMBER 18, 2019

SUBJECT: WEST SANTA ANA BRANCH TRANSIT CORRIDOR PROJECT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the project status update on the:

A. Initial Operating Segments (IOS) Analysis;

B. Planning process and delivery; and

C. Public-private partnership (P3) delivery procurement.

ISSUE

This is a milestone update to the Board on the status and direction of the West Santa Ana Branch Transit Corridor (WSAB) Project. Accordingly, the Board may provide direction and feedback based on this report. Key updates include a preliminary determination on the first phase of accelerated project delivery, consistent with the Twenty-Eight by '28 Initiative, and preview of a forthcoming funding strategy being prepared for it.

BACKGROUND

The WSAB Project is a proposed light rail transit (LRT) line that would extend approximately 19 miles between downtown Los Angeles and southeast Los Angeles County (LA County) communities. South of downtown Los Angeles, a single alignment parallel to the Blue Line has been identified following existing right-of-way (ROW) (owned by Union Pacific Railroad [UP]), then turning east along Randolph Avenue and the La Habra Branch ROW (owned by UP) in the City of Huntington Park, transitioning south following the San Pedro Subdivision Branch (owned by Port of Los Angeles and Port of Long Beach), to the eight-mile abandoned Pacific Electric ROW (owned by Metro) and terminating in the City of Artesia. WSAB would traverse a highly populated area, with high numbers of low-income and heavily transit-dependent residents.

According to Measure M and Metro's Long-Range Transportation Plan (LRTP) financial forecast, as amended, the Project has a $4 billion (2015$) allocation of funding (comprised of Measure M and

other local, state, and federal sources) based on the cost estimate that was current at the time the Measure M Expenditure Plan was approved. Measure M funding becomes available in two cycles as follows:

Measure M Expected Opening Date	LRTP Funding Allocation (2015$)
FY 2028	$1 billion ($535 million from Measure M)
FY 2041	$3 billion ($900 million from Measure M)

The Project is also identified by Board direction as a “pillar project”. Accordingly, efforts are underway to facilitate an early project delivery.

Measure M indicates that an early delivery of the subsequent project phase may be made possible with a public-private partnership (P3) delivery method. A P3 with a comprehensive delivery approach is being pursued as a strategy for accelerating a significantly increased project scope by 2028.

DISCUSSION

Initial Operating Segments Analysis

To accelerate delivery of the Project faster than assumed in the Measure M Expenditure Plan, while remaining consistent with Federal Transit Administration rules, staff has evaluated various initial operating segments (IOS) options. The IOS options were developed based on physical infrastructure limits and barriers, major origins/destinations, market trends, and high activity areas. Proposed stations serving major activity areas and operational feasibility were also considered. These options were evaluated based on how they met the project’s five goals: improve mobility; support local and regional land use; minimize environmental impacts; ensure cost effectiveness and financial feasibility; and ensure equity. Based on the evaluation, staff will be further evaluating two IOS options as part of the Environmental Impact Statement/Environmental Impact Report (EIS/EIR):

- IOS 1 - I-105/Green Line Station to Pioneer Station
- IOS 2 - Slauson Station to Pioneer Station

Attachment A shows these two IOS options being evaluated in the EIS/EIR.

The EIS/EIR will study the entire project and the two IOS options. However, staff will focus P3-related activities, such as value for money analysis, risk analysis, Request for Proposal (RFP) specifications, etc., on these IOS options, as these segments are a better use of current resources because of the mobility value of each and delivery by 2028.

Staff is optimistic that IOS 2 is feasible to fund and deliver by 2028 based on P3 market soundings and preliminary work on funding strategy options. This IOS has meaningful mobility value attracting the same number of new riders compared to Alternatives E and G. As a result, IOS 2 is the most cost-effective option. Connectivity with downtown Los Angeles could be accomplished via a transfer to the Blue Line at the Slauson Avenue Station. Bus connections may also be provided from this station. As such, a mobility hub is under consideration for the Slauson Avenue Station.

Interlining with the Blue and Expo Lines between the Slauson Avenue and 7th/Metro Center Stations is not being considered because of operational constraints that would result from three lines sharing one alignment. Furthermore, doing so would severely limit or entirely preclude the viability of a P3 deliver, operate and maintain model.

Need for Funding Strategy

The current end-to-end project capital cost is estimated at $6.5-$6.6B (in 2018$). This cost range includes rough order of magnitude (ROM) right-of-way estimates; however, a comprehensive capital cost estimate (not a Life of Project budget) is contingent upon further project design, negotiation with the freight railroads and ports, as well as first-last mile (FLM) costs, which will be prepared during the advanced conceptual engineering phase.

Alternative funding strategy options are being developed based on (a) the amount of funding allocated to the WSAB Project from Measure M, (b) the amount of other local, state, and federal funds that can be made available by FY 2028, (c) current cost estimates for the end-to-end project and initial operating IOS, and (d) accelerated delivery. The funding strategy to deliver the most project scope will involve more aggressive debt and grant assumptions, as well as the reallocation of funding from other Metro purposes. Funding strategy options for the end-to-end project and IOS will be provided to the Board as part of the report back on the Pillar Projects later this year and at its February 2020 meeting. All funding strategy options to be presented will show the funding sources for the Project and describe the financial impact on Metro's system-wide needs.

First-Last Mile Walking/Rolling Connectivity Approach

Motion 14.1 (May 2016) directed that FLM be an integral part of rail transit projects and may not be value engineered out later. Furthermore, Motion 14.2 (June 2016) and the Measure M Guidelines provide that cities may apply their FLM improvements as a credit toward the required 3% local contribution to the Project cost. The WSAB Project is federalized because it is a priority for Metro to obtain federal funding participation.

Because of that, the required environmental clearance includes a joint National Environmental Policy Act/California Environmental Quality Act (NEPA/CEQA) document. Only FLM access and safety improvements at the station site can be defined at this stage. Broader FLM pathway networks are undefined, pending FLM planning activities to be conducted with corridor cities. Increasing the footprint of the Project to address these full FLM network improvements could substantially delay the planning process, which includes environmental clearance.

Therefore, broader FLM network improvements will be addressed separately from this Project. Staff is developing FLM Guidelines, which will incorporate an approach for the 3% contribution as it relates to planning and environmental clearance for each project, including WSAB. Staff anticipates that the FLM Guidelines will be presented to the Board for consideration later this year.

Planning Process and Delivery Schedule Overview

Groundbreaking for the Project is anticipated to start as early as the beginning of 2022, with a revenue service date of 2028. Key environmental clearance process milestone dates include:

- Draft EIS/EIR Release: December 2020
- Board Selects Locally Preferred Alternative: April 2021

Achieving these dates requires timely coordination and reaching an agreement with UP on project design features and ROW negotiations. Additionally, Metro and FTA will need to continue working in partnership to streamline review of the environmental document. These milestone dates are highly aggressive and subject to change based on actual progress.

Public-Private Partnership (P3) Delivery Procurement Status Update

Metro has established an internal process based on P3 best practices from around the world to identify, evaluate, develop, and execute P3 projects from Metro's capital investment program. The P3 development process is shown in the graphic below. The WSAB project is currently nearing completion of Step 5: Risk Assessment.

Certain steps of the P3 development process depend on the project attaining key design milestones.

Before moving to the next step - Step 6: Value for Money & Financial Analysis - a clear definition of the project scope is needed, which involves further conceptual engineering design work, based on the Board's approved December 2018 project description. The Value for Money analysis of the full project will differ from analysis of a potential IOS, so to avoid erroneous conclusions, Metro should ensure that the project scope that is likely to be built is the scope examined in the Value for Money report.

Metro continues to engage with the P3 industry regarding this project, such as through market sounding sessions conducted earlier in 2019. The market response to these sessions is a clear indicator of whether acceleration of a project or project segment is viable. As a next step, Metro is

planning for an industry forum in late 2019 or early 2020. Market feedback has indicated that there is clear potential for acceleration of a meaningful IOS, beyond what is possible if solely relying on the P3 financing and delivery of Measure M programs. However, the market is also signaling that this is only possible if key design thresholds are met, major permits and third-party approval are in place, and adequate Metro funding for milestone and availability payments is identified. The P3 procurement will encourage proposers to suggest how the Project could be built in entirety rather than in phases and potentially even earlier than 2028.

Equity Platform Consistency

The Project is consistent with the Equity Platform and will provide new benefits of enhanced mobility and regional access to minority and low-income populations within the Project Area. Approximately 60% of the corridor has been identified as having environmental justice communities. Minority residents are 66% of the total Project area population and 25% of Project area residents live below poverty, which is higher than the LA County average of 17%. Most of the transit service in the Project area is local with limited express buses operating on the congested roadway network. These communities have been historically underserved in terms of transit investments.

The IOS for the Project provides meaningful mobility value by improving trips within southeastern LA County communities and connectivity with downtown Los Angeles much sooner than is anticipated in the Measure M Expenditure Plan. The Project will also significantly reduce travel times and Vehicle Miles Traveled (VMT) in the Project area, which could lead to air quality, safety, and livability improvements for the Project area's most vulnerable communities. All the aforementioned Project benefits will collectively expand economic opportunities and enhance the quality of life for residents of the Project area by greatly improving access to opportunity. Staff will ensure that Metro's Equity Platform will guide the process for evaluating the project in the Draft EIS/EIR.

FINANCIAL IMPACT

This is a Receive and File report for information only with no financial impacts. Any Board direction provided on the information presented in this report could result in financial and/or schedule impacts.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports Strategic Plan Goal 1: Provide high quality mobility options that enable people to spend less time traveling. WSAB is anticipated to provide an approximately 35-minute one-seat ride from the proposed Pioneer Station in the southern terminus to either WSAB northern terminus. Taking a similar trip today on existing Metro bus and rail lines would take approximately two to three times as long, depending on the route, number of transfers, and local traffic conditions. The WSAB corridor traverses some of LA County's most densely-developed, historically underserved and environmental justice communities. Many of the Project area communities are characterized by heavily transit-dependent populations who currently lack access to a reliable transit network. The Project area is served by buses that operate primarily along a heavily congested freeway and arterial network with limited connections to the Metro Rail system. A high-capacity and reliable transit investment between the Metro Rail system and the Gateway Cities would provide mobility and travel choices within the WSAB corridor and reduce dependence on auto travel. The Project aims to

increase mobility, reduce travel times on local and regional transportation networks and accommodate future population and employment growth in southeastern LA County.

ALTERNATIVES CONSIDERED

The Board could direct staff to take action contrary to those described in this report. This is not recommended as it may have implications on schedule and project delivery.

NEXT STEPS

The next milestone update to the Board will be in February 2020, when action will be requested on the project funding strategy. Community and stakeholder meetings are ongoing and will continue.

ATTACHMENTS

Attachment A - WSAB IOS Options

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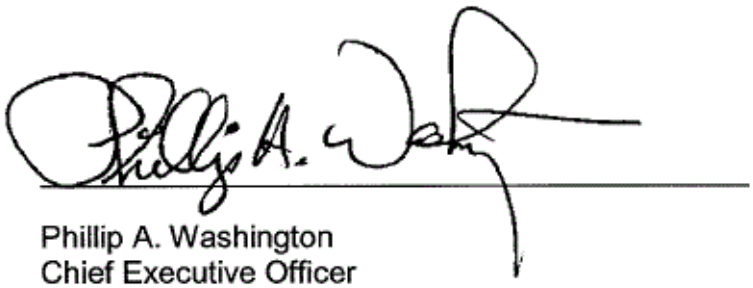

Phillip A. Washington
Chief Executive Officer

Attachment A

IOS 1: I-105/Green Line Station to Pioneer Station

Attachment A

IOS 2: Slauson Station to Pioneer Station

Next stop: new rail to southeast LA County.

WEST SANTA ANA BRANCH TRANSIT CORRIDOR

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Planning and Programming Committee

September 18, 2019

File 2019-0586

Recommendation

A. RECEIVE AND FILE Project Status Update:

1. Initial Operating Segments (IOS) analysis;
2. Planning process and delivery schedule; and
3. Public-Private Partnership (P3) delivery procurement

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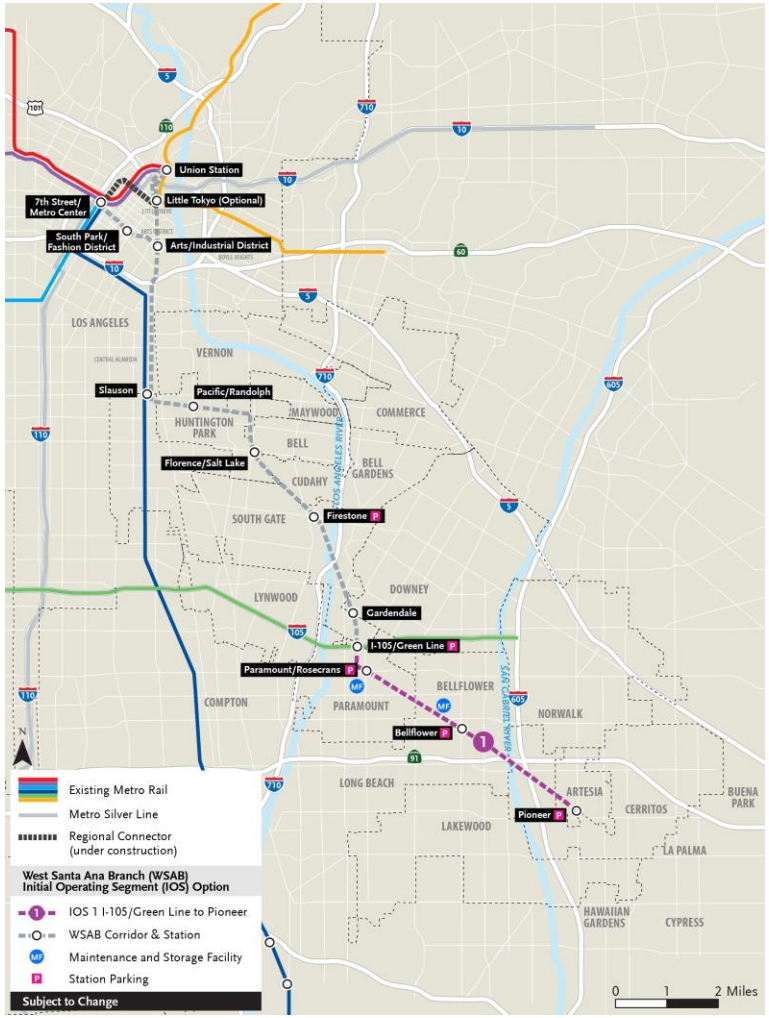
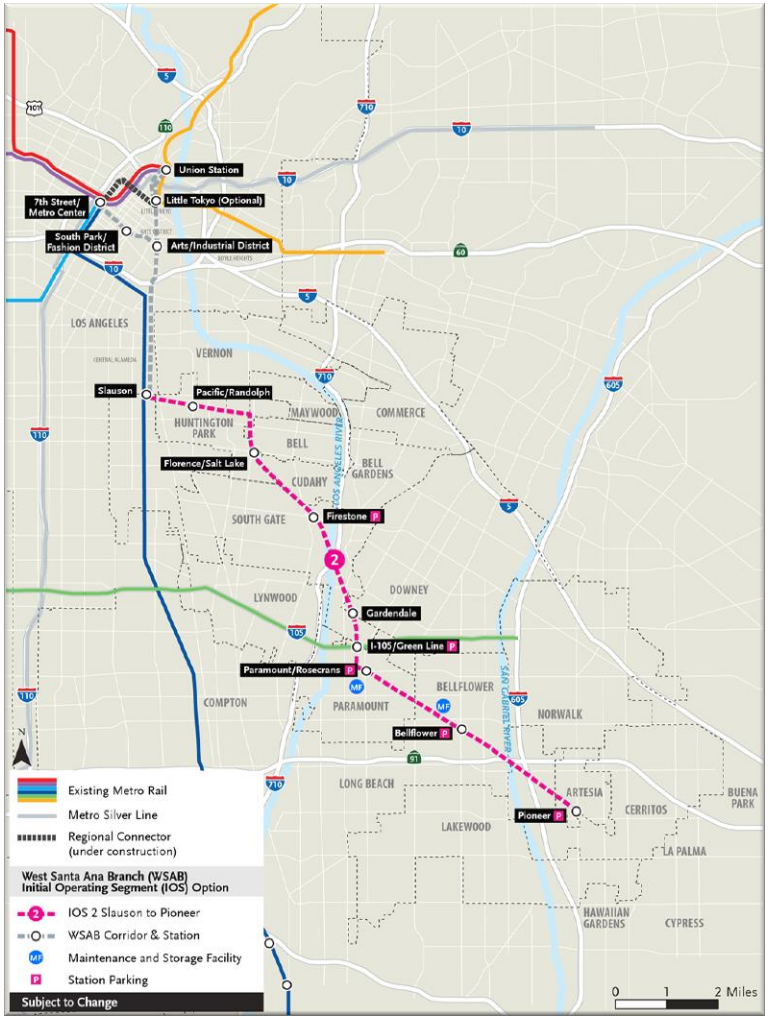
Initial Operating Segments (IOS)

IOS 1: 1-105/Green Line to Pioneer



IOS 2: Slauson to Pioneer



Planning Process and Delivery Schedule Overview

- Technical Environmental analysis (Draft EIR/EIS) and engineering work continues for the entire project and the IOS segments
- Staff is actively coordinating with Union Pacific Railroad (UP) and Ports of LA/LB Union Pacific Railroad (UP)
  - Timely agreement with UP on design and ROW is critical to meeting project schedule and has cost implications
- Key environmental clearance milestone dates:
  - Draft EIS/EIR Release: December 2020
  - Board Selects Locally Preferred Alternative: April 2021

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Next stop: new rail to southeast LA County.

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Thank You!