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

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CONSTRUCTION COMMITTEE
SEPTEMBER 16, 2026

SUBJECT: VERMONT TRANSIT CORRIDOR BUS RAPID TRANSIT PROJECT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

A. ESTABLISHING a Life-of-Project budget for the Vermont Transit Corridor Bus Rapid Transit (BRT) Project in the amount of $413,786,609; and

B. AUTHORIZING the Chief Executive Officer to negotiate and execute project-related agreements up to the authorized Life-of-Project budget.

ISSUE

At its February 2026 meeting, the Board authorized a Preconstruction Budget for Phase 1 for the Vermont Transit Corridor BRT Project, which included preconstruction services (constructability reviews, construction staging and phasing development, construction scheduling, estimating and price build-up). Since that time, Metro staff have worked with the Construction Manager/General Contractor (CM/GC), Design Consultant, City of Los Angeles and County of Los Angeles to collaboratively advance the design, complete field investigations, undergo constructability reviews and explore scope refinement and value engineering opportunities. The Project is nearing completion of Phase 1 of the CM/GC contract and is now ready to establish the Life-of-Project budget. Establishment of the LOP budget is a required next step to maintain the Project delivery schedule.

BACKGROUND

The Project is a 12.4-mile BRT corridor with 26 stations at 13 major locations along Vermont Avenue. The corridor extends from Sunset Boulevard, connecting to the Vermont/Sunset Metro B Line Station in Hollywood, to 120th Street, south of the Vermont/Athens Metro C Line Station.

The corridor serves densely populated communities including East Hollywood/Los Feliz, Koreatown, University Park/Exposition Park, and South Los Angeles, with approximately 2.5 miles at the southern end extending into the unincorporated West Athens and Westmont communities.

Major destinations along the corridor include the University of Southern California, BMO Stadium, the Exposition Park Museums, Kaiser Permanente Los Angeles, Children's Hospital Los Angeles, and Los Angeles City College.

Metro's existing local and rapid bus services on Vermont Avenue, Lines 204 and 754, currently operate in a very high-ridership corridor with approximately 38,000 weekday boardings, projected to increase to approximately 56,000 by 2045.

Existing service experiences significant performance deficiencies in speeds, schedule reliability, and passenger comfort due to severe congestion and operating conditions. The Project will provide a premium BRT service incorporating dedicated side-running bus lanes, enhanced stations and passenger amenities, transit signal priority, and other improvements intended to increase transit performance and reliability.

The Project is expected to attract approximately 12,000 new daily riders when it opens.

The Project goals are to:
- Improve Transit Performance;
- Enhance Customer Experience; and
- Invest in Community.

The Project also supports Metro Strategic Plan goals to provide high-quality mobility options that enable people to spend less time traveling, deliver outstanding trip experiences for users of the transportation system, and enhance communities and lives through mobility and access to opportunity.

DISCUSSION

To date, the Project has been funded under an authorized initial preconstruction budget of $198.46 million. Staff recommends establishing a $413,786,609 Life-of-Project budget, inclusive of the preconstruction budget of $198.46 million, to provide the comprehensive fiscal framework to complete the Project. The proposed LOP budget encompasses all incurred and forecasted Project cost, including Metro labor and non-labor costs, professional and support services, environmental and planning activities, final design, preconstruction services, utilities, right-of-way, third-party coordination, construction, contingency, and other costs necessary for Project delivery. A detailed breakdown of the proposed LOP budget and funding sources is provided in Attachment A - Funding and Expenditure Plan.

Constructability Reviews and Preconstruction Services

Under the Construction Manager/General Contractor (CM/GC) delivery method, Griffith Company is providing integrated preconstruction services concurrent with advancement of the design. These services include value engineering, constructability reviews, construction phasing, maintenance-of-traffic planning, utility coordination, schedule optimization, and progressive cost estimating.

This collaborative process allows Metro, the designer working under a separate contract, and CM/GC to identify and address constructability, scope, sequencing, and cost considerations as the design advances, reducing the potential for engineering rework and improving construction readiness. Early field investigations and utility coordination are also being advanced to reduce the potential for unforeseen conditions to affect the construction schedule.

Early Works Packages & Field Continuity

The CM/GC delivery framework allows Metro to advance Early Works Packages (EWPs) for time-critical and enabling activities ahead of the primary construction package. Select initial EWPs are funded within the existing preconstruction authorization, while additional packages are currently being developed and are anticipated for authorization and execution beginning in Q4 2026.

Establishing the full Life-of-Project budget at this stage provides the fiscal capacity necessary to transition from preconstruction into successive construction activities as individual packages become ready for execution. This approach reduces the potential for administrative funding constraints to interrupt planned work and supports continuity of construction activities necessary to maintain the Project delivery schedule.

CM/GC Cost Development and Negotiations

Construction pricing is being progressively developed as individual design packages advance. The CM/GC has prepared successive Opinion of Probable Construction Cost (OPCC) estimates through a transparent, open-book process, and Metro is independently evaluating and reconciling those estimates using Independent Cost Estimates (ICE), quantity reviews, constructability analysis, and other cost-validation measures.

The cost estimate developed by Metro to support the Federal Transit Authority (FTA) grant process was subject to FTA review and formed the basis of the Project's federalized project cost. As design has advanced, the CM/GC's OPCC cost development has provided an additional market-based validation of that estimate. Current CM/GC cost information is generally aligned with the Project's established cost framework and together with the Project's contingency and ongoing cost validation process, provides staff confidence that the recommended Life-of-Project budget is sufficient to complete the Project.

Because CM/GC pricing is developed progressively, final negotiated construction pricing will occur as design packages achieve the appropriate level of maturity. Approval of the proposed LOP budget does not constitute approval or acceptance of the CM/GC's current estimates or final construction pricing. Construction pricing will continue to be independently validated and negotiated in accordance with Metro's established CM/GC processes prior to execution of the applicable construction agreements.

The Federal Transit Authority executed the Single Year Grant Agreement (SYGA) on September 2, 2026, the Project's Total Federalized Project Cost was established at $370.6 million. The recommended $413,786,609 Life-of-Project budget incorporates the $370.6 million federalized project framework together with concurrent non-SYGA project activities. These concurrent activities include the planning/environmental phase of the Project, real estate, certain community relation expenses, and public artwork which would be locally funded to support the Project's full delivery requirements.

The recommended Life-of-Project budget also includes appropriate contingency and management reserves to address identified and potential Project risks throughout final design and construction. These provisions provide sufficient fiscal capacity to manage uncertainty associated with construction, utilities, third-party requirements, market conditions, and other delivery risks without establishing an expectation that the full authorized amount will be expended.

Establishing the Life-of-Project budget at this stage creates an overall fiscal framework within which Metro can actively manage and advance the Project while CM/GC pricing continues to mature. The Life-of-Project budget establishes the Project's overall funding capacity and does not predetermine the value of the future CM/GC construction agreement. Metro will continue to independently validate and negotiate construction pricing prior to committing funds for subsequent construction packages.

This approach provides sufficient budget authority to maintain continuity of Project delivery while preserving cost discipline, continued FTA coordination, and Metro's ability to negotiate fair and reasonable construction pricing.

<u>Metro Cost Benefit Analysis and Economic Impact</u>

At its July 2025meeting, the Board approved a methodology framework for a Cost Benefit Analysis (CBA) to be conducted on Metro capital projects at key milestones to support investment and funding decisions, such as establishment of Life-of-Project budgets.

As part of the CBA, a Benefit-Cost Ratio (BCR) analysis was conducted to compare monetized costs of the Project, including the Life-of-Project capital cost, as well as anticipated maintenance and operating costs, to a set of monetizable benefits of the Project. While not all project benefits and costs are monetizable, the Metro BCR analysis does include monetized values of travel time savings, accident cost savings, safety benefits, emission cost savings, and active transportation health benefits over a 20-year operating period, through mid-2048.

Regional economic benefits are also included in the CBA, which consist of increased employment and economic output from spending on the capital and operating costs of the project and due to regional mobility improvements that provide greater access to jobs and allow for increased personal consumption.

Together, the CBA and evaluation of economic impact find that with the proposed Life-of-Project budget, the Project performs as follows:

- For every dollar invested, the Project is expected to return $26.60 in monetizable benefits over 20 years following the start of revenue service.
- Direct spending on the Project (including capital, operations and maintenance expenditures) is estimated to generate an annual average of 258 new jobs. The Project also is estimated to

produce about $1.2 billion in economic output for the Los Angeles County economy through 2045 (in 2026 dollars) due to direct spending on construction and operations, indirect spending on supporting industries (materials and services), and induced spending by the workers that are supported by the Project.

- Regional mobility improvements from the Project, as reflected primarily by the 51,676 additional daily boardings systemwide in 2045, are expected to provide access to employment opportunities and create an annual average of 1,876 new jobs. The increased employment and mobility in turn will lead to additional sales and consumption of goods and services, increasing economic output in Los Angeles County. This total economic output is estimated to increase by $25.8 billion (in 2026 dollars) through 2045 because of the Project.

DETERMINATION OF SAFETY IMPACT

Approval of the recommendations will allow the Project to advance improvements to existing transit facilities, sidewalks, streets, traffic signals, lighting, signs, pavement markings, and related infrastructure along the Vermont Avenue corridor.

The Project will provide enhanced BRT stations and passenger amenities and improve accessibility, transit operations, lighting, visibility, pedestrian movements, and overall passenger safety.

Construction phasing, maintenance-of-traffic planning, utility coordination, and safety considerations are being incorporated during preconstruction to minimize disruption and manage safety risks during construction.

FINANCIAL IMPACT

Impact to Budget

The current fiscal year’s budget is allocated under Cost Center 8510, Project No. 471402 and 871402, across various accounts, including Professional and Technical Services. Upon approval of the Life-of-Project budget, staff will manage Project expenditures within the Board-approved fiscal year budgets. As this is a multiyear project, future fiscal year budgets will be the responsibility of the Project Manager, Cost Center Manager, and Chief Program Management Officer. Funding sources for FY27will be comprised of Proposition C, SB1 Local Partnership Program, Small Starts, Congestion Mitigation & Air Quality Program, and FTA Community Project Funding. These funding sources are not eligible to fund operations.

Multiyear Impact

The Project's Total Federalized Project Cost established in connection with the FTA Single Year Grant Agreement is $370.6 million. The proposed $413,786,609 Life-of-Project budget includes the $370.6 million FTA-eligible project cost and $43,186,609 in costs outside of the FTA-eligible project subtotal. These costs include $21,785,380 in pre-award authority costs incurred through FY26 and $21,401,230 in other non-FTA eligible costs required to support comprehensive Project delivery.

The Project funding is programmed from Measure M, Proposition C, SB 1 Local Partnership Program, Transit and Intercity Rail Capital Program, FTA Small Starts, Congestion Mitigation and Air Quality Program, and FTA Community Project Funding.
The proposed $413,786,609 LOP budget is fully funded from a combination of federal, state, and local sources.

- Local - Measure M - $25,000,000
- Local - Proposition C - $44,485,609
- State - SB1 Local Partnership Program - $81,061,000
- State - Transit & Intercity Rail Capital Program - $5,000,000
- Federal - Small Starts - $149,900,000
- Federal - Congestion Mitigation & Air Quality Program - $106,340,000
- Federal - FTA Community Project Funding - $2,000,000

A detailed breakdown of the funding sources and anticipated expenditures by fiscal year is provided in Attachment A - Funding and Expenditure Plan.

Approval of the LOP budget establishes the overall fiscal framework for delivery of the Project and does not constitute authorization to expend the entire LOP amount in a single fiscal year. Project expenditures will be incorporated into and managed through Metro's annual budget process based on the anticipated expenditure schedule .

EQUITY PLATFORM

The Project area is comprised of Equity Focus Communities (EFCs) within the City of Los Angeles and County of Los Angeles and will provide the benefits of enhanced mobility and regional access for transit riders within those communities. The Project will allow people living in EFCs along the corridor to connect with the greater regional transportation network and key destinations via the 13 planned stations located in EFCs.

The outreach strategy for the Project (during the completed planning and environmental phase) was designed to engage with historically marginalized groups through the use of multilingual outreach materials (English, Spanish, Armenian, Korea, and Tagalog to name a few), live-translation during meetings, accessible meeting times and locations, regular updates via a mailing list, and transit intercept surveys to reach current riders who were otherwise unable to attend meetings.

VEHICLE MILES TRAVELED OUTCOME

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, the Vermont Transit Corridor Project is expected to contribute to further reductions in VMT as it includes the implementation of a high-quality Bus Rapid Transit alternative along Vermont Avenue. This BRT service will enhance transit along the corridor by shortening passenger travel times and increasing service reliability and efficiency. This project is expected to encourage a shift from single-occupancy vehicles to public transit. Additionally, it will enhance access for cyclists and pedestrians to/from the stations.

To help characterize the VMT effects of the Project and provide a basis for comparing Project scenarios, the travel demand model estimated the Project's VMT benefit by multiplying the number of person-trips shifted from automobiles to transit because of the Project (as forecasted by the CBM18B model [Metro, 2019b]) by the associated station-to-station (or comparable zone-to-zone) trip distances. The estimated user benefit is a savings of about 85,000 VMT resulting in the removal of 37 metric tons of CO2 daily due to the implementation of the Project. A dedicated BRT lane can move 3 times the number of people per hour than a mixed traffic lane. This analysis was conducted as part of the Vermont Transit Corridor Planning and Environmental Study and aligns with the State statuary goals of reducing greenhouse gas emissions and increasing multimodal transportation networks.

*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

Recommendation supports:

- Strategic Plan Goal 1: Provide high quality mobility options that enable people to spend less time traveling;
- Strategic Plan Goal 2: Deliver outstanding trip experience for all users of the transportation system; and
- Strategic Plan Goal 3: Enhance communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

The Board may elect not to approve the proposed LOP budget and direct staff to evaluate alternative procurement, scope, or project delivery strategies.

Staff does not recommend this alternative because it could require additional procurement, redesign, negotiation, or project-development activities and could result in schedule delays and increased costs.

The CM/GC delivery strategy was selected in part to support early construction, schedule flexibility, integrated preconstruction services, real-time cost and scope management, early utility-risk mitigation, and segment-by-segment construction advancement.

Delaying establishment of the LOP could affect the Project's ability to maintain its planned delivery schedule.

NEXT STEPS

Upon Board approval of the LOP budget, staff will proceed with the actions described in this report. Construction is anticipated to begin in Fall of 2026, with Revenue Service anticipated in June 2028 in advance of the 2028 Olympic and Paralympic Games.

ATTACHMENT

Attachment A - Funding and Expenditure Plan

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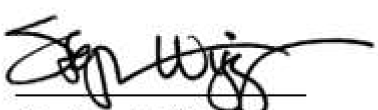

Stephanie Wiggins
Chief Executive Officer

Attachment A - Expenditure and Funding Plan
Vermont Transit Corridor BRT Life-of-Project Budget

Use of Funds	Total	Inception Thru FY26	FY27	FY28	FY29
Planning, Environmental and Preliminary Engineering Services	$ 14,758,037	$ 13,426,189	$ 1,331,848	$ -	$ -
CM/GC Contract					
CM/GC Phase 1 - Preconstruction Services	$ 4,800,000	$ 1,267,449	$ 3,532,551	$ -	$ -
CM/GC Phase 2 - Construction + Early Works Packages	$ 247,416,109	$ -	$ 83,070,745	$ 164,345,365	$ -
Final Design Services	$ 25,436,350	$ 6,369,572	$ 19,066,778	$ -	$ -
CMSS Services	$ 21,356,091	$ 1,564,502	$ 6,212,773	$ 6,808,009	$ 6,770,807
Other Professional Services	$ 13,111,883	$ 441,546	$ 4,166,851	$ 5,025,320	$ 3,478,165
Third Party/Legal Services	$ 4,179,139	$ 586,508	$ 1,127,762	$ 1,235,811	$ 1,229,058
Right of Way	$ 1,883,385	$ 13,275	$ 1,870,110	$ -	$ -
Agency Costs	$ 15,469,931	$ 2,198,710	$ 4,165,966	$ 4,565,101	$ 4,540,155
Contingency					
Contingency	$ 22,189,074	$ -	$ 10,236,396	$ 11,217,129	$ 735,549
FTA Eligible Sub-Total	$ 370,600,000	$ 25,867,751	$ 134,781,780	$ 193,196,734	$ 16,753,734
Pre-Award Authority Costs	$ 21,785,380	$ 21,785,380	$ -	$ -	$ -
Non-FTA Eligible Costs	$ 21,401,230	$ -	$ 10,903,065	$ 6,085,933	$ 4,412,232
Non-FTA Eligible Sub-Total	$ 43,186,609	$ 21,785,380	$ 10,903,065	$ 6,085,933	$ 4,412,232
Total Life-of-Project Budget	**$ 413,786,609**	**$ 47,653,130**	**$ 145,684,845**	**$ 199,282,667**	**$ 21,165,966**

Source of Funds	Total				
Local - Measure M	$ 25,000,000	$ 25,000,000	$ -	$ -	$ -
Local - Proposition C	$ 44,485,609	$ 17,653,130	$ 2,500,000	$ 3,166,513	$ 21,165,966
State - SB1 Local Partnership Program (LPP)	$ 81,061,000	$ -	$ 46,184,845	$ 34,876,155	
State - Transit & Intercity Rail Capital Program (TIRCP)	$ 5,000,000	$ 5,000,000	$ -	$ -	$ -
Federal - Small Starts	$ 149,900,000	$ -	$ 75,000,000	$ 74,900,000	$ -
Federal - Congestion Mitigation & Air Quality Program (CMAQ)	$ 106,340,000	$ -	$ 20,000,000	$ 86,340,000	$ -
Federal - FTA Community Project Funding	$ 2,000,000	$ -	$ 2,000,000	$ -	$ -
Total Project Funding	**$ 413,786,609**	**$ 47,653,130**	**$ 145,684,845**	**$ 199,282,667**	**$ 21,165,966**

We're planning a new way to ride on Vermont.

VERMONT TRANSIT CORRIDOR

Life of Project Budget Presentation
2026-0658 Construction Committee

Metro

Vermont Transit Corridor BRT Project

RECOMMENDATION:

Consider

- ESTABLISH a Life-of-Project budget for the Vermont Transit Corridor Bus Rapid Transit Project in the amount of $413,786,609; and
- AUTHORIZE the Chief Executive Officer to negotiate and execute project-related agreements up to the authorized Life-of-Project budget.

Vermont Transit Corridor BRT Project

Project Overview

- 12.4-mile BRT corridor
- Sunset Boulevard to 120th Street
- 26 stations at 13 major locations
- Dedicated side-running bus lanes
- Connections to Metro B/D, E and C Lines
- Approximately 38,000 existing weekday boardings

Purpose & Need for Project

- **Growing Travel Market:** High level of transit trips on corridor projected to grow over time; transit use is higher than County average
- **Deteriorating Traffic Conditions:** Constrained right-of-way along segments of corridor results in increased operating conflicts, inefficient movement of people, decreased safety
- **Degrading Transit Reliability:** Transit travel times, service quality and reliability are significantly impacted by traffic congestion all day; causes unreliable travel times and decreases rider confidence in service
- **Increasing Transit Dependency:** Corridor has disproportionately high proportion of transit-dependent riders; communities along corridor more likely to depend on public transit as their only source of transportation
- **Poor Safety and Customer Experience Conditions:** Poor conditions around transit stops or discourage riders; facilities often absent, in poor condition or in disrepair contributing to unsafe or uncomfortable waiting conditions and negative experiences or interactions

Life of Project Budget

Use of Funds	Total
Planning Phase	$14,758,037
CM/GC Contract	
Phase 1 - Preconstruction	$4,800,000
Phase 2 - Construction	$247,416,109
Final Design Services	$25,436,350
CMSS Services	$21,356,091
Other Professional Services	$13,111,883
Third Party/Legal Services	$4,179,139
Right of Way	$1,883,385
Agency Costs	$15,469,931
Contingency	
Contingency	$22,189,074
FTA Eligible Sub-Total	$370,600,000
Pre-Award Authority Costs	$21,785,380
Non-FTA Eligible Costs	$21,401,230
Non-FTA Eligible Sub-Total	$43,186,609
Total Life-of-Project Budget	$413,786,609

Source of Funds

Source of Funds	Total
Local - Measure M	$ 25,000,000
Local - Proposition C	$ 44,485,609
State - SB1 Local Partnership Program (LPP)	$ 81,061,000
State - Transit & Intercity Rail Capital Program (TIRCP)	$ 5,000,000
Federal - Small Starts	$ 149,900,000
Federal - Congestion Mitigation & Air Quality Program (CMAQ)	$ 106,340,000
Federal - FTA Community Project Funding	$ 2,000,000
Total Project Funding	**$ 413,786,609**

Next Steps

Following Board action, staff will:

- Advance additional Early Works Packages and construction activities seamlessly, maximizing field flexibility and capturing potential schedule gains

- Execute Phase 2 Supplement for total project scope