



File #: 2021-0062, File Type: Agreement

Agenda Number: 44.

**EXECUTIVE MANAGEMENT COMMITTEE
APRIL 15, 2021**

SUBJECT: TRANSPORTATION COMMUNICATION NETWORK

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to execute a Memorandum of Agreement (MOA) with the City of Los Angeles for Metro's Transportation Communication Network (TCN) on Metro rail right-of-way within the City of Los Angeles.

ISSUE

Metro staff have been collaborating on the concept of a Transportation Communication Network (TCN) that would create a connected communication system, using outdoor advertising infrastructure on Metro property in the City of Los Angeles ("City"). The TCN would also create a revenue stream and allow for the removal of up to 320 older, static billboards, over 60% of which are in the City of Los Angeles ("City"). The proposed MOA outlines the TCN objectives, process for approval and revenue sharing with the City. In addition, the MOA includes the intent for the funds to be used for new, transit improvement projects to benefit public transit riders, with a focus on bus improvements.

DISCUSSION

Transportation Communication Network

Real Estate, ITS, Communications and Metro's consultant, All Vision, have been collaborating on the concept to implement a network of transportation communication digital displays that will promote efficient roadways, increase public transit ridership, improve public safety and provide revenue generation for Metro's transportation programs. The TCN may consist of the following elements:

1. **Intelligent Transportation System, Travel Demand and Public Event Management.** The TCN will be integrated with Metro's Regional Intelligent Information Transportation Systems (RIITS) that works in coordination with all of the major transportation agencies and bus lines such as Caltrans, the Los Angeles Department of Transportation (LADOT), California Highway Patrol (CHP), Foothill Transit and the Los Angeles County Department of Public Works to maximize the capacity and efficiency of the regional transportation network. The additional intelligent technology components will assist Metro in increasing the quantity and speed of data collection of real time travel/traffic data, processing and transmission to transit agencies.

Real time data collection can support improved traffic signal timing information, micro-transit data and Metro vanpool on-demand services. The TCN will improve the bus rider's experience by helping to facilitate transit signal priority, bus Wi-Fi, and bus timing information that can be relayed to bus riders. The TCN can also support event congestion data for LAX, Dodger Stadium, Hollywood Bowl and other large venues, including travel demand management services for the 2028 Olympic and Paralympic Games, including providing information on available parking spaces in Park-and-Ride lots.

2. Public Transit Promotion and Metro Communications. The TCN will assist Metro's transportation public messaging and ability to broadcast this information in various creative ways to commuters to ensure public safety, maximize throughput of our congested road network, and promote public awareness of travel alternatives based on geography and time periods.

3. Public Safety and Emergency Messaging. The program will be incorporated into the alert information for the freeway messaging system and major arterial network for the region, including Earthquake Early Warning System information as well as Amber Alerts.

4. Transportation Technology Innovation Initiatives. The program structures will be designed to include programs, such as 5G technology, as well as live video and security feeds to supplement the limited number of existing cameras on the freeways and street corridors. TCP will be designed to support future innovations such as autonomous vehicles, smart energy grids, and high-speed wireless cameras.

5. Revenue Generation for Transportation Projects. The digital displays in the TCN will also allow off-site advertising. Revenue generated by this program will be utilized by Metro and the City to fund transportation programs.

Reduction of Visual Blight

The TCN could result in the removal of up to 320 antiquated (and in some cases dilapidated) static billboards currently located throughout the County of LA. Many of these locations enjoy grandfathered legal status even though they are situated in residential zones and do not currently satisfy state and federal guidelines for outdoor advertising structures. The new modernized digital signs in the TCN will not be located in residential zones and will comply with all requisite federal, state and city guidelines. No signs will be placed in or within 200 feet of residential zones or will be oriented facing residential zones within a 200-foot distance.

Revenue Stream

If the MOA is approved, Metro's consultant will commence CEQA environmental clearance at no upfront cost to Metro. The environmental process will determine the number and location of potential signboards which will then allow revenue projections to be made. Staff will return to the Board for approval of the CEQA document and TCN program, including locations and revenue projections, prior to the commencement of the TCN program.

City of Los Angeles

The majority (60%) of the potential signboard locations are in the City. In order to proceed with the TCN program, the City would need to enact an ordinance, other legislative or other document which may be approved by City Council. Given the interdependency of the program and the

mutually beneficial uses of the funds for transit purposes, staff believes the revenue sharing arrangement described below to be reasonable and appropriate.

MOA terms

Metro and the City have negotiated an arrangement that is mutually beneficial. Some of the key terms include:

- Metro to be the lead CEQA agency
- TCN contingent on the City enacting legislation that allows off-site advertising to be displayed on the signs
- The City and Metro to each receive 50% of the net revenues (after all program costs)
- 20-year term with provision to negotiate in good faith to extend beyond
- Revenues to be used for new, transit improvement projects to benefit transit riders with a focus on bus riders; examples including:
 - Speed/service quality
 - Ease of use
 - Safety and comfort
 - First/Last Mile

Further details are provided in Attachment A - MOA Term Sheet.

EQUITY PLATFORM

The MOA stipulates that the funds be directed to improving transportation and transit, in particular bus service. This should benefit Equity-Focused Communities by providing better service such as improved bus speed and reliability, bus stop improvements, improved bus shelters, rear-door boarding, and first/last mile improvements...

DETERMINATION OF SAFETY IMPACT

The MOA will have no impact on the safety standards of Metro. Future TCN sites with transportation communication displays will be adequately designed for structural support and will meet all federal, state, and local design codes.

FINANCIAL IMPACT

The TCN will generate additional revenue and no capital outlay by Metro is required.

Impact to Budget

There is no impact to the budget.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The TCN will yield enhanced communication and support, as well as revenues for bus projects,

resulting in:

Goal 1: High quality mobility options for all

Goal 3: Enhancing communities and lives

ALTERNATIVES CONSIDERED

The Board could choose not to pursue this initiative. That is not recommended because this is an opportunity to build a communication network, as well as revenue generation to benefit bus riders.

NEXT STEPS

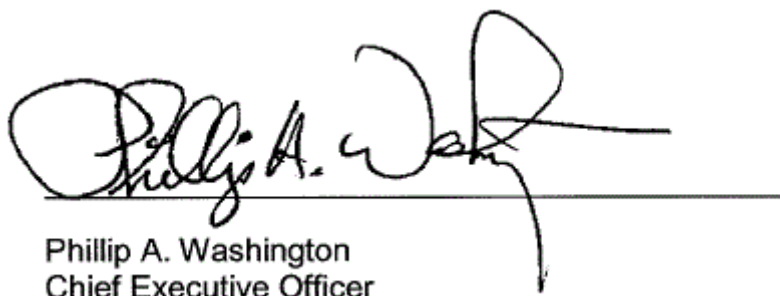
If approved, Metro Real Estate will work with the City of Los Angeles to execute the MOA. Upon execution of the MOA, Metro will commence the CEQA environmental process at no upfront cost to Metro. Metro staff will return to the Board for environmental approval before proceeding to implement the program.

ATTACHMENTS

Attachment A - MOA Term Sheet

Prepared by: John Potts, Executive Officer, (213) 418-3397
Holly Rockwell, Senior Executive Officer, (213) 922-5585

Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington
Chief Executive Officer

PRIVILEGED & CONFIDENTIAL WORKING DRAFT**LACMTA and City of Los Angeles MOA Term Sheet****March 10, 2021**

Parties	<ul style="list-style-type: none"> • Los Angeles County Metropolitan Authority (“LACMTA”); and • City of Los Angeles (the “City”)
Memorandum of Agreement (“MOA”)	The LACMTA and the City plan to enter into an MOA reflecting the terms set forth herein, as well as other customary terms and conditions.
LACMTA Transportation Communication Network Program (“TCN”)	<p>The LACMTA is in the process of identifying locations on its properties throughout Los Angeles County to implement a network of transportation communications digital displays that will promote efficient roadways, increase public transit ridership, improve public safety and provide revenue generation for LACMTA’s transportation programs. The TCN may consist of the following elements:</p> <ol style="list-style-type: none"> 1. <u>Intelligent Transportation System, Travel Demand and Public Event Management</u>. The TCN will be integrated with the LACMTA’s Regional Intelligent Information Transportation Systems (RIITS) that works in coordination with all of the major transportation agencies and bus lines such as Caltrans, the Los Angeles Department of Transportation (LADOT), California Highway Patrol (CHP), Foothill Transit and the Los Angeles County Department of Public Works to maximize the capacity and efficiency of the regional transportation network. The additional intelligent technology components will assist LACMTA in increasing the quantity and speed of data collection of real time travel/traffic data, processing and transmission to transit agencies. Real time data collection can support improved traffic signaling timing information, traffic signal timing data, Micro Transit data and LACMTA van pool on-demand services. The TCN will improve the bus rider’s experience by helping to facilitate transit signal priority, bus wi-fi, and bus timing information that can be relayed to bus riders. The TCN can also support event congestion data for LAX, Dodger Stadium, Hollywood Bowl and other large venues, including travel demand management services for the 2028 Olympic and Paralympic Games, including providing information on available parking spaces in Park-and-Ride lots. 2. <u>Public Transit Promotion and LACMTA Communications</u> The TCN will assist LACMTA’s transportation public messaging and ability to broadcast this information in various creative ways to commuters to ensure public safety, maximize throughput of our congested road network, and promote public awareness of travel alternatives based on geography and time periods.

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	<p>3. <u>Public Safety, Emergency Messaging.</u> The program will be incorporated into the alert information for the freeway messaging system and major arterial network for the region, including Earthquake Early Warning System information as well as Amber Alerts.</p> <p>4. <u>Transportation Technology Innovation Initiatives.</u> The program structures will be designed to include programs, such as 5G technology, as well as live video and security feeds to supplement the limited number of existing cameras on the freeway and street corridors. TCP will be designed to support future innovations such as Autonomous vehicles, Smart energy grids, and high-speed wireless cameras.</p> <p>5. <u>Revenue Generation for Transportation Projects.</u> The digital displays in the TCN will also allow off-site advertising. Revenue generated by this program will be utilized by the LACMTA and City to fund transportation programs.</p>
Static Billboard Takedown	The TCN will result in the removal of up to 320 static billboards from LACMTA property at no cost to LACMTA, of which approximately 200 are in the City of Los Angeles
Potential Locations	LACMTA will comply with all local, state and federal laws relating to locations and other aspects of the signs in accordance with the legislation to be enacted with respect to the LACMTA TCN and the signs that are a part thereof. Signs will not be placed in or within 200-feet of residential zones or will not be oriented facing residential zones within such 200-foot distance.
City Review of Los Angeles Locations	The LACMTA will notify the City of the locations and design of the TCN structures located in the City prior to commencement of environmental compliance review, as described below.
Environmental Compliance Review and Local Legislative Approval	<p>For any location for new transportation communications displays, the LACMTA acting as lead agency shall comply with all applicable requirements of the California Environmental Quality Act (“CEQA”) prior to implementation. Environmental compliance shall be conducted on a programmatic basis with respect to the initial locations that are included in the TCN, as such locations may be reasonably modified or updated from time to time. However, the MOA itself does not have any physical impacts and is not considered a project under CEQA.</p> <p>The enforceability of the LACMTA TCN shall be contingent upon the City enacting legislation that allows off-site advertising to be displayed on the signs. The LACMTA CEQA reports and analysis for the project shall encompass any City legislative changes needed</p>

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	to allow for the furtherance of this program. The City agrees to pay for 50% % of LACMTA’s or its agent’s cost of CEQA analysis and reports.
Shared Revenue	LACMTA and the City shall each receive 50% of the Net Advertising Revenue from the TCN displays located in the City of Los Angeles (the “Shared Revenue”). “Net Advertising Revenue” shall be defined as all revenue actually received by LACMTA from the placement of advertising media on the TCN displays during the applicable term, less Metro out of pocket expenses with respect to the LACMTA TCN, including, without limitation, operating expenses, CEQA and costs of litigation.
Intent for Use of Funds	<p>It is the intent of both Parties that funds are to be used for new, transit improvement projects and not as a subsidy for existing operations.</p> <p>The revenues from the TCN shall be used for transportation purposes consistent with the following goals of the LACMTA Vision 2028 Plan:</p> <ul style="list-style-type: none"> • Provide high-quality mobility options that enable people to spend less time traveling • Deliver outstanding trip experiences for all users of the transportation system • Enhance communities and lives through mobility and access to opportunity • Transform LA County through regional collaboration and national leadership <p>These goals require partnership with the City and complement existing City goals.</p> <p>Eligible uses shall benefit bus riders in City of Los Angeles, with a focus on low-income, persons of color in LACMTA’s defined Equity Focus Communities. Bus ridership in Los Angeles is disproportionately poor (median income of under \$18,000), Latinx, Black, or indigenous, and essential service workers.</p> <p>New funding presents an opportunity to reinvest in disadvantaged communities and provide more equitable outcomes in the City where, for example: (i) Metro’s NextGen Bus Plan calls for the significant increase of bus service, from 7 million bus service hours to 9.4 million bus service hours; (ii) 61% of bus stops in the City do not have shelters to shade bus riders from the hot sun; and (ii) 57% of bus stops in the City do not have seating for waiting riders.</p>
Eligible Uses	The City agrees to use such revenue for transportation related purposes as defined in Attachment A, Eligible Uses.

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	<p>LACMTA and the City will appoint an oversight committee comprised of representatives from LACMTA and City to mutually agree on a three year TCN expenditure plan for Eligible Uses. This TCN expenditure plan will be updated at least once every two years by mutual agreement. Each year, LACMTA will provide an estimate of the projected City’s Shared Revenues, but does not guarantee such Shared Revenues. City administrative and planning costs shall be no more than 0.5% per year of the TCN Expenditure Plan.</p>
Disbursement of Funds and Audit	<p>Funds will be disbursed initially to Metro for audit and verification; Metro will then remit the City’s portion within 60 days of verification of accuracy of funds.</p> <p>Metro will conduct a financial and compliance audit, comparable to those related to the Measure R and Measure M “local return” programs, to verify adherence to the Agreement. Audits will be performed in accordance with generally accepted auditing standards and include examining the amounts and disclosures in the City’s basic financial statements.</p> <p>It is the City’s responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit. The City can be held accountable for excess audit costs arising from poor cooperation and inaccurate accounting records that would cause delays in the completion of the required audits.</p> <p>Non-compliance with the Eligible Uses or any other provision of the Agreement may result in the suspension of funds.</p>
Effective Date	<p>Date on which the Agreement is executed by both Parties.</p>
Term	<p>The Shared Revenue shall continue for the life of the digital display improvements that are environmentally cleared as per the MOA up to a period of 20 years. Following such 20-year period the City and LACMTA shall negotiate in good faith to extend the terms of this MOA.</p>
Good Faith Negotiations	<p>During the MOA negotiating period, each Party shall negotiate in good faith with the other Party to enter into an MOA for the implementation of the TCN in accordance with the terms set forth herein.</p>
Further Assurances	<p>This Term Sheet demonstrates the intention of the Parties in documenting and implementing a MOA that is necessary to permit the TCN. Each Party agrees that it will, at any time and from time to time, upon the written request of the other Party, do such further acts and things, as the requesting Party may reasonably request in order to effectuate the purposes of this MOA.</p>

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Illumination/ Brightness	The LACMTA shall coordinate with the City related to illumination, brightness and other requirements related to the transportation communications displays. The signs shall comply with the applicable sections of the City building code with respect to sign illumination.
Assignment	The MOA shall not be assigned by either Party.
Governing Law	This Term Sheet and the MOA shall be governed and construed in accordance with California law.

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ATTACHMENT A

ELIGIBLE USES

Eligible uses for shared revenues must produce benefits that align with the following priorities:

- Speed/service quality: improvement to the competitiveness of bus travel times and quality of service.
- Ease: improvement to the simplicity of paying and validating fare (e.g., on and off-board fare collection) on LACMTA and municipal buses, trip planning/wayfinding, accessibility of bus stops and key destinations, and the ease of the transfer experience.
- Safety and Comfort: improvement to the safety and security of bus riders on board and/or at a stop, including the cleanliness and comfort of the waiting environment.
- First/Last Mile: improving accessibility to and from transit stops and improving safety for pedestrians and cyclists in the general vicinity of transit stops.

Examples of eligible transportation investments include, but are not limited to:

- Corridor Improvements to Improve Bus Speed and Reliability
 - Signal priority
 - Bus only lanes
 - Bus lane colorization on high frequency bus areas
- Bus Stop Improvements (see Metro Transfers Design Guide)
 - Americans with Disabilities Act (ADA) Improvements at or near bus stops (bus landing/ADA pads, crosswalk upgrades, sidewalk replacements) up to and including adjacent intersections
 - Bus rider Information/signage at bus stops (non-commercial – rider alerts, next bus, transit service related, etc.); transit-related wayfinding
 - Shelters and shade protection (including shade trees)
 - Pedestrian Lighting at or near bus stops up to and including adjacent intersections
 - Seating or leaning improvements at bus stops
 - Recycling/trash receptacles
 - Maintenance and cleaning of bus stops and zones
- Bus Speed Improvement Infrastructure
 - Signalization of unsignalized intersections or signage upgrades
 - Intersection Transit Signal Priority hardware and software (new or upgraded, including reprogramming)
 - Stop reconfiguration: bulb-outs, lengthening of zones for multiple buses or larger capacity/multiple door buses (as dictated by demand)
 - Stop relocations (nearside to far side) with associated civil works
 - Bus pads at bus stops (in the street)
 - Queue jumps etc. (signage/stripping, signals)
 - Intersection improvements (widening beyond restriping)

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- All door validators for new and existing buses and/or pre-boarding fare collection equipment (validators)
- Intermodal hubs (see Metro Transfers Design Guide) – improvements to public rights-of-way adjacent to or part of intermodal hubs on Metro or other transit agency property
- Hubs and Layovers (passenger or non-passenger) to accommodate increased service frequencies:
 - Restriping existing hubs and layovers to add capacity
 - Construction of additional bays at existing facilities (including land acquisition)
 - Construction of new hubs or layovers (including land acquisition)
- LACMTA and municipal bus marketing, outreach, communication and community programs



TRANSPORTATION COMMUNICATION NETWORK

MEMORANDUM OF AGREEMENT WITH CITY OF LOS ANGELES

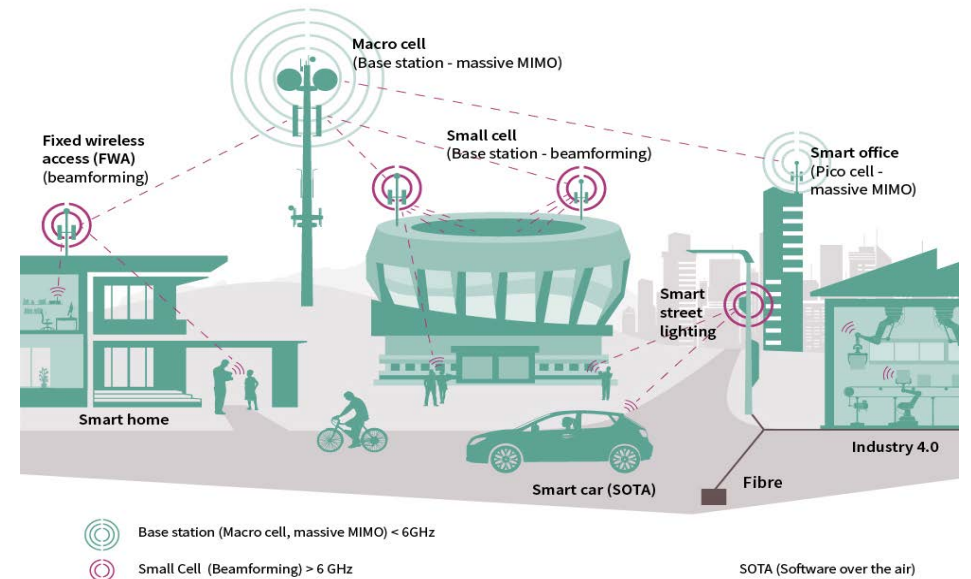
Executive Management Committee
April 2021
Item 44

BOARD ACTION

AUTHORIZE the Chief Executive Officer (CEO) to execute a Memorandum of Agreement (MOA) with the City of Los Angeles for Metro's Transportation Communication Network (TCN) on Metro rail right-of-way within the City of Los Angeles



Autonomous Vehicles



TERMS OF THE MEMORANDUM OF AGREEMENT

- Metro is the lead CEQA agency
- Contingent on the City enacting legislation that allows Metro to have off-site advertising on signs
- The City and Metro each receive 50% of net revenues (after costs)
- 20-year term with provision to negotiate in good faith to extend
- City revenues to be used on new transit improvement projects such as
 - Speed/service quality
 - Ease of use
 - Safety and comfort
 - First/Last Mile



LA Metro's Emergency Security Operations Center



High Speed Wireless
Cameras



FINANCIAL IMPACT

- No impact to budget
- No capital outlay required
- Generates additional revenue



LA Metro's Emergency Security Operations Center



**High Speed Wireless
Cameras**



NEXT STEPS

If approved,

- Metro Real Estate will work with the City of Los Angeles to execute the MOA.
- Upon Execution, Metro will commence the CEQA process at no upfront cost to Metro.
- Staff will return to the Board for CEQA approval before program implementation.

