



Board Report

File #: 2025-1007, **File Type:** Budget

Agenda Number: 6.

SPECIAL BOARD MEETING JANUARY 14, 2026

SUBJECT: MOBILITY CONCEPT PLAN PRIORITIZATION AND FUNDING STRATEGY

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING status report on the Provisional Priority List of the Mobility Concept Plan; and
- B. APPROVING the submittal of a Letter of Interest (LOI) to the United States Department of Transportation (USDOT) for a Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) loan for the projects contained in the Provisional Priority List and pay related fees and expenses.

ISSUE

The Provisional Priority List of Mobility Concept Plan (MCP) Legacy Projects was adopted by the Board in September 2025. Given that these projects have partial or no Board-approved funding, staff is exploring options to fill this funding gap, including applying for a TIFIA loan. The first step towards obtaining a commitment of TIFIA credit assistance is the submittal of a Letter of Interest (LOI) to the USDOT.

BACKGROUND

Since 2021, Metro has been working with the Games Mobility Executives (GME), a collaborative group including LA28, Caltrans, Metrolink, the Los Angeles Department of Transportation (LADOT), the City of Los Angeles Mayor's Office, and the Southern California Association of Governments (SCAG), to develop a comprehensive mobility strategy and advance priority improvements for the 2028 Games.

In February 2025, Director Bass requested that the CEO provide recommendations for 1) a set of high-value, low-cost priority projects consistent with the 2028 Games MCP that could be funded locally without affecting major voter-approved capital projects including: bus lanes and bus priority improvements, light rail system improvements, key stations improvements, systemwide signage and

wayfinding improvements; and any other appropriate projects previously approved by the Board for environmental and design; 2) an innovative funding structure for 2028 Games MCP legacy projects relying on local programs that would benefit cities in Los Angeles County; and 3) a technical assistance plan for local cities to expedite completion of their games-priority projects.

At the September 2025 Quarterly Special Board meeting, staff presented a ranked list of high-value, low-cost projects developed using a two-step prioritization process. The first step involved a qualitative evaluation that categorized projects into three priority levels, taking into account projects within workstreams that are unfunded, have longer durations to complete, the current project phase, the latest 2028 Games venue plan, and pending funding/grants. The Board adopted the list as the Provisional Priority List. Staff also presented a list of potential funding sources for the projects. The current report details the funding structure as requested, focused on the Priority 1 projects, since they are primarily construction projects requiring long lead times.

DISCUSSION

Status of Projects

Since September 2025, staff have been working on several key projects from the Provisional Priority List. The focus has been on securing CEQA exemptions and developing 15% conceptual designs in collaboration with key stakeholders for the following:

- **Stations:** LA Union Station (LAUS) and 7th Street/Metro Center.
- **LRT Improvements:** Washington/Flower and Pico intersection upgrades, and improvements along the A and E Lines.
- **Mobility Hubs:** Norwalk Transit Center, Harbor Gateway, and Memorial Park.

To ensure these projects are delivered before the 2028 Games, staff conducted constructability analyses in coordination with Planning, Project Management, Operations, and Systems teams. These analyses led to revisions in the scope/budget of some projects. Attachment A contains a revised Provisional Priority List that maximizes project scope and ensures inclusion of all high-priority projects constructible within the Games timeframe that will substantively support Games delivery. The exceptions include the LRT projects, which require further detailed evaluation regarding procurement schedule, necessary closures, and overall schedule viability, and further evaluation of the construction impacts of the A/E Line Elevator at Union Station.

One project, the Metrolink Pomona Fairplex Platform Enhancements, was removed from the Provisional Priority List with concurrence from Metrolink. Working with Metrolink and LA28 on the initial access plan for the Pomona Fairplex, it was determined that spectator access will be accommodated through the existing Pomona North A Line and Metrolink stations, considering the physical, safety, and operational characteristics and limitations of the proposed venue.

Funding Awards/Commitments

The following funding awards/commitments have been confirmed for projects on the Provisional Priority List since September 2025.

- *Metro Active Transport, Transit, and First/Last Mile (MAT) Cycle 2 Program:* Total of eight

Games-supportive projects funded, totaling \$44,502,700.

- **CMAQ/STBG:** A total of \$59,627,000 for Priority Level 1 Games supportive projects
- **State Allocations:** At the request of Caltrans, the California Transportation Commission allocated \$39 million in construction dollars from their State Highway Operation and Protection Program (SHOPP) for the Norwalk and Harbor Gateway Transit Center Mobility Hubs.

The table below summarizes the updated cost estimates, committed funding, and remaining funding needed.

| Application Title | Total Cost Estimates (\$000) | STBG & CMAQ Funding Committed (\$000) | CTC/SHOPP Committed (\$000) | Total Funding Awarded/Committed (\$000) | Remaining Funding Need* |
|---|------------------------------|---------------------------------------|-----------------------------|---|-------------------------|
| 2028 Games Washington/Flower Multimodal Mobility Improvements | \$ 8,000 | \$ 13,273 | | \$ 13,273 | 0 |
| 2028 Games Customer Experience Improvements at Downtown LA Stations Project | \$ 61,000 | \$ 19,876 | | \$ 19,876 | 41,124 |
| 2028 Games A and E Lines Operational Improvements Project | \$ 147,200 | \$ 19,617 | | \$ 19,617 | 127,583 |
| 2028 B & D Line Stations Bundle (including legacy accessibility upgrade) | \$ 50,000 | | | \$ 50,000 | 0 |
| 2028 Games Metro Mobility Hubs | \$ 90,700 | \$ 6,861 | \$ 39,000 | \$ 45,861 | 44,839 |
| 2028 Fare Modernization | \$ 20,000 | | | TBD | TBD |
| 2028 LRT Upgraded Cable Protection / Track Intrusion | \$ 19,000 | | | TBD | TBD |
| Totals: | \$ 395,900 | \$ 59,627 | \$ 39,000 | \$ 148,627 | \$ 213,546 |

*See Attachment B for details; remaining funding needs to include 20% Program Contingency, i.e., \$61.4M, totaling to \$270M

Preliminary Funding Strategy: Priority Level 1

The estimated cost of all projects on Priority Level 1 of the Revised Priority List is \$395.9 million.

The preliminary funding strategy to deliver Priority Level 1 is the following:

- Utilize all secured state/federal & local funding commitments, i.e., \$148.6 million.
- Pursue a TIFIA loan to finance up to 49% of remaining eligible costs (currently estimated at approximately \$270 million, including 61.4 million of program contingency for Priority 1 projects. Attachment B includes the Priority Level 1 Local Funding Gap for TIFIA.

The Priority 1 projects to be included in an LOI to USDOT include (i) Washington/Flower (ii), 7th Street/Metro Center (iii), LAUS (iv), A & E Line Interlock and Siding improvements (iii), and Mobility Hubs at Memorial Park, Harbor Gateway, and Norwalk. The projects were prioritized based on their potential to provide legacy improvements, TIFIA eligibility, and construction feasibility. This strategy is responsive to the Board's February 2025 directive to prevent Games-related legacy investments from negatively impacting significant voter-approved capital projects as 49% of the project cost will be

financed with TIFIA and the planned repayment of the TIFIA loan can be scheduled over time from eligible sources that do not affect voter-approved projects. The proposed funding scenario safeguards current commitments for Measure M and Measure R. It relies on committed and anticipated local, state, and federal funds, augmented by the TIFIA loan Approval of the submittal of an LOI for a TIFIA loan provides one pathway to construction phase financing. In the meantime, Metro will continue to advance these Priority 1 projects to the next stage of project development.

Priority Level 2 and 3 projects have received partial funding via the MAT and Open Streets grant cycles. Staff will provide an update regarding the remaining funding gap for these projects later since these projects are currently not constrained by schedule.

DETERMINATION OF SAFETY IMPACT

Several projects in the priority project list will improve safety and reliability as they seek to add station improvements and system reliability. In particular, improvements allow for quicker recovery from service disruptions, critical during peak travel times such as the Games, when long delays between trains can result in overcrowding and other safety issues.

FINANCIAL IMPACT

The TIFIA LOI is the first step towards securing a TIFIA loan. Loans under the TIFIA program remain attractive relative to tax-exempt municipal bonds due to current market conditions and flexible financing terms. TIFIA loans bear an interest rate that tracks long-term U.S. Treasury rates. Staff expects this loan to be paid from local sources, consistent with Metro's prior TIFIA financings, making the TIFIA loan rate comparatively more attractive. TIFIA loans also provide more flexibility on how the funds are used compared to traditional tax-exempt municipal bonds. TIFIA loans can be structured with financing terms which allow interest to be capitalized (accrued and added to the loan balance) after project substantial completion, an interest-only early payment period, and deferred principal repayment, among other favorable terms. Since 2012, Metro has closed four TIFIA loans, which were all repayable from Measure R 35% funds. After submitting the LOI, Metro may be invited to continue in the TIFIA process. If Metro decides to continue in the TIFIA process, Metro will need to reimburse the USDOT for the costs of the outside advisors who advise TIFIA on the transaction on determining a project's eligibility, credit analysis, and loan negotiations. This effort for the remainder of FY26 is estimated to be \$250,000 and will be absorbed within the Games budget for FY26 in Cost Center No. 2031, Project No. 402028. This is a multiyear effort and Project Managers and Cost Center Managers are responsible for budgeting in future years.

Impact to Budget

Budgetary impacts for FY26 are minimized as staff are working within the adopted budget. Costs incurred to pursue a TIFIA loan cannot be added to the loan proceeds and will be covered with Prop C funds.

Multiyear Impact

The funding plan includes awarded federal and state grants, much of which were secured because

the related projects support the 2028 Games. The balance of funding would come from local Metro funding sources, either through cash funding or debt financing in fiscal years 2026 through 2028. The local funding sources may include Proposition C local sales tax. The debt financing will reduce the budget requirements through fiscal year 2028 and result in debt principal and interest payments that could be paid from local funding sources, including operations-eligible funds, extending up to 30 years.

EQUITY PLATFORM

Staff continues to work with the Office of Equity and Race (OER) to support programs and projects identified within the MCP in considering equity in planning, design, and implementation. The MCP Provisional Priority List supports equitable access to mobility improvements across Los Angeles County. The updated funding strategy recognizes that Games related investments must also advance long term community benefits, particularly for transit dependent riders and communities with limited transportation options.

As staff refine project scopes, secure environmental clearances, and advance early conceptual designs, equity considerations are being incorporated into decisions about project sequencing, station readiness, and operational impacts. The planned closures of the A and E Lines required environmental milestones, and construction schedules will be evaluated to avoid disproportionate effects on riders who rely on these services for daily travel.

The proposed funding scenarios also reflect this commitment and prioritize projects that improve station accessibility, customer comfort, and safe connections and that offer meaningful benefits for communities who are most reliant on transit. Consistent with Board direction, Metro continues to coordinate with partner agencies through the GME and will support cities through technical assistance so that locally led projects can move forward. This assistance may include helping cities refine project scopes, develop cost estimates, and prepare competitive grant applications for state and federal funding. Metro can also provide technical guidance on design standards, environmental processes, and construction phasing to ensure project readiness and alignment with Games timelines. This collaborative approach ensures that investments made for the 2028 Games strengthens regional mobility and provide lasting improvements for residents throughout Los Angeles County.

VEHICLE MILES TRAVELED OUTCOME

Vehicles Miles Traveled (VMT) and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through investment, planning and operational activities that will improve and further encourage transit ridership, ridesharing, and active

transportation including first/last mile investments, bus priority corridors, mobility hubs, and support for mobility wallets. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The development of the MCP supports:

Strategic goal 1: Provide high-quality mobility options that enable people to spend less time traveling.
Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system.
Strategic Goal 4: Transform LA County through regional collaboration and national leadership" by providing a roadmap and strategy to deliver permanent transit and transit-supportive projects and programs that can help serve the 2028 Games.

ALTERNATIVES CONSIDERED

The Board could delay submission of the TIFIA LOI. This is not recommended as the TIFIA process requires 18-24 months or more and loans are provided on a first come-first served basis. Delaying submission of the TIFIA LOI will result in a delay in securing funding for construction of the Priority 1 projects, making delivery by 2028 impossible.

The Board could decide not to approve submitting the TIFIA LOI, or to reduce the list to only projects that could be fully funded through recommended grant awards. This is not recommended because, in the current market environment, access to the TIFIA Loan may provide Metro with a lower cost alternative to tax-exempt municipal bonds as well as more flexible financing terms. If the Board decided not to move ahead with some or all of the projects, this would increase the funding needed for temporary enhancements/treatments at key stations and mobility hubs which would disappear when the Games end. For service on the A and E lines, the risk of service disruptions during the Games would remain unmitigated, also potentially increasing the need for additional buses during Games times. This alternative is not recommended by staff given the importance of the 2028 Games and the unprecedented opportunity Metro has to develop these legacy investments.

If these projects are not funded, staff would include temporary enhancement/treatments at key stations and mobility hubs in the provisional priority list on future Board funding request associated with Games service delivery.

NEXT STEPS

Staff will prepare and submit a TIFIA Letter of Interest for a subset of the projects on Priority 1 of the list and will keep the Board apprised of subsequent steps. Staff will also continue development of engineering plans for all projects on Priority 1 and for projects on Priority 2 that require advance development to stay on schedule for delivery by 2028.

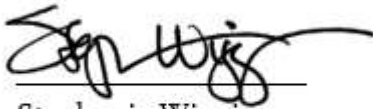
ATTACHMENTS

Attachment A - Revised Provisional Priority 1 Projects List

Attachment B - Priority Level 1 Local Funding Gap for TIFIA

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Chief Executive Officer

Attachment A: Revised Provisional Priority 1 Projects List

| Projects by Priority Level | Overall Rank | Sept 2025 Board Estimated Cost (\$ in millions) | Updated Costs (Dec 2025) | Updated Scope |
|---|--------------|---|--------------------------|--|
| Priority Level 1 | | | | |
| Washington/Flower Corridor* | 1 | \$15 | \$8 | Revised to include 12 th and Washington street closures at Flower Street |
| 7 th Street/Metro Center Station (Phased)* | 2 | \$50 | \$50 | Station-area upgrades such as signage, lighting, benches, tactile wayfinding, platform edge pavers, customer information panels, CCTV improvements, and localized ceiling and wall repairs. It also covers ancillary elements—including payphone removal, trash bin improvements, entrance marquees with roll-up gates, between-car barriers, and layout and fencing associated with future faregate installation. |
| LA Union Station* | 3 | \$50 | \$11 | Revised to include an A Line elevator & bike/pedestrian improvement in the forecourt |
| A Line Anaheim St Interlock* | 4 | \$15 | \$52.5 | Upgrade the existing throw switch to automatic to retain loop flow |
| E Line Degnan Siding & Interlock* | 5 | \$40 | \$39.4 | Degnan siding and diamond crossover |
| B & D Line Stations Bundle (including legacy accessibility upgrade) | 6 | \$135 | \$50 | Revised to include lighting, fare gate, and other safety improvements |
| Metrolink Pomona Fairplex Platform Enhancements | 7 | \$2 | \$2 | |
| Harbor Gateway* | 8 | \$15 | \$50.8 | Mobility hub to include shade, lighting, and bike infrastructure |
| Norwalk* | 9 | \$27 | \$24.9 | Mobility hub to include shade, lighting, and bike infrastructure |
| A Line Ave 34 Interlock* | 10 | \$12 | \$32.5 | Add a diamond crossover |

| Projects by Priority Level | Overall Rank | Sept 2025 Board Estimated Cost (\$ in millions) | Updated Costs (Dec 2025) | Updated Scope |
|---|--------------|---|--------------------------|--|
| E Line Bundy Interlock* | 11 | \$14 | \$22.8 | Convert the existing No 10 LH crossover to a No 10 diamond crossover |
| Memorial Park * | 13 | \$10 | \$15 | A Line station crosswalk and big bang alleyway improvements for pedestrian safety, Proposed GETS hub |
| Fare Modernization | 20 | \$20 | \$20 | |
| LRT Upgraded Cable Protection / Track Intrusion | 14 | \$19 | \$19 | |
| Subtotal Priority Level 1 = | | \$424 | \$395.9 | |

*Projects included in TIFIA Letter of Interest

Attachment B: Priority Level 1 Local Funding Gap for TIFIA

| Projects by Priority Level | Overall Rank | Sept 2025 Board Estimated Cost (\$ in millions) | Updated Costs (Dec 2025) | Allocated Local Funding | Anticipated Funding | | | Add' Local Funding Needed (\$ in millions) |
|---|--------------|---|--------------------------|-------------------------|---------------------|---------------|-------------|--|
| Priority Level 1 | | | | | CMAQ | STBG | SHOPP | |
| Washington/Flower Corridor | 1 | \$15 | \$8 | | \$13.3 | | | N/A |
| 7 th Street/Metro Center Station (Phased)* | 2 | \$50 | \$50 | | | \$13.9 | | \$36.1 |
| LA Union Station* | 3 | \$50 | \$11 | | | \$6.0 | | \$5.0 |
| A Line Anaheim St Interlock* | 4 | \$15 | \$52.5 | | | \$19.6 | | \$32.90 |
| A Line Ave 34 Interlock* | 5 | \$12 | \$32.5 | | | | | \$32.5 |
| B & D Line Stations Bundle (including legacy accessibility upgrade) | 6 | \$135 | \$50 | \$50.0 | | | | N/A |
| Metrolink Pomona Fairplex Platform Enhancements | 7 | \$2 | \$2 | \$0 | \$0 | \$0 | \$0 | \$0.0 |
| Harbor Gateway* | 8 | \$15 | \$50.8 | | | \$2.3 | \$27.3 | \$21.2 |
| Norwalk* | 9 | \$27 | \$24.9 | | | \$2.3 | \$11.7 | \$10.9 |
| E Line Degnan Siding & Interlock* | 5 | \$40 | \$39.4 | | | | | \$39.40 |
| E Line Bundy Interlock* | 11 | \$14 | \$22.8 | | | | | \$22.80 |
| Memorial Park * | 13 | \$10 | \$15 | | | \$2.3 | | \$12.7 |
| Fare Modernization | 20 | \$20 | \$20 | TBD | | | | N/A |
| LRT Upgraded Cable Protection / Track Intrusion | 14 | \$19 | \$19 | TBD | | | | N/A |
| Subtotal Priority Level 1 = | | \$424 | \$395.9 | \$50 | \$13.3 | \$46.4 | \$39 | \$213.5** |

*Projects included in TIFIA Letter of Interest

** TIFIA loan amount to include Program Contingency (Expecting) 20% i.e., \$61.4M; total amount \$270M



Mobility Concept Plan Prioritization and Funding Strategy



Metro

Item #2025-1007

January 14, 2026

Background

- Directive from the February 2025 Ad-Hoc 2028 Games Committee by Director Bass requests CEO recommendations on the following:
 - A set of high-value, low-cost priority projects consistent with the 2028 Games Mobility Concept Plan (MCP) that could be locally funded without affecting major voter-approved projects;
 - An innovative funding structure for Games MCP legacy projects relying on local programs that would benefit cities in LA County; and
 - A technical assistance plan for local cities to expedite completion of their Games-priority projects.
- Provisional Priority List adopted September 2025

Status of Projects

- Secured CEQA exemptions and developing 15% conceptual designs in collaboration with key stakeholders for the following projects:
 - **Stations:** LA Union Station (LAUS) and 7th Street/Metro Center.
 - **LRT Improvements:** Washington/Flower and Pico intersection upgrades, and improvements along the A and E Lines.
 - **Mobility Hubs:** Norwalk Transit Center, Harbor Gateway, and Memorial Park.
- Conducted constructability analysis
- Scope and budget revisions

Revised Priority Level 1 Projects

| Projects by Priority Level | Overall Rank | Sept 2025 Board Estimated Cost (\$ in millions) | Updated Costs (Dec 2025) |
|---|--------------|---|--------------------------|
| Priority Level 1 | | | |
| Washington/Flower Corridor* | 1 | \$15 | \$8 |
| 7 th Street/Metro Center Station (Phased)* | 2 | \$50 | \$50 |
| LA Union Station* | 3 | \$50 | \$11 |
| A Line Anaheim St Interlock* | 4 | \$15 | \$52.5 |
| E Line Degnan Siding & Interlock* | 5 | \$40 | \$39.4 |
| B & D Line Stations Bundle | 6 | \$135 | \$50 |
| Metrolink Pomona Fairplex Platform Enhancements | 7 | \$2 | \$2 |
| Harbor Gateway* | 8 | \$15 | \$50.8 |
| Norwalk* | 9 | \$27 | \$24.9 |
| A Line Ave 34 Interlock* | 10 | \$12 | \$32.5 |
| E Line Bundy Interlock* | 11 | \$14 | \$22.8 |
| Memorial Park * | 13 | \$10 | \$15 |
| Fare Modernization | 20 | \$20 | \$20 |
| LRT Upgraded Cable Protection / Track Intrusion | 14 | \$19 | \$19 |
| Subtotal Priority Level 1 = | | \$424 | \$396 |

Funding Award Updates

- **Metro Active Transport, Transit, and First/Last Mile (MAT) Cycle 2 Program:** Total of 8 Games-supportive projects funded, totaling \$44.5 million.
- **CMQA/STBG:** \$59,627,000 for Priority Level 1 Games supportive projects.
- **State Allocations:** California Transportation Commission allocated \$39 million in construction dollars from their State Highway Operation and Protection Program (SHOPP) for the Norwalk and Harbor Gateway Transit Center Mobility Hubs.

Recommended Funding Need

| | Total Cost Estimates (\$000) | STBG & CMAQ Funding Committed (\$000) | CTC/SHOPP Committed (\$000) | Total Funding Awarded/ Committed (\$000) | Remaining Funding Need |
|---|------------------------------------|--|-----------------------------------|---|---------------------------|
| 2028 Games Washington/Flower Multimodal Mobility Improvements | 8,000 | 13,273 | | 13,273 | 0 |
| 2028 Games Customer Experience Improvements at Downtown LA Stations Project | 61,000 | 19,876 | | 19,876 | 41,124 |
| 2028 Games A and E Lines Operational Improvements Project | 147,200 | 19,617 | | 19,617 | 127,583 |
| 2028 B & D Line Stations Bundle (including legacy accessibility upgrade) | 50,000 | | | 50,000 | 0 |
| 2028 Games Metro Mobility Hubs | 90,700 | 6,861 | 39,000 | 45,861 | 44,839 |
| 2028 Fare Modernization | 20,000 | | | TBD | TBD |
| 2028 LRT Upgraded Cable Protection / Track Intrusion | 19,000 | | | TBD | TBD |
| Totals: | 395,900 | 59,627 | 39,000 | 148,627 | 213,546 * |

* Amount to include 20% Program Contingency, i.e., \$61.4M, totaling to \$270M



Next Steps

- **Pursue a TIFIA loan** to fund up to 49% of remaining eligible costs: currently estimated at approximately \$270 million, including 20% Program Contingency 20% i.e., \$61.4M.
- **TIFIA Letter of Interest** for a subset of the projects on Priority 1 of the list.
- **Seek NEPA exemptions** for Reprioritized Priority 1 projects
- **Continue development of final design plans** for all projects on Priority 1 and for projects on Priority 2 that require advanced development to stay on schedule for delivery by 2028.