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**Agenda - Final**

**Wednesday, June 17, 2020**

**1:00 PM**

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## **Finance, Budget and Audit Committee**

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*Paul Krekorian*

*Mark Ridley-Thomas*

*John Bulinski, non-voting member*

*Phillip A. Washington, Chief Executive Officer*

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(ALSO APPLIES TO BOARD COMMITTEES)

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The public may also address the Board on non agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for one (1) minute during this Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

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**REMOVAL FROM THE BOARD ROOM** The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

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**NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA**

## CALL TO ORDER

## ROLL CALL

9. SUBJECT: **WORKERS' COMPENSATION MANAGED CARE SERVICES** [2020-0256](#)

### RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a four-year base term, with three, two-year options, incentive-based contract, Contract No. PS161339000, to Anthem Workers' Compensation, LLC to establish, maintain and provide a workers' compensation managed care service program, including access to the Anthem network, effective July 1, 2020.

Attachments: [Attachment A - Procurement Summary](#)  
[Attachment B - DEOD Summary](#)

10. SUBJECT: **EXCESS LIABILITY INSURANCE PROGRAM** [2020-0260](#)

### RECOMMENDATION

AUTHORIZE the Chief Executive Officer to negotiate and purchase Public Entity excess liability policies with up to \$300 million in limits at a cost not to exceed \$14.5 million for the 12-month period effective August 1, 2020 to August 1, 2021.

Attachments: [Attachment A - Options, Premiums and Loss History v2](#)  
[Attachment B - Proposed Carriers & Structure](#)

11. SUBJECT: **MAJOR CONSTRUCTION UMBRELLA INSURANCE PROGRAM** [2020-0350](#)

### RECOMMENDATION

AUTHORIZE the Chief Executive Officer to negotiate and purchase additional construction project umbrella liability insurance policies (also known as a super excess general liability insurance program) for construction of the Metro Westside Purple Line Extension Section 3 Project (Project) with up to \$200 million in additional limits at a cost not to exceed \$6.5 million for the period effective July 1, 2020 to July 1, 2027 (and products/completed operations coverage to July 1, 2037).

Attachments: [Attachment A - Recommended Program Pricing and Carriers](#)

**12. SUBJECT: TRANSPORTATION DEVELOPMENT ACT (TDA) ARTICLE  
8 FUND PROGRAM**

[2020-0329](#)

**RECOMMENDATION**

ADOPT:

A. Transportation Development Act (TDA) Article 8, findings and recommended actions (Attachment A) for fiscal year (FY) 2020-21, as follows:

1. In the City of Avalon there are no unmet transit needs that are reasonable to meet, therefore TDA Article 8 funds once approved by the Board through the budget process, may be used for street and road projects, or transit projects, as described in Attachment A;
2. In the Cities of Lancaster and Palmdale, there are no unmet transit needs that are reasonable to meet; in the Cities of Lancaster and Palmdale and the unincorporated portions of North County transit needs can be met through using other existing funding sources. Therefore, the TDA Article 8 funds once approved by the Board through the budget process may be used for street and road purposes and/or transit, as long as their transit needs continue to be met;
3. In the City of Santa Clarita, there are no unmet transit needs that are reasonable to meet; in the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, the TDA Article 8 funds once approved by the Board through the budget process for the City of Santa Clarita may be used for street and road and/or transit, as long as their transit needs continue to be met;
4. In the Los Angeles County Unincorporated areas of North County, the areas encompassing both the Antelope Valley and the Santa Clarita Valley, transit needs are met with other funding sources, such as Proposition A and Proposition C Local Return Therefore, the TDA Article 8 funds once approved by the Board through the budget process may be used for street and road purposes and/or transit, as long as their transit needs continue to be met; and

B. A resolution (Attachment B) making a determination of unmet public transportation needs in the areas of Los Angeles County outside the Metro service area.

**Attachments:**      [Attachment A-FY21 Proposed Findings and Recommended Actions](#)  
[Attachment B-FY2020-21 TD Article 8 Resolution](#)  
[Attachment C-History and Definitions TDA 8](#)  
[Attachment D-FY21 TDA Article 8 Public Hearingprocess](#)  
[Attachment E-FY21 Summary of the Comments](#)  
[Attachment F-Summary of Recommendations and Actions Taken FY21](#)  
[Attachment G-Proposed Recommendation of SSTAC](#)

13. **SUBJECT:      SALE OF PROPERTY TO LOS ANGELES WORLD      [2020-0330](#)**  
**AIRPORT FOR LANDSIDE ACCESS MODERNIZATION**  
**PROGRAM**

**RECOMMENDATION**

CONSIDER:

- A. DECLARING that a portion of 5601 Century Boulevard (shown in Exhibit D as the “Fee Interest Property”) is not necessary for use by LACMTA and is “exempt surplus land” as defined in Section 54221(f) (1) of the California Surplus Land Act (the “Act”).
  
- B. AUTHORIZING the Chief Executive Officer (“CEO”) to execute documents to sell the Fee Interest Property and a street easement and storm drain easement in a portion of the Aviation Boulevard railroad right of way (shown in Exhibit D as the “Easement Property”) to the City of Los Angeles, Department of Airports, known as the Los Angeles World Airports (“LAWA”) for the amount of **One Million, Seven Hundred Thirteen Thousand, and Forty Dollars (\$1,713,040.00).**

**Attachments:**      [Attachment A - Exhibit A-1 and A-2 - Fee Interest Parcel 4-17A](#)  
[Attachment B - Exhibit B-1 and B-2 Easement Parcle 4-5C](#)  
[Attachment C - Exhibit C-1 and C-2 - Fee Interest Parcel 4-17B](#)  
[Attachment D - Exhibit D-SITE PLAN](#)

**SUBJECT:      GENERAL PUBLIC COMMENT      [2020-0394](#)**

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S  
SUBJECT MATTER JURISDICTION

**Adjournment**



## Board Report

File #: 2020-0256, File Type: Contract

Agenda Number: 9.

### FINANCE, BUDGET AND AUDIT COMMITTEE JUNE 17, 2020

**SUBJECT: WORKERS' COMPENSATION MANAGED CARE SERVICES**

**ACTION: APPROVE CONTRACT AWARD**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a four-year base term, with three, two-year options, incentive-based contract, Contract No. PS161339000, to Anthem Workers' Compensation, LLC to establish, maintain and provide a workers' compensation managed care service program, including access to the Anthem network, effective July 1, 2020.

#### **ISSUE**

The current workers' compensation Preferred Provider Organization (PPO) and Medical Provider Network (MPN) services contract with Anthem Workers' Compensation, LLC (AWC) will expire on July 31, 2020. To ensure workers' compensation claims are properly reviewed and to control costs of workers' compensation medical bills, a new contract is required effective July 1, 2020. The commencement of this new contract is aligned with the start date of Metro's new workers' compensation medical bill review contract to effectively administer workers' compensation claims.

#### **DISCUSSION**

PPO vendors give clients a network of contracted doctors, hospitals and other medical service providers at rates below California's approved fee schedules for their services. The highest quality PPO vendors have deeper discounts, broader networks and better-quality assurance by constantly reviewing their panel of physicians, and terminating contracts when physicians fail to meet specific clinical or legal criteria. PPO vendors have extensive networks (Southern California has tens of thousands of medical providers) with many medical specialties and locations represented, allowing a greater degree of access and penetration than smaller networks can provide. PPO vendors must also be able to support the creation of a customized MPN consistent with the regulations in the California Labor Code.

AWC has the most comprehensive Workers' Compensation PPO network in the industry. Due to their extensive network leasing arrangement with a variety of organizations, it provides the most geographic group network access, and can maximize PPO discounts and generate substantial savings typically below State Workers' Compensation fee schedules. Under the current contract, AWC generates for Metro, an average medical bill savings of 8%. In turn, Metro pays AWC a service



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of 22% of total medical bill savings. AWC is proposing to continue to provide Metro workers compensation managed care services at a reduced service fee of 20% of medical bill savings.

In summary, Metro staff anticipates reducing Metro's workers' compensation medical bill charges by \$9.7 million over the life of this contract at an estimated cost of \$2 million. Also, under the new contract rate of 20%, Metro will save a projected \$177,000 over the life of the contract in comparison to the prior contract rate.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this recommendation will not impact the safety of Metro's patrons or employees.

### **FINANCIAL IMPACT**

Funding for this action will largely come from the Enterprise Fund. These charges, along with other workers' compensation costs are allocated to the individual cost centers and projects based on where the injured employees are working at the time of their industrial injury. Most injured employee's costs arise out of bus and rail operations. The increased net savings from this action will reduce ongoing operating costs.

Funding for this action is not included in the FY20 budget given the contract starts in FY21. Since this is a multi-year contract, the Chief Risk, Safety and Asset Management Officer will be responsible to budget the cost in future years, including any options exercised. In FY20, an estimated \$200,000 will be expended on these services under the current contract with AWC.

#### **Impact to Budget**

Approval of this action has no impact on the FY20 budget.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Recommendation supports strategic plan goal # 5 "Provide responsive, accountable and trustworthy governance within the LA Metro organization." The responsible administration of Metro's workers' compensation claims within the guidelines of California's regulatory requirements lowers Metro's medical expenditures.

### **ALTERNATIVES CONSIDERED**

An alternative would be to issue a competitive solicitation to procure these services. This is not recommended because AWC has the most extensive and comprehensive network of primary care providers and specialists specifically qualified to treat occupational injuries and can offer savings much lower than State Workers' Compensation fee schedules. Further, AWC does not participate in competitive solicitations.

### **NEXT STEPS**

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Upon Board approval, staff will execute Contract No. PS161339000 with Anthem Workers' Compensation, LLC to establish, maintain and provide a workers' compensation managed care service program, including access to the Anthem network, effective July 1, 2020.

**ATTACHMENTS**

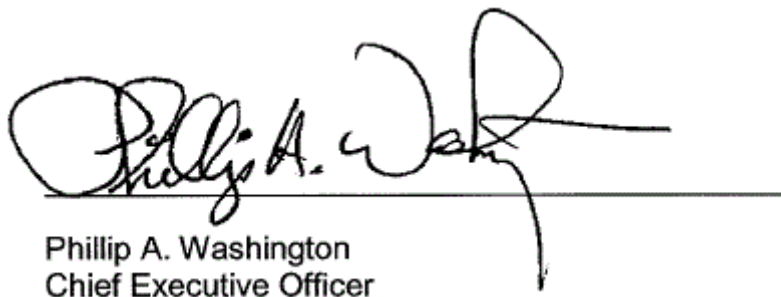
Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Cathy Yates, Director, Workers' Compensation Claims Administration, (213) 922-4297

Reviewed by: Kenneth Hernandez, Chief Risk, Safety and Asset Management Officer, (213) 922-2990

Debra Avila, Chief Vendor/Contract Management, (213) 418-3051



Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

WORKERS' COMPENSATION MANAGED CARE  
SERVICES/PS161339000

1.	<b>Contract Number:</b> PS161339000	
2.	<b>Recommended Vendor:</b> Anthem Workers Compensation, LLC	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input checked="" type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	A. Issued: N/A	
	B. Advertised/Publicized: N/A	
	C. Pre-Proposal Conference: N/A	
	D. Proposals Due: N/A	
	E. Pre-Qualification Completed: Pending	
	F. Conflict of Interest Form Submitted to Ethics: May 14, 2020	
	G. Protest Period End Date: N/A	
5.	<b>Solicitations Picked up/Downloaded:</b> N/A	<b>Proposals Received:</b> 1
6.	<b>Contract Administrator:</b> Marc Margoni	<b>Telephone Number:</b> (213) 922-1304
7.	<b>Project Manager:</b> Cathy Yates	<b>Telephone Number:</b> (213) 922-4297

**A. Procurement Background**

This Board Action is to approve Contract No. PS161339000 to Anthem Workers' Compensation, LLC (AWC) to provide workers' compensation managed care service in support of Metro's workers' compensation claims administration.

This is a single source, non-competitive, incentive-based procurement issued in accordance with Metro's Acquisition Policy and the contract type is incentive based.

In April 2010, Metro awarded a 10-year, inclusive of three, two-year options, non-competitive incentive-based contract to AWC (formerly Anthem Blue Cross) to provide Workers' Compensation Preferred Provider Organization (PPO) and Medical Provider Network (MPN) services. This contract will expire on July 31, 2020.

To effectively administer workers' compensation claims and medical costs, the continued services of a workers' compensation managed case service provider is required.

## **B. Evaluation of Proposals**

The proposal submitted by Anthem Workers' Compensation, LLC was found to be compliant with Risk Management's technical specifications and requirements and offers higher potential savings not available through any other provider. AWC has the broadest coverage due to its extensive geographic group network access. It is also able to leverage its PPO network to maximize PPO discounts and offer savings to Metro that are typically lower than State Workers' Compensation fee schedules.

Anthem WC has been Metro's workers' compensation managed care provider since 2010 and their performance has been satisfactory.

## **C. Cost/Price Analysis**

The recommended rate has been determined to be fair and reasonable based on price analysis and technical analysis. The proposed incentive fee of 20% of medical bill savings is 2% lower than the current contract rate.

<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated or NTE amount</b>
Anthem WC	20%	20%	20%

## **D. Background on Recommended Contractor**

Anthem Workers' Compensation, LLC (AWC) is a wholly owned affiliate of Anthem, Inc. AWC is headquartered in Costa Mesa, CA with operations offices in Woodland Hills, Thousand Oaks, and San Diego. AWC is one of the industry's most comprehensive Workers' Compensation PPO network providing PPO network savings and accessibility. It is dedicated to the administration of workers' compensation care by providing access to appropriate and quality medical care to injured workers and giving self-insured employers, Third Party Administrators (TPAs) and insurance carriers the power to better manage their workers' compensation costs and benefits. AWC also provides a full range of consultative reporting solutions designed to keep clients ahead of fluctuating workers' compensation trends. Service areas include California, Colorado, Illinois, Indiana, Kentucky, Missouri, and Nevada. Major clients include The State Compensation Insurance Fund, Berkshire Hathaway, Liberty Mutual, Farmers Insurance, CIGA, Amtrust North America, Keenan & Associates, Insurance Company of the West, Guard Insurance, ESIS and Broadspire. AWC also provides network access service to the San Francisco Muni/MTA.

DEOD SUMMARY

**WORKERS' COMPENSATION MANAGED CARE SERVICES/PS161339000**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not establish a Disadvantaged Business Enterprise (DBE) goal for this single source, non-competitive, incentive-based procurement due to the lack of subcontracting opportunities. It is expected that Anthem Workers' Compensation, LLC will perform the services with its own workforces.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.

**Board Report**

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**File #:** 2020-0260, **File Type:** Program**Agenda Number:** 10.

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**FINANCE, BUDGET AND AUDIT COMMITTEE  
JUNE 17, 2020****SUBJECT: EXCESS LIABILITY INSURANCE PROGRAM****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to negotiate and purchase Public Entity excess liability policies with up to \$300 million in limits at a cost not to exceed \$14.5 million for the 12-month period effective August 1, 2020 to August 1, 2021.

**ISSUE**

Metro's Public Entity excess liability insurance policies (which includes transit rail and bus operations) expire August 1, 2020. Insurance underwriters will not commit to final pricing until roughly six weeks before our current program expires on August 1<sup>st</sup>. Consequently, we are requesting a not-to-exceed amount for this renewal pending final pricing and carrier selection. Without this insurance, Metro would be subject to unlimited liability for bodily injury and property damage claims resulting from, primarily, bus and rail operations.

**DISCUSSION**

Our insurance broker, USI Insurance Services ("USI"), is responsible for marketing the excess liability insurance programs to qualified insurance carriers. Quotes are in the process of being received for our Public Entity program by our broker from carriers with A.M. Best ratings indicative of acceptable financial soundness and ability to pay claims.

Staff and USI developed a 2020-2021 Public Entity excess liability insurance renewal strategy with the following objectives. First, our insurance underwriter marketing presentations emphasized the low risk of light rail and bus rapid transit services in addition to safety enhancements and pilot programs added over the past years in order to mitigate insurer's concerns with increased operating exposures. Second, we desired to maintain a continuing diversified mix of international and domestic insurers to maintain competition and reduce our dependence on any single insurance carrier. Third, we desired to maintain total limits of \$300 million while maintaining an \$8 million self-insured retention but were open to increasing our self-insured retention if needed to retain reasonable premium pricing.

USI is presenting Metro's submission to all potential insurers in the U.S., London, European and

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Bermuda markets representing over 25 carriers in order to create competition in all layers of our insurance program. Our broker communicated with principals in the markets in March, April, May and June of this year. Insurance executives both nationally and internationally articulated continuing increased underwriting discipline particularly for transportation risks. Insurers asked for detailed loss information on Metro risks and performed detailed actuarial valuations on our book of business to establish their premiums. We are awaiting final insurance quotes from carriers for the Public Entity policies from our broker.

Since Metro has a newer rail system, implemented industry leading safety enhancements before other transit agencies, and a robust claims management process, we benefit from favorable acceptance of our risk in the marketplace which differentiates us from other transit risk profiles. Last year, we obtained \$300 million in Public Entity coverage with \$8 million retention for \$6.2 million. The relatively calm market we enjoyed for over 16 years changed drastically last year. Extensive loss development specifically related to auto liability, caused the market to “harden” significantly last year resulting in less carrier capacity and higher premiums. The trend continues this year. “Nearly all commercial insurance lines can expect to see rate increases and reductions in capacity through 2020”, according to the 2019-2020 Commercial Property & Casualty Market Outlook Q4 Update from USI. To further complicate the situation, the COVID-19 pandemic will only exacerbate market conditions.

Metro proves no exception to the international trend. USI faces many challenges in marketing Metro’s liability insurance renewal. Carrier results from public agencies, particularly in California, have been significantly worse than other states and carriers have been leaving the niche. A very limited pool of carriers is willing to even consider writing public entity policies. Metro is no exception primarily due to the size of our system and the fact that we are in Los Angeles County (considered to be a plaintiff-friendly jurisdiction). The loss development the carriers are experiencing on their accounts, including Metro, resulted in many of the carriers ceasing operations entirely in California, with some of them pulling out of the U.S. entirely. At least 20 carriers ceased to write transit or public entity in California in the past 18 months which includes four carriers in Metro’s primary \$30 million layers. According to Risk and Insurance Magazine, “The biggest villain in this sad tale is the trend known as nuclear verdicts, the granting of multimillion-dollar payments or settlements by the courts in liability cases involving transportation companies. Liability payments worth millions of dollars have mushroomed, and insurers have grown ever wary of putting capacity on the line for this kind of risk.” Metro lost nearly \$100 million in capacity (including our lead incumbent carrier of many years) at the start of the marketing effort. Replacing retreating carriers in the first \$25 million layer of our program proves daunting, especially considering Metro’s recent loss history. Consequently, we are anticipating another significant rate increase in our Public Entity general liability program premiums and a change in our program structure over last year given the present state of the insurance marketplace.

Metro’s August 1<sup>st</sup> insurance placement will reflect higher insurance premiums necessitated by tightened underwriting guidelines, the need to replace carriers who exited our class of business and negative developments in auto liability losses. Our renewal program also includes an increase in our self-insured retention to \$10 million for bus and other non-rail related risks. Carriers are not willing to insure Metro’s bus operations risk for less. USI recommends a bifurcated program where Metro will retain an \$8 million self-insured retention on rail related risks. We were presented with several

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approaches within our bus program where Metro will retain a quota share of a loss in addition to the self-insured retention within a layer to reduce our renewal premium. USI will continue to seek options (including alternate retentions and quota share options) and more favorable premiums through July.

To put this into perspective, the most recent USI state of the industry report provides the following insight: "Rate increases, more selective deployment of and reductions in capacity in the primary and umbrella/excess liability market continue to be the new norm. Tighter underwriting standards and markets exiting certain classes of business have accelerated in the past 3-4 months and we do not see these trends abating soon, and, anticipate they will remain throughout 2020 and into 2021. In particular, umbrella and excess liability lines, have experienced the most firming over the past few months and in some cases, we are seeing pricing up over 100% with total capacity decreasing at least 25% and underlying attachment points increasing, especially for automobile liability." (USI 2020 -2021 Commercial Property & Casualty Market Outlook Q1 Update)

Attachment A provides an overview of the current Public Entity program, renewal options and estimated associated premiums, and the agency's loss history. The Recommended Program, Option A, includes total limits of \$300 million with a bifurcated retention and provides terrorism coverage at all levels. Attachment B shows the tentative Public Entity program carriers selected and program structure.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this recommendation will not impact the safety of Metro's patrons or employees.

### **FINANCIAL IMPACT**

Funding for five months of \$5.6 million for this action is included in the FY21 budget request in cost center 0531, Risk Management - Non Departmental Costs, under projects 300022 - Rail Operations - Blue Line, 300033 - Rail Operations - Green Line, 300044 - Rail Operations - Red Line, 300055 - Gold Line, 300066 - Rail Operations - Expo Line, 301012 - Metro Orange Line, 306001 - Operations Transportation, 320011 - Union Station, and 405533 - Commuter Rail in account 50602 (Ins Prem For Gen Liability). Additional funds required to cover premium costs beyond FY21 budgeted amounts will be addressed by fund reallocations during the year.

The remaining month of premiums will be included in the FY22 budget request, cost center 0531, Risk Management - Non Departmental Costs, under projects under projects 300022 - Rail Operations - Blue Line, 300033 - Rail Operations - Green Line, 300044 - Rail Operations - Red Line, 300055 - Gold Line, 300066 - Rail Operations - Expo Line, 301012 - Metro Orange Line, 306001 - Operations Transportation, 320011 - Union Station, and 405533 - Commuter Rail in account 50602 (Ins Prem For Gen Liability). In FY20, an estimated \$6 million will be expensed for excess liability insurance.

### **Impact to Budget**

The current fiscal year funding for this action will come from the Enterprise, General and Internal Service funds paralleling funding for the actual benefiting projects charged. No other sources of funds were considered because these are the activities that benefit from the insurance coverage.



This activity will result in an increase to operating costs from the prior fiscal year.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Recommendation supports strategic plan goal # 5 “Provide responsive, accountable and trustworthy governance within the LA Metro organization.” The responsible administration of Metro’s risk management programs includes the use of insurance to mitigate large financial risks resulting from unlimited liability for bodily injury and property damage claims resulting from, primarily, bus and rail operations.

### **ALTERNATIVES CONSIDERED**

Various deductibles and limits of coverage options were considered as outlined in Attachment A for the Public Entity program of insurance. Option A maintains \$300 million limits and bifurcates the program to achieve a self-insured retentions (SIR) for bus and non-rail operations at \$10 million plus a 50% share of losses in the primary layer and a SIR for rail operations at \$8 million without any additional share of losses. Option B maintains \$300 million limits and bifurcates the program as indicated above without a share of losses in the primary bus layer. Option C bifurcates the program as previously indicated but increases the bus SIR to \$15 million without a share of losses in the bus layer. Option D is the same as Option A but reduces Metro’s loss limits to \$200 million. Option A is recommended as the most cost effective while retaining a reasonable amount of loss risk. Option B is not recommended because the expected cost of a Metro share of a loss is less than the increased cost of the increased premium. Option C is not recommended since increasing the SIR increases Metro’s exposure to loss retention in the event of unexpected increased loss experience at virtually the same cost as Option A. Option D is not recommended because the cost benefit of decreasing the total premium is not worth reducing Metro’s insurance coverage limits by one third.

### **NEXT STEPS**

Upon Board approval of this action, we will advise USI to proceed with placement of the excess liability insurance program outlined herein effective August 1, 2020.

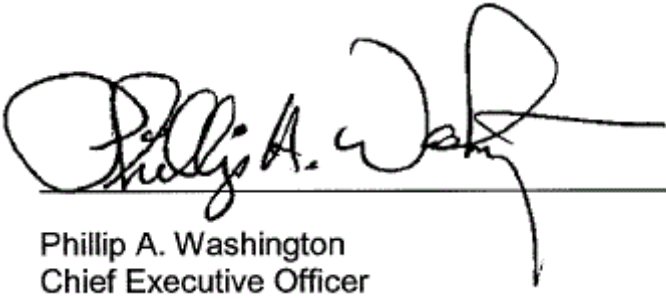
### **ATTACHMENTS**

Attachment A - Options, Premiums and Loss History

Attachment B - Proposed Public Entity Carriers and Program Structure

Prepared by: Tim Rosevear, Manager, Financing Manager, (213) 922-6354

Reviewed by: Kenneth Hernandez, Chief Risk, Safety and Asset Management Officer, (213) 922-2990



Phillip A. Washington  
Chief Executive Officer

**ATTACHMENT A**

**Options, Premiums and Loss History**

**Public Entity Program Insurance Premium and Proposed Options**

	<b>CURRENT PROGRAM</b>	<b>OPTIONS (Estimated)</b>			
		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
Self-Insured Retention	\$8.0 mil	\$8.0 mil rail, \$10.0 mil bus & other non-rail	\$8.0 mil rail, \$10.0 mil bus & other non-rail	\$8.0 mil rail, \$15.0 mil bus & other non-rail	\$8.0 mil rail, \$10.0 mil bus & other non-rail
Quota Share	None	50% bus in primary layer	None	None	50% bus in primary layer
Limit of Coverage	\$300 mil	\$300 mil	\$300 mil	\$300 mil	\$200 mil
Terrorism Coverage	Yes	Yes	Yes	Yes	Yes
Premium	\$6.2 mil	\$14.5 mil	\$18.5 mil	\$14.5 mil	\$13.3 mil

**Premium History for Excess Liability Policies  
Ending in the Following Policy Periods**

	<b>2012/2013</b>	<b>2013/2014</b>	<b>2014/2015</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>2017/2018</b>	<b>2018/2019</b>	<b>2019/2020</b>
Self-Insured Retention	\$5.0 mil	\$7.5 mil	\$7.5 mil	\$7.5 mil	\$7.5 mil	\$7.5 mil	\$8.0 mil	\$8.0 mil
Insurance Premium	\$3.9 mil	\$3.6 mil	\$3.7 mil	\$3.6 mil	\$3.7 mil	\$4.1 mil	\$4.1 mil	\$6.2 mil
Claims in Excess of Retention	2	1	0	0	2	3	1	1
Estimated Amount in Excess of Retention	\$5.4 mil	\$1.3 mil	\$0	\$0	\$10.0 mil	TBD	TBD	TBD

**ATTACHMENT B**

**PROPOSED CARRIERS AND PROGRAM STRUCTURE**



**USI Insurance Services**  
**Proposed Liability Insurance Summary 2020 - 2021**  
**Los Angeles County Metropolitan Transportation Authority**

Excess Limit		Layer(s)		Participation	Carrier	Estimated Layer Premium (not Incl. T&F)
<b>\$300M</b>	Excess Liability	<b>\$100M xs \$200M</b>		\$10,000,000	Argo Munich Re AmTrust Hiscox Convex Chubb Bermuda Arch	\$1,200,000
				\$15,000,000		
				\$7,500,000		
				\$15,000,000		
				\$7,500,000		
				\$35,000,000		
<b>\$200M</b>	Excess Liability	<b>\$100M xs \$100M</b>		\$15,000,000	Aspen AXA Bermuda Apollo Sompo Gemini Hamilton Canopus Argo Liberty	\$2,500,000
				\$12,500,000		
				\$15,000,000		
				\$15,000,000		
				\$5,000,000		
				\$10,000,000		
				\$5,000,000		
				\$10,000,000		
<b>\$100M</b>	Excess Liability	<b>\$50M xs \$50M</b>		\$10,000,000	AXA XL US AXA XL Bermuda AWAC Hamilton Argo Hiscox Markel	\$2,000,000
				\$7,500,000		
				\$17,500,000		
				\$5,000,000		
				\$5,000,000		
				Pending		
<b>\$50M</b>	Excess Liability	<b>\$10M xs \$40M</b>		\$10,000,000	Great American	\$750,000
<b>\$40M</b>	Excess Liability	<b>\$15M xs \$25M</b>		\$7,500,000	Hiscox Convex Aegis Ascot Argenta	\$2,500,000
				\$2,500,000		
				\$5,000,000		
				Pending		
				Pending		
<b>\$25M</b>	Primary Liability	<b>\$17M Rail - Gemini/Queens Island</b>	<b>\$15M Bus/All Other - Everest Re + Metro Quota Share</b>	\$17,000,000	Gemini/Queens Island Everest Re fronted by Guide One/Berkeley Self-Insured	\$4,872,000
				\$7,500,000		
				\$7,500,000		
<b>Grand Total</b>						<b>\$13,822,000</b>
\$8M Rail SIR Per Occurrence						
\$10M Bus/All Other SIR Per Occurrence						

<b>Estimated Program Premiums *</b>	\$13,822,000
Contingency for carrier and premium adjustments, tax and fees (T&F)	\$678,000
<b>Estimated Program Not-To-Exceed Total</b>	<b>\$14,500,000</b>

" Subject to finalization of on-going negotiations with carriers

Terrorism pricing is included above.

**Board Report**

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**File #:** 2020-0350, **File Type:** Program**Agenda Number:** 11.

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**FINANCE, BUDGET AND AUDIT COMMITTEE  
JUNE 17, 2020****SUBJECT: MAJOR CONSTRUCTION UMBRELLA INSURANCE PROGRAM****ACTION: PURCHASE UMBRELLA INSURANCE****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to negotiate and purchase additional construction project umbrella liability insurance policies (also known as a super excess general liability insurance program) for construction of the Metro Westside Purple Line Extension Section 3 Project (Project) with up to \$200 million in additional limits at a cost not to exceed \$6.5 million for the period effective July 1, 2020 to July 1, 2027 (and products/completed operations coverage to July 1, 2037).

**ISSUE**

Metro is concerned about the financial implications of an unanticipated loss resulting from major damage to adjacent properties and/or loss of life/injury on our major transit construction projects. Such risk can be mitigated reasonably through the purchase of additional insurance.

**BACKGROUND****Existing Liability Insurance Coverage for the Metro Westside Purple Line Extension Section 3 Project**

Dedicated limits of insurance coverage for the Project are provided by two Design Build (DB) contractors: Tutor Perini/O&G, Joint Venture (TPOG, JV) for the stations and Frontier-Kemper/Tutor Perini, Joint Venture (FKTP) for the tunnels. The liability insurance on the Project, which covers the negligent injury or death and/or property damage to others, is \$350 million for each contract, which are mutually exclusive. The coverage that is the subject of this report will provide an additional \$200 million for the project, for a total of \$550 million in liability coverage. The coverage will also include products and completed operations insurance for ten years following the revenue service date and will respond to latent defects which cause injury or death, or real property damage to other people. The coverage limits take into account aspects such as concentration of property values near the Project, population density, tunneling risks, project duration, and other factors. The TPOG and FKTP JV's combined contract award value of the Project for both tunnels and stations is \$1,773,622,000.

**Risk Exposure Above Existing Coverage**

Despite using liability insurance limits toward the high end of industry practice in our major

construction project contracts, these limits would be insufficient to respond to a catastrophic, unanticipated loss resulting in widespread property damage or loss of life.

Metro purchased additional construction project umbrella liability insurance policies for construction of the Metro Westside Purple Line Extension Section 1, Gold Line Foothill Extension Phase 2A, Crenshaw/LAX, Expo II Transit Corridor and Regional Connector Projects in October 2014 as authorized by the Board. The policies provide additional liability insurance limits up to \$550 million over the contractor owned insurance programs. We also purchased additional construction project umbrella liability insurance policies for construction of the Metro Westside Purple Line Extension Section 2 Project in June 2018 as authorized by the Board. The policies provide additional liability insurance limits up to \$300 million over the contractor owned insurance program. Purchase of the proposed policy will provide a consistent approach to mitigating our risk exposure as on the other major construction projects listed above.

## **DISCUSSION**

### **Proposed Additional Liability Insurance Coverage for the Metro Westside Purple Line Extension Section 3 Project**

Metro's insurance broker USI Insurance Services (USI) approached insurance carriers in the major construction sector including some of Metro's current super umbrella program participants. A \$200 million limit will be provided by excess carriers in a layered program for a total coverage, including the DB provided coverage, of \$550 million. This is the maximum limit that is currently available because the insurance market for major construction projects is tapped out. This action brings continuity of super umbrella coverage for all major Metro construction projects.

Attachment A identifies the insurance carriers and pricing for the proposed program.

## **DETERMINATION OF SAFETY IMPACT**

Approval of this recommendation will not impact the safety of Metro's patrons or employees.

## **FINANCIAL IMPACT**

The funding for this action is included in the FY20 budget, under Project 865523 (Westside Purple Line Extension Section 3), Fund 6012, Cost Center 8510 (Construction Project Management), and Account Number 50602 (Insurance Premium for General Liability). The Life-of-Project Budget includes the excess liability insurance coverage.

### **Impact to Budget**

The sources of funds for the recommended action are from Measure M, Federal New Starts and Local Funds. The approved FY20 budget is designated for the Westside Purple Line Extension Section 3 Project and does not have an impact to operations funding sources.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Recommendation supports strategic plan goal # 5 “Provide responsive, accountable and trustworthy governance within the LA Metro organization.” The responsible administration of Metro’s insurance programs includes the use of prudent risk management best practices and tools to mitigate large financial risks on Metro’s major construction projects.

### **ALTERNATIVES CONSIDERED**

USI explored the possibility of deferring the insurance purchase for six to eight months. However, this is not recommended given the current hardening of the insurance marketplace. USI believes the action will result in significantly reduced capacity, perhaps only \$160 million as the maximum available with a shorter term (five years). The premium costs could also go up by as much as \$1.5 to \$2 million for the reduced limit.

There are no other viable options as USI exhausted the marketplace to develop the limits recommended in this super excess liability program. There are no more available limits in the insurance industry.

Metro could self-insure this exposure and rely on its indemnities with the DB contractor; however, this approach would leave Metro with an unknown and unknowable risk of an unanticipated loss.

### **NEXT STEPS**

Upon Board approval of this action, we will advise Metro’s broker, USI Insurance Services, to proceed with placement of the excess liability insurance program outlined herein effective July 1, 2020.

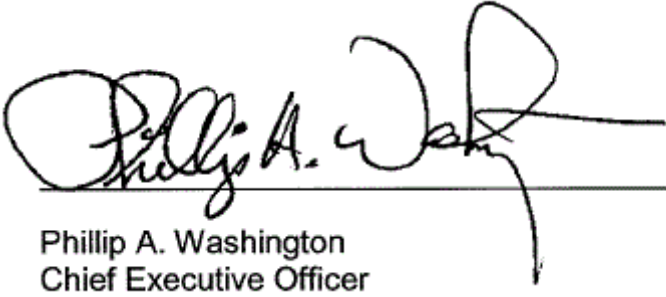
### **ATTACHMENTS**

Attachment A - Recommended Program Pricing and Carriers

Prepared by: Tim Rosevear, Manager, Risk Financing, (213) 922-6354

Reviewed by: Kenneth Hernandez, Chief Risk, Safety and Asset Management Officer, (213) 922-2990

Richard Clarke, Chief Program Management Officer, (213) 922-7557



Phillip A. Washington  
Chief Executive Officer



**ATTACHMENT A**

**RECOMMENDED PROGRAM PRICING AND CARRIERS**



**USI Insurance Services**  
**Proposed Super Excess Liability Program | MPLE3**  
**Los Angeles County Metropolitan Transportation Authority**

Limit	Excess of	Carrier	Participation (\$)	Premium **
<b>\$100M</b>	<b>\$450MM</b>	Swiss Re	\$10,000,000	
		AXA XL	\$15,000,000	
		HDI	\$10,000,000	
		Markel	\$6,250,000	
		Aspen	\$5,000,000	
		Chubb	\$8,500,000	
		Hiscox	\$10,000,000	
		Ascot	\$4,500,000	
		PENDING	\$30,750,000	
			<b>\$100,000,000</b>	<b>\$2,529,625</b>
<b>\$100M</b>	<b>Underlying CCIP Program \$350MM</b>	Munich Re	\$15,000,000	
		Chubb	\$15,000,000	
		Everest	\$10,000,000	
		Arch	\$5,000,000	
		Aspen	\$5,000,000	
		Markel	\$6,250,000	
		Ascot	\$3,000,000	
		Starr	\$15,000,000	
		AXIS	\$15,000,000	
		PENDING	\$10,750,000	
			<b>\$100,000,000</b>	<b>\$2,994,250</b>

**Estimated Program Premiums \* \$5,523,875**  
 Contingency for carrier premium, tax and fee adjustments \$976,125  
**Estimated Program Not-To-Exceed Total \$6,500,000**

\* Subject to finalization of on-going negotiations with carriers. Amounts show are estimates only.  
 \*\* Including taxes and fees.

Contractor Controlled Insurance Program:

<b>Station Work - Tutor Perini/O&amp;G JV</b>	<b>Tunnel Work - Tutor Perini/Frontier-Kemper</b>
<b>\$350m Total Limits</b>	<b>\$350m Total Limits</b>
June 7, 2019 - January 7, 2027	December 7, 2018 - June 7, 2023



**Board Report**

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**File #:** 2020-0329, **File Type:** Resolution

**Agenda Number:** 12.

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Meeting\_Body

**FINANCE, BUDGET AND AUDIT COMMITTEE  
JUNE 17, 2020**

**SUBJECT: TRANSPORTATION DEVELOPMENT ACT (TDA) ARTICLE 8 FUND PROGRAM**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

ADOPT:

A. Transportation Development Act (TDA) Article 8, findings and recommended actions (Attachment A) for fiscal year (FY) 2020-21, as follows:

1. In the City of Avalon there are no unmet transit needs that are reasonable to meet, therefore TDA Article 8 funds once approved by the Board through the budget process, may be used for street and road projects, or transit projects, as described in Attachment A;
2. In the Cities of Lancaster and Palmdale, there are no unmet transit needs that are reasonable to meet; in the Cities of Lancaster and Palmdale and the unincorporated portions of North County transit needs can be met through using other existing funding sources. Therefore, the TDA Article 8 funds once approved by the Board through the budget process may be used for street and road purposes and/or transit, as long as their transit needs continue to be met;
3. In the City of Santa Clarita, there are no unmet transit needs that are reasonable to meet; in the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, the TDA Article 8 funds once approved by the Board through the budget process for the City of Santa Clarita may be used for street and road and/or transit, as long as their transit needs continue to be met;
4. In the Los Angeles County Unincorporated areas of North County, the areas

encompassing both the Antelope Valley and the Santa Clarita Valley, transit needs are met with other funding sources, such as Proposition A and Proposition C Local Return. Therefore, the TDA Article 8 funds once approved by the Board through the budget process may be used for street and road purposes and/or transit, as long as their transit needs continue to be met; and

B. A resolution (Attachment B) making a determination of unmet public transportation needs in the areas of Los Angeles County outside the Metro service area.

## **ISSUE**

State law requires that the Los Angeles County Metropolitan Transportation Authority (LACMTA) make findings regarding unmet transit needs in areas outside Metro's service area. If there are unmet transit needs that are reasonable to meet, then these needs must be met before TDA Article 8 funds may be allocated for street and road purposes.

## **DISCUSSION**

Under the State of California TDA Article 8 statute, state transportation funds are allocated to the portions of Los Angeles County outside Metro's service area. These funds are for "unmet transit needs that may be reasonable to meet". However, if no such needs exist, the funds can be spent for street and road purposes. See Attachment C for a brief summary of the history of TDA Article 8 and definitions of unmet transit needs.

Before allocating TDA Article 8 funds, the Act requires Metro to conduct a public hearing process (Attachment E). If there are determinations that there are unmet transit needs, which are reasonable to meet and we adopt such a finding, then these needs must be met before TDA Article 8 funds can be used for street and road purposes. By law, we must adopt a resolution annually that states our findings regarding unmet transit needs. Attachment B is the FY 2020-21 resolution. The proposed findings and recommendations are based on public testimony (Attachment E) and the recommendations of the Social Service Transportation Advisory Council (SSTAC) and the Hearing Board.

## **POLICY IMPLICATION**

Staff has followed state law in conducting public hearings and obtaining input from the SSTAC regarding unmet transit needs. The SSTAC is comprised of social service providers and other interested parties in the North County areas. Attachment F summarizes the recommendations made and actions taken during FY 2019-20 (for the FY 2020-21 allocation estimates) and Attachment G is the proposed recommendations of the FY 2020-21 SSTAC.

On April 28, 2020, the TDA Article 8 Hearing Board was convened on behalf of the Board of Directors to conduct the required public hearing process. The Hearing Board developed findings and made recommendations for using TDA Article 8 funds based on the input from the SSTAC and

the public hearing process.

Upon transmittal of the Board-adopted findings and documentation of the hearings process to Caltrans Headquarters for their approval and authorization, funds will be released to the eligible jurisdictions upon the Metro Board approval of the FY 2020-21 budget. Delay in adopting the findings, recommendations and the resolution contained in Attachments A and B would result in not meeting the State deadline.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this project will have no impact on Safety.

### **FINANCIAL IMPACT**

This report is seeking approval of the finding, recommendations and the resolution in Attachment B. The allocation of TDA Article 8 funds for FY 2020-21 are approved by the Board through the budget process.

TDA Article 8 funds are state sales tax revenues that state law designates for use by Los Angeles County local jurisdictions outside of Metro's service area. Metro allocates TDA Article 8 funds based on population and disburses them monthly, upon the approval of a jurisdiction's submitted claim form.

### **ALTERNATIVES CONSIDERED**

The Board of Directors could adopt findings or conditions other than those developed in consultation with the Hearing Board, with input from the state required SSTAC (Attachment G) and through the public hearing process. However, this is not recommended because the proposed findings and recommendations made by the SSTAC and adopted by the Hearing Board have been developed through a public hearing process, as described in Attachment D, and in accordance with the TDA statutory requirements.

### **NEXT STEPS**

Upon Caltrans review and approval of the Board-adopted resolution and documentation of the hearing process, and Metro Board approval of the FY21 Budget, TDA Article 8 funds will be allocated to the recipient local jurisdictions.

### **ATTACHMENTS**

- Attachment A - FY21 Proposed Findings and Recommended Actions
- Attachment B - FY 2020-21 TDA Article 8 Resolution
- Attachment C - History of TDA Article 8 and Definitions of Unmet Transit Needs
- Attachment D - TDA Article 8 Public Hearing Process
- Attachment E - FY21 Comment Summary Sheet - TDA Article 8 Unmet Transit Needs Public

Testimony and Written Comments

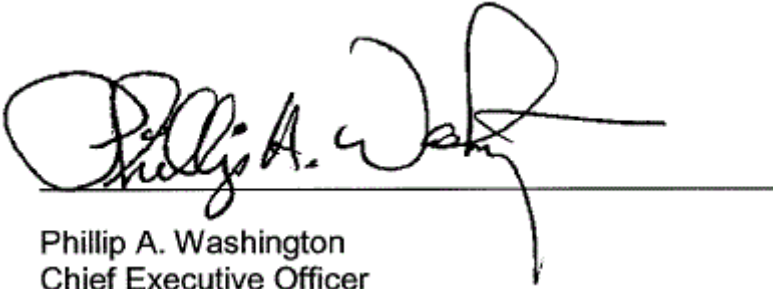
Attachment F - Summary of Recommendations and Actions Taken

Attachment G - Proposed Recommendations of the FY 2020-21 SSTAC

Prepared by: Drew Phillips, Sr. Director, Finance (213)-922-2109

Armineh Saint, Senior Manager, Transportation Planning (213) 922-2369

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington  
Chief Executive Officer

**FY 2020-21 TDA ARTICLE 8**

**PROPOSED FINDINGS AND RECOMMENDED ACTIONS**

CATALINA ISLAND AREA

- Proposed Findings - In the City of Avalon, there are no unmet transit needs that are reasonable to meet; therefore TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions - City of Avalon address the following and implement if reasonable to meet: 1) maintain funding sources for transit services.

ANTELOPE VALLEY AREA

- Proposed Findings – There are no unmet transit needs that are reasonable to meet; in the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, existing transit needs can be met through using other existing funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions – Antelope Valley Transit Authority (AVTA) address the following: 1) continue to evaluate funding opportunities for transit services.

SANTA CLARITA VALLEY AREA

- Proposed Findings - There are no unmet transit needs that are reasonable to meet; in the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions - Santa Clarita Transit address the following: 1) continue to evaluate funding opportunities for transit services.

**RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION  
AUTHORITY MAKING A DETERMINATION AS TO  
UNMET PUBLIC TRANSPORTATION NEEDS IN LOS ANGELES COUNTY  
FOR FISCAL YEAR 2020-21**

**WHEREAS**, the Los Angeles County Metropolitan Transportation Authority (LACMTA) is the designated Transportation Planning agency for the County of Los Angeles and is, therefore, responsible for the administration of the Transportation Development Act, Public Utilities Code Section 99200 et seq.; and

**WHEREAS**, under Sections 99238, 99238.5, 99401.5 and 99401.6, of the Public Utilities Code, before any allocations are made for local street and road use, a public hearing must be held and from a review of the testimony and written comments received and the adopted Regional Transportation Plan, make a finding that 1) there are no unmet transit needs; 2) there are no unmet transit needs that are reasonable to meet; or 3) there are unmet transit needs, including needs that are reasonable to meet; and

**WHEREAS**, at its meetings of June 25, 1998 and June 24, 1999, the Board of Directors approved definitions of unmet transit need and reasonable to meet transit need; and

**WHEREAS**, public hearings were held by LACMTA in Los Angeles County in Santa Clarita on March 25, 2020, Palmdale on March 25, 2020, Lancaster on March 25, 2020, Avalon on April 7, 2020, after sufficient public notice of intent was given, at which time public testimony was received; and

**WHEREAS**, a Social Service Transportation Advisory Council (SSTAC) was formed by LACMTA and has recommended actions to meet the transit needs in the areas outside the LACMTA service area; and

**WHEREAS**, a Hearing Board was appointed by LACMTA, and has considered the public hearing comments and the recommendations of the SSTAC; and

**WHEREAS**, the SSTAC and Hearing Board reaffirmed the definitions of unmet transit need and reasonable to meet transit need; and

**WHEREAS**, staff in consultation with the Hearing Board recommends the finding that in the City of Avalon there are no unmet transit needs that are reasonable to meet; therefore TDA Article 8 funds may be used for street and road projects, or transit projects; and

## **ATTACHMENT B**

(Page 2 of 3)

**WHEREAS**, staff in consultation with the Hearing Board recommends the finding that in the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, there are no unmet transit needs that are reasonable to meet. In the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.

**WHEREAS**, staff in consultation with the Hearing Board recommends the finding that there are no unmet transit needs that are reasonable to meet. In the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, existing transit needs can be met through using other existing funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.

### **NOW THEREFORE,**

- 1.0 The Board of Directors approves on an on-going basis the definition of Unmet Transit Needs as any transportation need, identified through the public hearing process, which could be met through the implementation or improvement of transit or paratransit services; and the definition of Reasonable to Meet Transit Need as any unmet transit needs that can be met, in whole or in part, through the allocation of available transit revenue and be operated in a cost efficient and service effective manner, without negatively impacting existing public and private transit options.
- 2.0 The Board hereby finds that, in the City of Avalon, there are no unmet transit needs that are reasonable to meet; therefore TDA Article 8 funds may be used for street and road projects, or transit projects.
- 3.0 The Board hereby finds that in the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, there are no unmet transit needs that are reasonable to meet. In the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- 4.0 The Board hereby finds that in the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, there are no unmet transit needs that are reasonable to meet. In the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, existing transit needs can be met through using other existing funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.



**CERTIFICATION**

The undersigned, duly qualified and acting as the Board Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on Thursday, June 25, 2020.

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MICHELE JACKSON  
LACMTA Board Secretary

DATED: June 25, 2020

### **History of Transportation Development Act (TDA) 8**

The Mills-Alquist-Deddeh act, better known as the Transportation Development Act (SB325), was enacted in 1971 to provide funding for transit or non-transit related purposes that comply with regional transportation plans. Funding for Article 8 was included in the original bill.

In 1992, after the consolidation of SCRTD and LACTC, AB1136 (Knight) was enacted to continue the flow of TDA 8 funds to outlying cities which were outside of the SCRTD's service area.

### **Permanent Adoption of Unmet Transit Needs Definitions**

Definitions of Unmet Transit Need and Reasonable to meet transit needs were originally developed by the SSTAC and Hearing Board and adopted by Metro Board Resolution in May, 1997 as follows:

- Unmet Transit Need- any transportation need, identified through the public hearing process, that could be met through the implementation or improvement of transit or paratransit services.
- Reasonable to Meet Transit Need - any unmet transit need that can be met, in whole or in part, through the allocation of additional transit revenue and be operated in a cost-efficient and service-effective manner, without negatively impacting existing public and private transit options.

Based on discussions with and recommendations from Caltrans Headquarters' staff, these definitions have been adopted on an ongoing basis by the resolution. The Metro Board did approve the definitions of unmet transit need and reasonable to meet transit need at its meetings June 25, 1998 and June 24, 1999.

These definitions will continue to be used each year until further action by the Metro Board.

## ATTACHMENT D

### TDA ARTICLE 8 PUBLIC HEARING PROCESS

Article 8 of the California Transportation Development Act (TDA) requires annual public hearings in those portions of the County that are not within the Metro transit service area. The purpose of the hearings is to determine whether there are unmet transit needs which are reasonable to meet. We established a Hearing Board to conduct the hearings on its behalf in locations convenient to the residents of the affected local jurisdictions. The Hearing Board, in consultation with staff, also makes recommendations to the Board of Directors for adoption: 1) a finding regarding whether there are unmet transit needs that are reasonable to meet; and 2) recommended actions to meet the unmet transit needs, if any.

In addition to public hearing testimony, the Hearing Board received input from the Social Service Transportation Advisory Council (SSTAC), created by state law and appointed by us, to review public hearing testimony and written comments and, from this information, identify unmet transit needs in the jurisdictions.

#### Hearing Board

Staff secured the following representation on the FY 2020-21 Hearing Board:

Dave Perry represented Supervisor Kathryn Barger; Steven Hofbauer, Mayor, City of Palmdale; Marvin Crist, Vice Mayor, City of Lancaster, represented the North County; Cameron Smyth, Mayor, City of Santa Clarita represented Santa Clarita Valley.

#### Hearing and Meeting Dates

The Hearing Board held public hearings in Avalon on April 7, Santa Clarita on March 25, Palmdale on March 25, and Lancaster on March 25, 2020. A summary sheet of the public testimony received at the hearings and the written comments received within two weeks after the hearings is included in Attachment E. A summary of the transit operator response is included in Attachment F.

Also, membership was formed on the FY 2020 Social Service Transportation Advisory Council (SSTAC) per requisite of the *Transportation Development Act Statutes and California Code of Regulations*. Staff had adequate representation of the local service providers and represented jurisdictions, therefore the SSTAC meeting convened with proposed recommendations as included in Attachment G.

The Hearing Board at its April 28, 2020 meeting proposed the Findings and Recommendations included in Attachment A.

**ATTACHMENT E**

**FY2020-21 TDA ARTICLE 8 UNMET NEEDS PUBLIC TESTIMONY AND WRITTEN COMMENTS**

**SUMMARY TABULATION SHEET - ALL HEARINGS**

		Santa Clarita	Antelope Valley	Avalon
<b>1</b>	<b>General increase in service, including longer hours, higher frequency, and/or more days of operation</b>			
1.1	Morning/Evening commuter bus with limited stops to/from AV College to West Lancaster			
1.2	Continue summer beach bus			
<b>2</b>	<b>Scheduling, reliability, transfer coordination</b>			
2.1	Route 3 and 7 to run every 30 mins			
<b>3</b>	<b>Other issues: better public information needed, bus improvements, upgrades, increase fleet, bus tokens, transit center</b>			
3.1	Easier wheelchair accessibility to services in Sierra Highway and 0-8			
<b>4</b>	<b>Other, statement - Support</b>			
4.1	Transit needs are met			
	Sub-total:	-		-

Totals -

-

Total of 0 comments extracted from verbal and written comments by 0 individuals



Board of Directors

Chairman  
Manu Crist  
City of Lancaster

Vice Chair  
Diane M. Kippel  
County of Los Angeles

Director  
Steve D. Hobater  
City of Palmdale

Director  
Richard Loa  
City of Palmdale

Director  
Angela E. Underwood-Jacobs  
City of Lancaster

Director  
Michelle Flanagan  
County of Los Angeles

Executive Director/CEO  
Maay Nestlari

March 4, 2020

TDA Article 8 Hearing Board Chair  
c/o Armineh Saint, Program Manager  
Metropolitan Transit Authority  
One Gateway Plaza  
Los Angeles, California 90012

RE: Fiscal Year 2018/19 TDA Article 8 Unmet Needs Hearings

Dear Ms. Saint:

At the 2019 TDA Article 8 Unmet Needs Hearing, the Board found that the Antelope Valley Transit Authority (AVTA) had no unmet needs that could not be addressed through existing funding sources. The Hearing provided recommendations that are addressed in this letter. As a result of a continued focus during the last 12 months on enhancements in technology, capital improvements, and service reliability, the AVTA has had several accomplishments in these areas.

**Responses to Public Testimony and Written Comments**  
**Item # 1, General increase in service, including longer hours, higher frequency, and/or more days of operation.**

**Item # 1.2, Morning/evening commuter bus with limited stops to/from AV College to West Lancaster:** Our recently completed year long Regional Transit Study did not find adequate ridership to support this service, however as we design and move towards implementation of our on demand micro-transit service we will continue to evaluate whether the expansion of that service would be a solution to this limited need.

**Item # 1.3, Develop Stronger TOD districts adjacent to regional rail stations with comprehensive bus network connecting station downtowns with outlying communities:** AVTA is very active in working and coordinating with our jurisdiction partners Palmdale, Lancaster, and the County of Los Angeles in

developing new and improved transit hubs adjacent to Metrolink stations. AVTA has made dramatic capital improvements in its bus charging infrastructure at Palmdale Regional Transportation Center (PTC) as well as awarding a contract to develop a new transit hub/charging stations at the North Metrolink station located at Lancaster Blvd. and Sierra Highway. With an anticipated completion in August 2020 these improvements will provide for increased interconnectivity with the Metrolink stations and efficient transfers to bus routes.

**Item #2, Scheduling, Reliability, Transfer Coordination:** As discussed previously AVTA commissioned a system wide Regional Transit Study which has resulted in recommendations for sweeping system wide improvements to routes, schedules and service enhancements. A major element in these recommendations is to increase frequency of service and move to a “clock facing” scheduling philosophy. The plan was adopted by a unanimous vote of our Board of Directors on February 25, 2020 and after an extensive public outreach and education effort is conducted between March 1, through August 31, 2020. The new system will begin service on September 1<sup>st</sup> 2020. We have already entered the new route system into our scheduling and run cut software and confirmed we have the necessary buses to adequately provide the enhanced services. To validate the study results and test expected results we conducted an early adoption plan on our heaviest ridership route, our route 1, shifting from an erratic schedule that fluctuated from 30 minutes to one hour frequency over to clock facing 15 minute headways. Ridership increased from the very first month and accumulated to over 80,000 additional boardings over the six months ending Jan 31<sup>st</sup>, 2020.

**Item #3 Demand responsive service, Dial-a-ride availability:** AVTA provides an agency funded DAR service in parallel to DAR service provided by Access Services. Throughout the balance of this year we will be introducing our customers to an enhanced feature for our DAR system that will enable them to schedule their rides, monitor the arrival of their rides and receive schedule updates using their smart phones. For customers that do not own a smart phone or prefer the traditional call center appointment method, that will still be available to them. We are also going to implement a demand response micro transit system for our east county area including Lake Los Angeles and Sun Village. This system will use an “Uber-like” hailing software to provide faster, more convenient service reducing wait times from the current 1 ½ hour headways on the fixed route service down to 20 to 40 minutes.

**Item #4 Bus maintenance issues:** Our transition to maintaining an all-electric fleet has been smooth with no issues to report.

**Item #5 Security issues:** Keeping our bus operators and our customers safe is a top priority. In response to operator concerns we have added armed security officers at both our Palmdale Transportation Center and our Steve Owens Memorial Park transit hub 7 days per week from 4:00 PM until midnight which affords the operators a measure of peace of mind. In addition we installed 12” monitors above the drivers head so that boarding passengers can see they are being recorded. A final security program involves putting operator barriers in five buses as a demonstration/evaluation program. The feedback has been overwhelmingly

positive and we have funding set aside to retrofit all of our local transit buses. AVTA is committed to providing a safe and desirable work environment for all employees and our riding public.

**Item # 7, Park-N-Ride, Bus Stop, bus shelter issues, signage and amenities:** We have begun our annual review of our stops to determine which stops have reached our criteria to be upgraded from sign only to sign and bench or sign and full shelter. Once our review is complete we will begin our upgrades keeping the emerging new bus routes as a key component of our evaluation.

**Item # 9 Other issues: Better public information needed, bus improvements, upgrades, increased fleet, bus tokens, transit center.**

**Item # 9.1 Easier wheelchair accessibility at bus stop on Sierra Highway and 0 - 8:** We have closely examined this stop and find it to be ADA compliant.

**Item # 9.2 Not enough room for wheelchairs on bus:** AVTA is continually working to ensure all of its vehicles and services are in compliance with the American with Disabilities act. We are confident our fleet is ADA compliant.

#### **Capital Improvements:**

Over the past year, AVTA made significant progress towards reaching our goal of electrifying our entire fleet of 79 buses. Our local transit service now runs most days with all electric buses and AVTA is now utilizing its 60' articulated electric buses on our Route 1, the heaviest ridership route, allowing for more seating capacity. The buses, which have the ability to accommodate an additional 30 passengers, have been assigned to Route 1, the backbone of the AVTA system, allowing us to now improve service to 15 minute headways at peak service intervals. The buses have already proven to provide an improved customer experience by decreasing overcrowding along that busy corridor.

Enroute charging infrastructure is another component of the 100% battery-electric fleet transformation,—utilizing wireless inductive chargers to help extend the range of the new zero-emission buses. These chargers allow the electric buses to charge wirelessly simply by driving the vehicles over charging pads embedded into the ground. During 2018, the first of the new 250KW wireless inductive charging stations have been installed and made operational at Sgt. Steve Owen Memorial Park (OMP) and the Palmdale Transportation Center (PTC). In anticipation of the delivery of additional electric buses this year, construction for two more wireless inductive charging stations at each of these locations is now underway. AVTA continues to expand the scope and locations of new charging centers. Construction is underway for chargers at the Antelope Valley South Valley Clinic, located at the intersection of Palmdale Blvd. and 40<sup>th</sup> East, and at Boeing Plaza adjacent to and just north of the Lancaster Metrolink Station. These two new stations will support AVTA in increasing vehicle range, and provide enhanced and connectivity of routes. Construction will begin on our fifth site located at the Antelope Valley College campus by late August.

### **Service Improvements:**

AVTA management has initiated a new service to Edwards Air Force Base. The route 747 was created to service the contractor and military members of our community that work and live on the base. In addition, the service to the Mojave Air & Space Port commenced as scheduled. While initial ridership has been below expectations we remain committed to these destinations and continue our awareness efforts. Based on the Regional Transit Study the agency will be working towards the implementation of enhanced commuter service to Santa Clarita region, specifically the key employment centers, which would greatly benefit the estimated 1,200 employees currently commuting to those locations from Lancaster and Palmdale.

### **Service Reliability:**

Staff continued its aggressive monitoring of local service performance of the agency's contract with Transdev. Improved coordination and communication with the contractor and operator is an essential component for improved On-Time-performance. This focus on customer satisfaction along with the recommendations from the Regional Transit Plan combine to address and correct concerns regarding appropriate driver/operator layover times, addresses changing needs associated with the electric bus fleet, and has provided improved intra-service connectivity.

Ongoing work is being done with service to Antelope Valley College to improve students' access to both the Lancaster and Palmdale campuses. AVTA implemented a new Route 8 which is now servicing the students, faculty and general public that need to ride between the Lancaster College campus and the new center in Palmdale. The express route has been very successful and well received within the community. Ridership information shows steady increases in ridership.

### **Technology:**

AVTA recently upgraded our route planning and scheduling software to a product that is capable of factoring electric bus battery sizes, range expectations along with the location of each on-route opportunity chargers. These variables allow the software to execute algorithms to optimize bus-route-layover-and charging opportunities to maximize range and eliminate buses running low on state of charge.

### **Future Capital Improvements:**

AVTA will continue the coordination with the new Antelope Valley Mall management to create a new bus stop at the facility. The proposed new stop would be coordinated with the planned redesign of the Mall and be adjacent to one of the main entrances, allowing for improved customer accessibility and rider safety than the current stops which are located in the far Southwest parking area along the outer-ring road. The proposed stops, being much closer to one of the main entrances is only possible due to the AVTA commitment to utilize zero-emission buses for all of our fleet. AVTA anticipates the relocation of this bus stop will enhance ridership for the routes that service the Mall location, and more



importantly, positively impact rider experience with the AVTA system. The schedule to implement this relocation of the stop will be made in conjunction with the Mall construction time frame.

In a longer planning horizon, AVTA is exploring the possibility of partnering with local bus manufacture to connect the two downtown civic-center areas of the cities of Palmdale and Lancaster with the development of a monorail system. The above ground battery-electric monorail system, called BYD "Sky Rail" would be aimed at substantially easing traffic congestion and enhancing connectivity between the two cities. The system would be constructed with a very small footprint along major road arterials and done so with far superior cost efficiencies than current light-rail systems. The system would have the capacity to carry 10,000 to 30,000 passengers per hour. This type of modern Sky Rail would replace the need for planning and development of a BRT system.

**Community Outreach Efforts:**

AVTA is dedicated to the community and to providing excellent customer service. Community outreach is a high priority goal and we continually seek to improve our efforts.

- As previously noted, AVTA has concluded a year-long Regional Transit Plan (RTP) development project that will be the strategic plan for the authority for the next 5 to 10 years in the future.
- Our Travel Training program allows us to reach out to those who may not feel comfortable using the bus, and we have conducted sessions with many groups this year including veterans, seniors, those with disabilities and students.
- AVTA continues its participation in numerous community events such as the annual Senior Expo and the Veterans Stand Down, increasing awareness of AVTA's services and processing applications at the events to help riders avoid the additional trip to the office.

AVTA values the input of our customers and stakeholders and continues to take a proactive approach to address the transit needs in the Antelope Valley. If have you questions, please contact me at (661) 729-2206.

Sincerely,

Macy Neshati, CEO/Executive Director  
Antelope Valley Transit Authority



City of  
**SANTA CLARITA**  
**TRANSIT**

City of Santa Clarita Transit • Transit Maintenance Facility  
28250 Constellation Road • Santa Clarita, CA 91355  
Phone: (661) 295-6300 • Fax: (661) 295-6393  
[santa-clarita.com](http://santa-clarita.com)

Santa Clarita Valley Area  
TDA Article 8 Hearings  
March 25, 2020  
Presented by Adrian Aguilar, City of Santa Clarita Transit Manager

The City of Santa Clarita continues its efforts to promote public transportation as a viable alternative to the automobile. Because of this continued effort, the only recommendation that resulted from the 2019 TDA Article 8 hearings was for the City to continue to evaluate funding opportunities for transit services.

In the twelve months since the last hearing, the City of Santa Clarita has accomplished a number of key milestones such as:

- Adoption of the City's Transit Development Plan.
- Broke ground on the Vista Canyon Transit Center. Construction began in late January and is scheduled to be completed late summer 2020.
- Completed the design of the Vista Canyon Metrolink Station. The City has also hired an environmental compliance and project management consultant to assist with this project. The City has released the bid documents for the construction of the Vista Canyon Metrolink Station and we expect to select a contractor and award a contract early this summer (2020).
- Introduced a new on-demand transit service in the eastern Santa Clarita Valley named Go! Santa Clarita. This pilot program allows riders to book trips using a mobile app and a vehicle will arrive within 15 minutes of the trip being scheduled.
- Taken delivery of two CNG powered commuter buses and four CNG powered transit buses.
- Awarded a contract for the purchase of four transit buses.
- Began the next phase of the City's bus stop improvement project. This phase includes the installation of new solar lighting fixtures for improved safety, new e-ink bus arrival displays, and the installation of new benches and shelters at 21 locations within the Santa Clarita Valley. The project is scheduled to be completed by June 30.

These are just a few of the many Santa Clarita Transit accomplishments over the past 12 months.

In the coming year, Santa Clarita Transit will be working toward:

- Adjusting the current route network to serve recently developed area within the Santa Clarita valley including the new Vista Canyon Transit Center.
- Implementing the recommendations outlined in the new Transit Development Plan.
- Undertake the next phase of our bus stop improvement project designed to improve access and amenities at bus stops throughout the Santa Clarita Valley.
- Take delivery of new local, commuter and dial-a-ride buses.
- Adopt a plan for the transition to a zero-emission bus fleet.

The City of Santa Clarita will continue to take a proactive approach to addressing the transit needs of our residents and is committed to providing effective and efficient service that improves the quality of life for all residents within the Santa Clarita Valley.

Thank you.



**FY 2020-21 TDA ARTICLE 8**

**SSTAC PROPOSED FINDINGS AND RECOMMENDED ACTIONS**

CATALINA ISLAND AREA

- Proposed Findings - that in the City of Avalon there are no unmet transit needs that are reasonable to meet; therefore TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions - that the City of Avalon address the following and implement if reasonable to meet: 1) maintain funding sources for transit services.

ANTELOPE VALLEY AREA

- Proposed Findings – there are no unmet transit needs that are reasonable to meet; in the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, existing transit needs can be met through using other existing funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions – That Antelope Valley Transit Authority (AVTA) address the following: 1) continue to evaluate funding opportunities for transit services.

SANTA CLARITA VALLEY AREA

- Proposed Findings - There are no unmet transit needs that are reasonable to meet; In the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions - that Santa Clarita Transit address the following: 1) continue to evaluate funding opportunities for transit services.



## Board Report

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File #: 2020-0330, File Type: Policy

Agenda Number: 13.

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FINANCE, BUDGET AND AUDIT COMMITTEE MEETING  
JUNE 17, 2020

**SUBJECT: SALE OF PROPERTY TO LOS ANGELES WORLD AIRPORT FOR LANDSIDE ACCESS MODERNIZATION PROGRAM**

**ACTION: APPROVE RECOMMENDATION**

**RECOMMENDATION**

CONSIDER:

- A. DECLARING that a portion of 5601 Century Boulevard (shown in Exhibit D as the “Fee Interest Property”) is not necessary for use by LACMTA and is “exempt surplus land” as defined in Section 54221(f)(1) of the California Surplus Land Act (the “Act”).
- B. AUTHORIZING the Chief Executive Officer (“CEO”) to execute documents to sell the Fee Interest Property and a street easement and storm drain easement in a portion of the Aviation Boulevard railroad right of way (shown in Exhibit D as the “Easement Property”) to the City of Los Angeles, Department of Airports, known as the Los Angeles World Airports (“LAWA”) for the amount of **One Million, Seven Hundred Thirteen Thousand, and Forty Dollars (\$1,713,040.00)**.

**ISSUE**

LAWA is planning, designing and constructing the Landside Access Modernization Program (“LAMP”) consisting of the Automated People Mover, Intermodal Transportation Facilities, a Consolidated Rental Car Facility and roadway improvements to improve access to Los Angeles International Airport. LACMTA is planning, designing and constructing the Aviation/Century Transit Station and the Airport Metro Connector/ 96th Street Transit Station (“AMC Station”) that will include an at-grade light rail station that is served by the Crenshaw/LAX Light Rail Project (“Crenshaw/LAX”). Because LAWA and LACMTA are undertaking parallel construction activities for the LAMP and the AMC Station and because the projects will be built in close proximity and during the same time period, there is collaboration and coordination with respect to design, construction, and land use.

LACMTA acquired 5601 Crenshaw Boulevard for the Crenshaw/LAX project. A portion of such acquisition, the Fee Interest Property, is not needed for the project and is desired by LAWA for the LAMP project. Under the Section 54221 of the Act, “land shall be declared either “surplus land” or “exempt surplus land,” as supported by written findings, before a local agency may take any action to dispose of it consistent with an agency’s policies or procedures.” In addition, Board approval is

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required for the transfer of the Fee Interest Property and Easement Property, since the amount of the disposition exceeds the authority of the CEO.

## **DISCUSSION**

### ***Exempt Surplus Land - Findings***

The Act, as amended in October 2019, provides for the disposition of “surplus land” or “exempt surplus land”, as defined in the Act. “Surplus Land” means land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency’s use. Pursuant to the Act, land may be declared either “surplus land” or “exempt surplus land”. As defined in Section 54221(f)(1)(D) of the Act, exempt surplus land includes “surplus land that a local agency is transferring to another local, state or federal agencies for the agency’s use”.

As mentioned above, the Fee Interest Property, more particularly described and depicted in Exhibits A-1, A-2, C-1 and C-2 and comprising a total of 10,376 square feet, is part of property that was originally acquired for the Crenshaw/LAX project for construction and operation of the Century Boulevard/Aviation Station Plaza. The Fee Interest Property has not been scheduled for use in connection with such plaza and is no longer necessary for the Crenshaw/LAX project. LAWA desires to use such property for roadway improvements in connection with the LAMP project. Under these circumstances and pursuant to the Act, the Fee Interest Property is exempt surplus land.

### ***Transfer of Easement Property***

In addition to the Fee Interest Property, LAWA desires to acquire a street easement and storm drain easement in the Easement Property, more particularly described and depicted in Exhibits B-1 and B-2, as part of the connection of 98th Street from east of Aviation Boulevard to Bellanca Avenue. The new street will be an underpass built under the Crenshaw/LAX light rail right of way. The storm drain easement will replace an existing 108-inch storm drain located on the property and will be granted directly to the Los Angeles County Flood Control District (“LACFD”) prior to the transfer to LAWA.

The Fee Interest Property and Easement Property, which may be referred to collectively hereinafter as the “Property”, is shown together on the Site Plan attached as Exhibit D.

### ***Valuation***

LAWA and LACMTA entered into a Master Cooperative Agreement dated February 6, 2017 (“Master Agreement”). Section 3 of the Master Agreement described the process by which the Parties would determine the compensation that LAWA would pay LACMTA for the acquisition of property interests in LACMTA-owned property for the construction of the LAMP projects.

Pursuant to the Master Agreement, LAWA retained the appraisal firm of John P. Laurain, MAI, ASA of R. P. Laurain & Associates. Mr. Laurain appraised the Property as of February 27, 2020. Mr. Laurain submitted an appraisal which was reviewed internally by LACMTA Principal Real Estate Officer Russel Babbitz, MAI, SRA. As permitted by the Master Agreement, Mr. Babbitz reviewed Mr.

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Laurain's appraisal and identified some discrepancies in the appraisal methodology which, when reconsidered by Mr. Laurain, resulted in an increase in the value of \$155,640.00 over the original appraisal.

**Fee Interest Property - Assessor Parcel No. 4125-026-904, Parcel 4-17A, 4-17B** - LAWA requires a fee simple interest in Parcel 4-17A containing 9,417 square feet (described in Exhibit A-1 and depicted in Exhibit A-2), as part of the new 98th Street right of way and the construction of a subsurface storm drain easement by LACFD. Parcel 4-17B (described in Exhibit C-1 and depicted in Exhibit C-2) is included because it represents a small remnant parcel at the north end of 5601 Century Boulevard containing 959 square feet. Together, Parcel 4-17A and Parcel 4-17B total 10,376 square feet. Mr. Laurain determined that the highest and best use of these parcels is as a commercial use or for a multi-story airport parking structure. Mr. Laurain concluded that the fee value of the 5601 Century Boulevard was \$165/sq. ft. or \$13,658,060 for the total parcel containing 82,764 square feet. He then calculated the value of the parts taken at \$1,712,040 (10,376 sq. ft. x \$165 = \$1,712,040).

**Easement Property - Assessor Parcel No. 4125-026-900, Parcel No 4-5C** - LAWA requires a transverse crossing easement for the portion of 98th Street that will pass under the Crenshaw/LAX alignment and a storm drain easement covering a total of 9,696 square feet. Such property is a portion of the Harbor Subdivision/Aviation Boulevard railroad corridor. The highest and best use of the railroad corridor is to continue as a railroad corridor and the value of the easements was determined based on sales of surrounding properties with similar zoning. The appraiser concluded that neither the street easement nor storm drain easement will impact the use of the existing railroad corridor. As such he concluded that the land configuration, access and prominence of the rail corridor will be the same in the "before" and "after" condition. He concluded that the fee value of the rail parcel was \$160/sq. ft. or \$24,184,480 for the total right-of-way containing 151,153 sq. However, the value of the transverse crossing is nominal and valued at \$1,000.

## **EQUITY PLATFORM**

Both the LAMP and the AMC Station projects will bring valuable transit connections to those working at and travelling to and from the Los Angeles World Airport.

## **DETERMINATION OF SAFETY IMPACT**

This Board action will not have an impact on LACMTA's safety standards

## **FINANCIAL IMPACT**

Pursuant to May 2020 Board Motion 38.1, the revenue generated from LAWA acquisition of property and easements will be used to fund immediate Life of Project budget needs on the Crenshaw/LAX project.



Impact to Budget

This item is a cash inflow that will offset project expenses and therefore will not require any budget increase.

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended Board action is consistent with Metro Vision 2028 Goal #1: Provide high quality mobility options that enable people to spend less time traveling. The disposition of this property to LAWA will facilitate easier access to the Los Angeles Airport which will provide an additional mobility option.

**ATTACHMENTS**

Attachment A - Exhibit A-1 - Legal Description, Fee Interest, Parcel 4-17A and Exhibit A-2 - Depiction, Parcel 4-17A

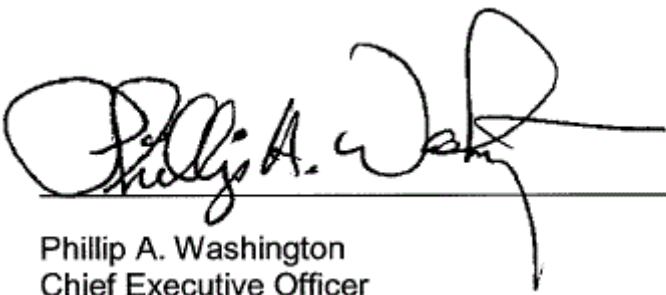
Attachment B - Exhibit B-1 - Legal Description, Permanent Street Easement and Exhibit B-2 - Depiction, Permanent Street Easement

Attachment C - Exhibit C-1 - Legal Description, Fee Interest, Parcel 4-17B and Exhibit C-2 - Depiction, Parcel 4-17B

Attachment D - Exhibit D - Site Plan

Prepared by: Velma C. Marshall, Deputy Executive Officer - Real Estate (213) 922-2415  
Holly Rockwell, Senior Executive Officer - Real Estate, Transit-Oriented Communities and Transportation Demand Management, (213) 922-5585

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



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Phillip A. Washington  
Chief Executive Officer

**EXHIBIT "A1"**  
**LEGAL DESCRIPTION**  
**FEE INTEREST**

THAT PORTION OF REAL PROPERTY IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA DESCRIBED IN THE FINAL ORDER OF CONDEMNATION IN FAVOR OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY RECORDED APRIL 21, 2016 AS DOCUMENT NUMBER 20160451013, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING (POC)** AT THE MOST NORTHERLY CORNER OF THE REAL PROPERTY DESCRIBED IN SAID DOCUMENT NUMBER 20160451013, SAID CORNER IS THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWEST, HAVING A RADIUS OF 583.69 FEET, TO WHICH THE BEGINNING OF SAID CURVE A RADIAL BEARS SOUTH 69°25'51" EAST, SAID CURVE IS ALSO THE SOUTHEASTERLY LINE OF LOT 20 OF TRACT NUMBER 13375, AS SHOWN ON MAP FILED FOR RECORD IN BOOK 267 OF MAPS, PAGES 43 AND 44 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

**THENCE** SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE OF LOT 20, THROUGH A CENTRAL ANGLE OF 7°34'10", AN ARC LENGTH OF 77.11 FEET TO THE **TRUE POINT OF BEGINNING (T.P.O.B.);**

**THENCE** CONTINUING SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE OF LOT 20, THROUGH A CENTRAL ANGLE OF 11°27'42", AN ARC DISTANCE OF 116.76 FEET;

**THENCE** DEPARTING SAID SOUTHEASTERLY LINE OF LOT 20, SOUTH 52°42'06" EAST, A DISTANCE OF 96.13 FEET;

**THENCE** SOUTH 89°30'03" EAST, A DISTANCE OF 19.60 FEET TO THE WEST LINE OF THE 60 FOOT WIDE RAILROAD RIGHT OF WAY OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY AS DESCRIBED IN THE DEED TO THE REDONDO BEACH RAILWAY COMPANY (PREDECESSOR IN INTEREST TO THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY WHO IS A PREDECESSOR TO SAID AUTHORITY) RECORDED NOVEMBER 3, 1888 IN BOOK 511 OF DEEDS, PAGE 51, RECORDS OF SAID COUNTY;

**THENCE** ALONG SAID WESTERLY LINE OF THE AUTHORITY RAILROAD RIGHT OF WAY, NORTH 0°10'19" EAST A DISTANCE OF 162.80 FEET;

**THENCE** DEPARTING SAID WESTERLY LINE OF THE AUTHORITY RAILROAD RIGHT OF WAY, NORTH 89°21'29" WEST, A DISTANCE OF 10.33 FEET;

**THENCE** SOUTH 45°00'00" WEST, A DISTANCE OF 16.17 FEET;

**THENCE** NORTH 69°12'11" WEST, A DISTANCE OF 10.51 FEET TO THE **TRUE POINT OF BEGINNING (T.P.O.B.).**

CONTAINING 0.2162 ACRES OR 9,417 SQUARE FEET, MORE OR LESS.

BEARINGS AND DISTANCES ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983 (CCS83), 2010.00 EPOCH, ZONE 5. THE DISTANCES SHOWN HEREIN ARE GRID DISTANCES. GROUND DISTANCES MAY BE OBTAINED BY DIVIDING GRID DISTANCES BY THE COMBINATION FACTOR OF 1.00001967.

SEE PLAT ATTACHED HERETO AS EXHIBIT "A2" AND BY THIS REFERENCE MADE PART HEREOF.

PREPARED UNDER MY SUPERVISION:



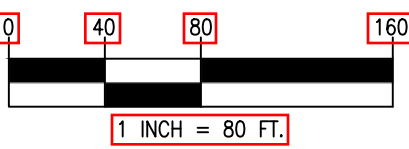
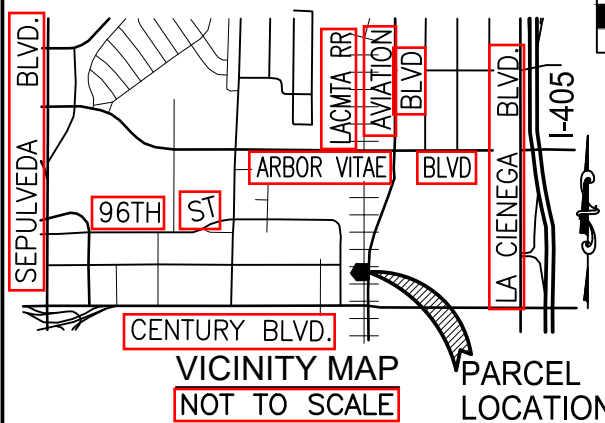
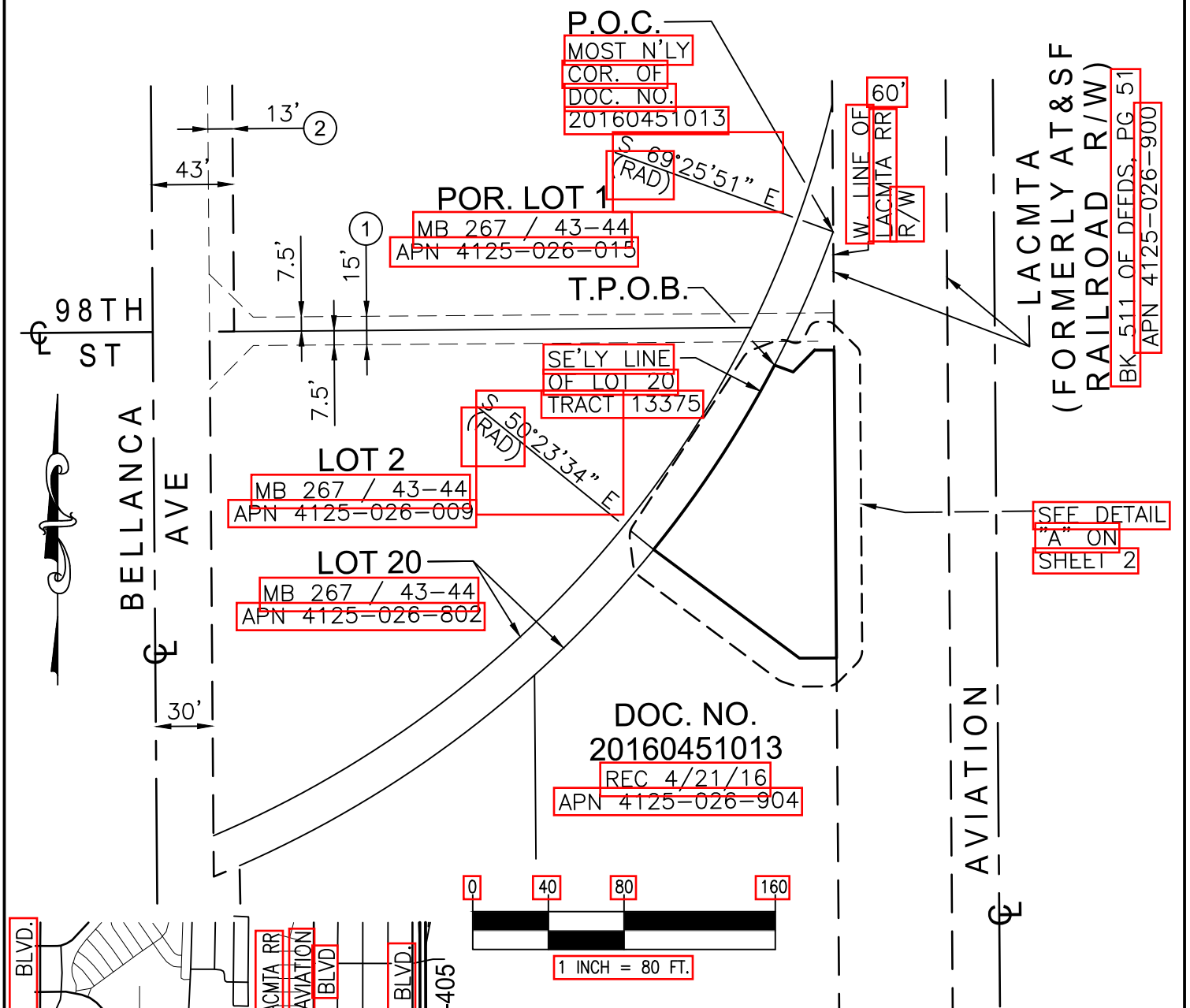
JOSHUA D. COSPER, P.L.S.  
P.L.S. 8774, EXP. 12-31-20

10/28/19  
DATE



# EXHIBIT A2

<b>PARCEL #</b>	<b>TYPE OF INTEREST</b>	<b>AREA</b>	<b>APN</b>
4-17A	FEE INTEREST	9,417 SF	4125-026-904



**NOTE: REFER TO SHEET 2 FOR LINE / CURVE AND EASEMENT INFORMATION.**

LEGEND	NOTES
<span style="border: 1px solid black; display: inline-block; width: 20px; height: 10px;"></span> LIMITS OF DESCRIPTION	THE BASIS OF BEARINGS FOR THIS SURVEY IS CCS83, ZONE 5 (2010.00) DISTANCES SHOWN HEREIN ARE GRID DISTANCES. GROUND DISTANCES MAYBE OBTAINED BY DIVIDING GRID DISTANCES BY THE COMBINATION FACTOR OF 1.00001967
--- EXISTING RIGHT OF WAY	
- - - EASEMENT AS NOTED	
— EXISTING PROPERTY LINE	



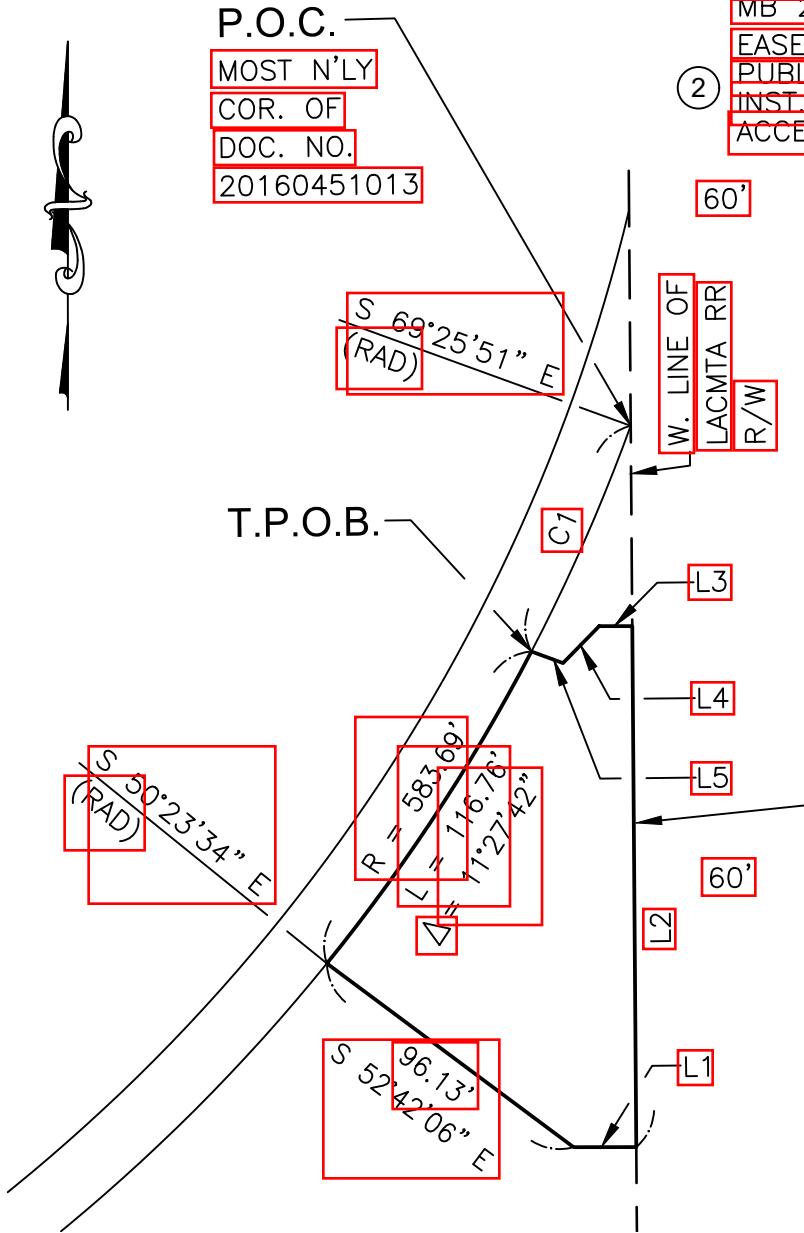
DATE	REV. #	PREPARED BY	SHEET NO.	TOTAL SHEETS
10-28-19	0	AY	1	2

# EXHIBIT A2

PARCEL #	TYPE OF INTEREST	AREA	APN
4-17A	FEE INTEREST	9,417 SF	4125-026-904

## EXISTING EASEMENTS

- 15' EASEMENT TO THE CITY OF LOS ANGELES FOR DRAINAGE PURPOSES; MB 267 PAGES 43-44.
- EASEMENT TO CITY OF LOS ANGELES FOR PUBLIC STREET PURPOSES; INST. NO. 87-1955425, REC. 12/10/87 ACCEPTED 1/1/89



**DETAIL "A"**  
1" = 60'

LINE	LENGTH	BEARING
L1	19.60'	S 89°30'03" E
L2	162.80'	N 0°10'19" E
L3	10.33'	N 89°21'29" W
L4	16.17'	S 45°00'00" W
L5	10.51'	N 69°12'11" W

LINE	RADIUS	DELTA	LENGTH
C1	583.69'	7°34'10"	77.11'



DATE	REV. #	PREPARED BY	SHEET NO.	TOTAL SHEETS
10-28-19	0	AY	2	2

**EXHIBIT "B1"**  
**LEGAL DESCRIPTION**  
**PERMANENT STREET EASEMENT**

THAT PORTION OF THE 60 FOOT WIDE RAILROAD RIGHT OF WAY OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY AS DESCRIBED IN THE DEED TO THE REDONDO BEACH RAILWAY COMPANY (PREDECESSOR IN INTEREST TO THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY WHO IS A PREDESSOR TO SAID AUTHORITY) RECORDED NOVEMBER 3, 1888 IN BOOK 511, PAGE 51 OF DEEDS, ALL IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING (POC)** AT THE INTERSECTION OF THE WESTERLY LINE OF SAID AUTHORITY RAILROAD RIGHT OF WAY AND THE SOUTHEASTERLY LINE OF LOT 20 OF TRACT NUMBER 13375, AS SHOWN ON MAP FILED FOR RECORD IN BOOK 267 OF MAPS, PAGES 43 AND 44 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

**THENCE** SOUTH ALONG SAID WESTERLY LINE OF THE AUTHORITY RAILROAD RIGHT OF WAY, SOUTH 00°10'19" WEST, A DISTANCE OF 62.61 FEET TO THE **TRUE POINT OF BEGINNING (T.P.O.B.);**

**THENCE** CONTINUING SOUTH ALONG SAID WESTERLY LINE OF THE AUTHORITY RAILROAD RIGHT OF WAY, SOUTH 00°10'19" WEST, A DISTANCE OF 162.80 FEET;

**THENCE** DEPARTING SAID WESTERLY LINE OF THE AUTHORITY RAILROAD RIGHT OF WAY, SOUTH 89°30'03" EAST, A DISTANCE OF 58.28 FEET TO THE WESTERLY LINE OF PARCEL 1 OF THE EASEMENT TO THE CITY OF LOS ANGELES DESCRIBED IN INSTRUMENT NUMBER 1960, RECORDED SEPTEMBER 19, 1973, SAID WESTERLY LINE IS ALSO A NON-TANGENT CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 4,016.20 FEET, TO WHICH A RADIAL BEARS THROUGH SAID POINT NORTH 87°43'37" WEST;

**THENCE** NORTHERLY ALONG SAID WESTERLY LINE OF PARCEL 1, THROUGH A CENTRAL ANGLE OF 1°40'39", AN ARC DISTANCE OF 117.58 FEET TO A POINT ON THE EAST LINE OF SAID AUTHORITY RAILROAD RIGHT OF WAY, SAID POINT IS ALSO THE MOST NORTHERLY CORNER OF SAID PARCEL 1;

**THENCE** ALONG SAID EASTERLY LINE OF THE AUTHORITY RAILROAD RIGHT OF WAY, NORTH 0°10'19" EAST, A DISTANCE OF 45.08 FEET;

**THENCE** DEPARTING SAID EASTERLY LINE OF THE AUTHORITY RAILROAD RIGHT OF WAY, NORTH 89°21'29" WEST, A DISTANCE OF 60.00 FEET TO THE **TRUE POINT OF BEGINNING (T.P.O.B.).**

CONTAINING 0.22 ACRES OR 9,696 SQUARE FEET, MORE OR LESS.

BEARINGS AND DISTANCES ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983 (CCS83), 2010.00 EPOCH, ZONE 5. THE DISTANCES SHOWN

HEREIN ARE GRID DISTANCES. GROUND DISTANCES MAY BE OBTAINED BY DIVIDING GRID DISTANCES BY THE COMBINATION FACTOR OF 1.00001967.

SEE PLAT ATTACHED HERETO AS EXHIBIT "B2" AND BY THIS REFERENCE MADE PART HEREOF.

PREPARED UNDER MY SUPERVISION:



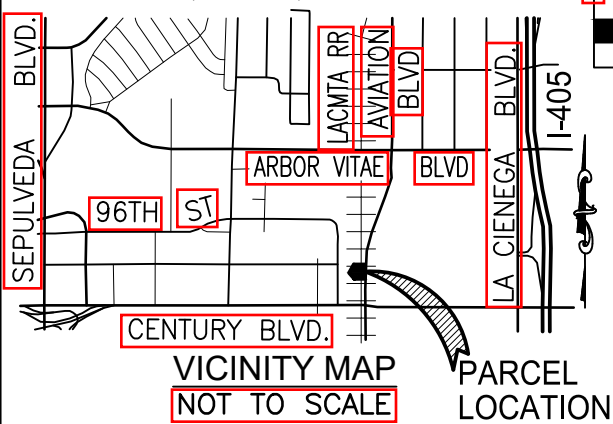
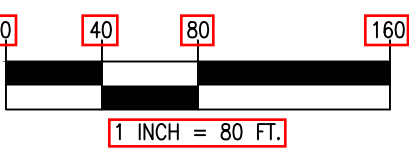
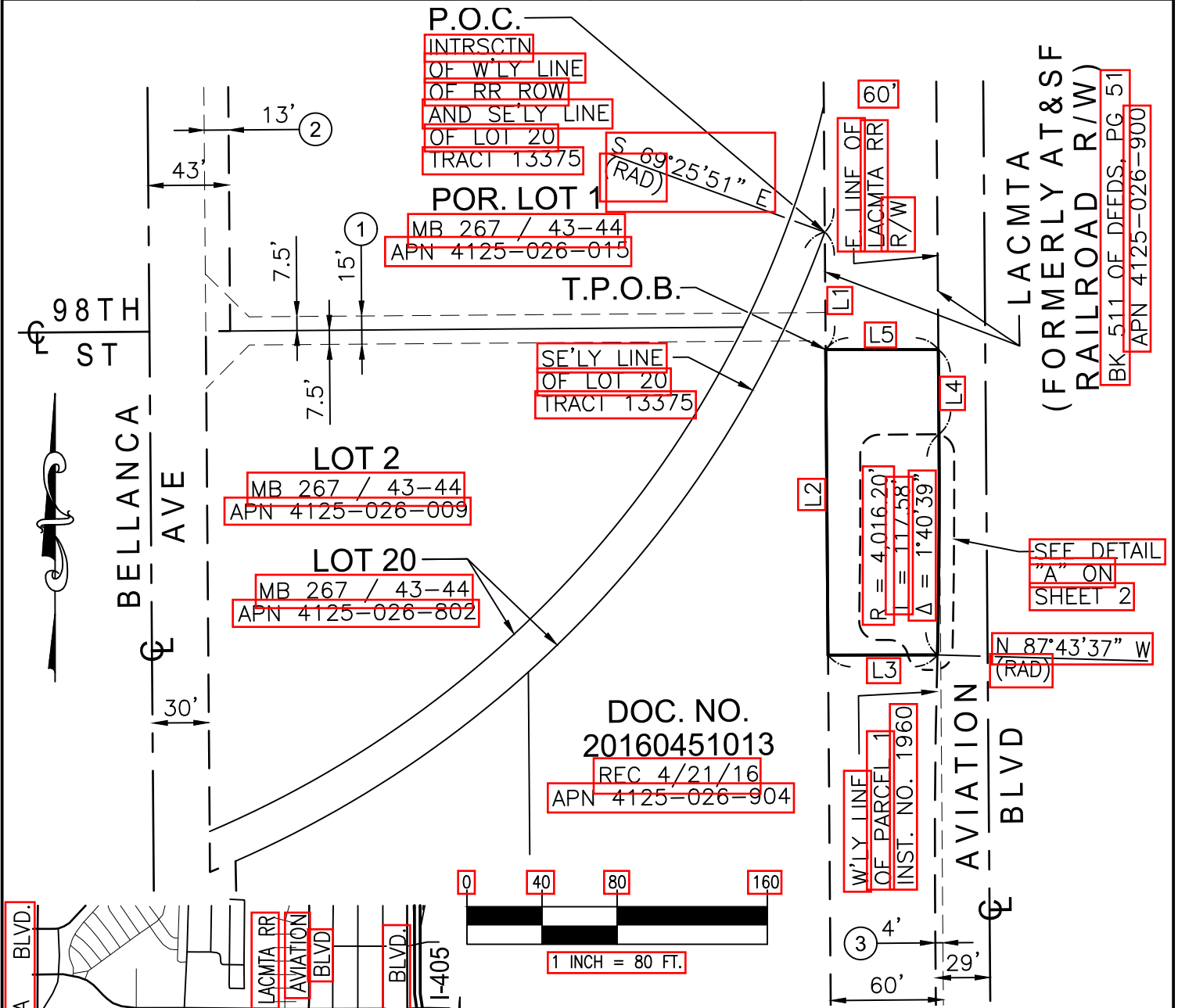
\_\_\_\_\_  
JOSHUA D. COSPER, P.L.S.  
P.L.S. 8774, EXP. 12-31-20

10/28/19  
DATE



# EXHIBIT B2

PARCEL #	TYPE OF INTEREST	AREA	APN
4-5C	PERMANENT STREET EASEMENT	9,696 SF	4125-021-900



**NOTE:** REFER TO SHEET 2 FOR LINE / CURVE AND EASEMENT INFORMATION.

LEGEND	NOTES
<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 20px; height: 10px; border: 1px solid black; margin-right: 5px;"></span> LIMITS OF DESCRIPTION</li> <li><span style="display: inline-block; width: 20px; border-bottom: 1px solid black; margin-right: 5px;"></span> EXISTING RIGHT OF WAY</li> <li><span style="display: inline-block; width: 20px; border-bottom: 1px dashed black; margin-right: 5px;"></span> EASEMENT AS NOTED</li> <li><span style="display: inline-block; width: 20px; border-bottom: 1px solid black; margin-right: 5px;"></span> EXISTING PROPERTY LINE</li> </ul>	<p>THE BASIS OF BEARINGS FOR THIS SURVEY IS CCS83, ZONE 5 (2010.00)</p> <p>DISTANCES SHOWN HEREIN ARE GRID DISTANCES. GROUND DISTANCES MAYBE OBTAINED BY DIVIDING GRID DISTANCES BY THE COMBINATION FACTOR OF 1.00001967</p>

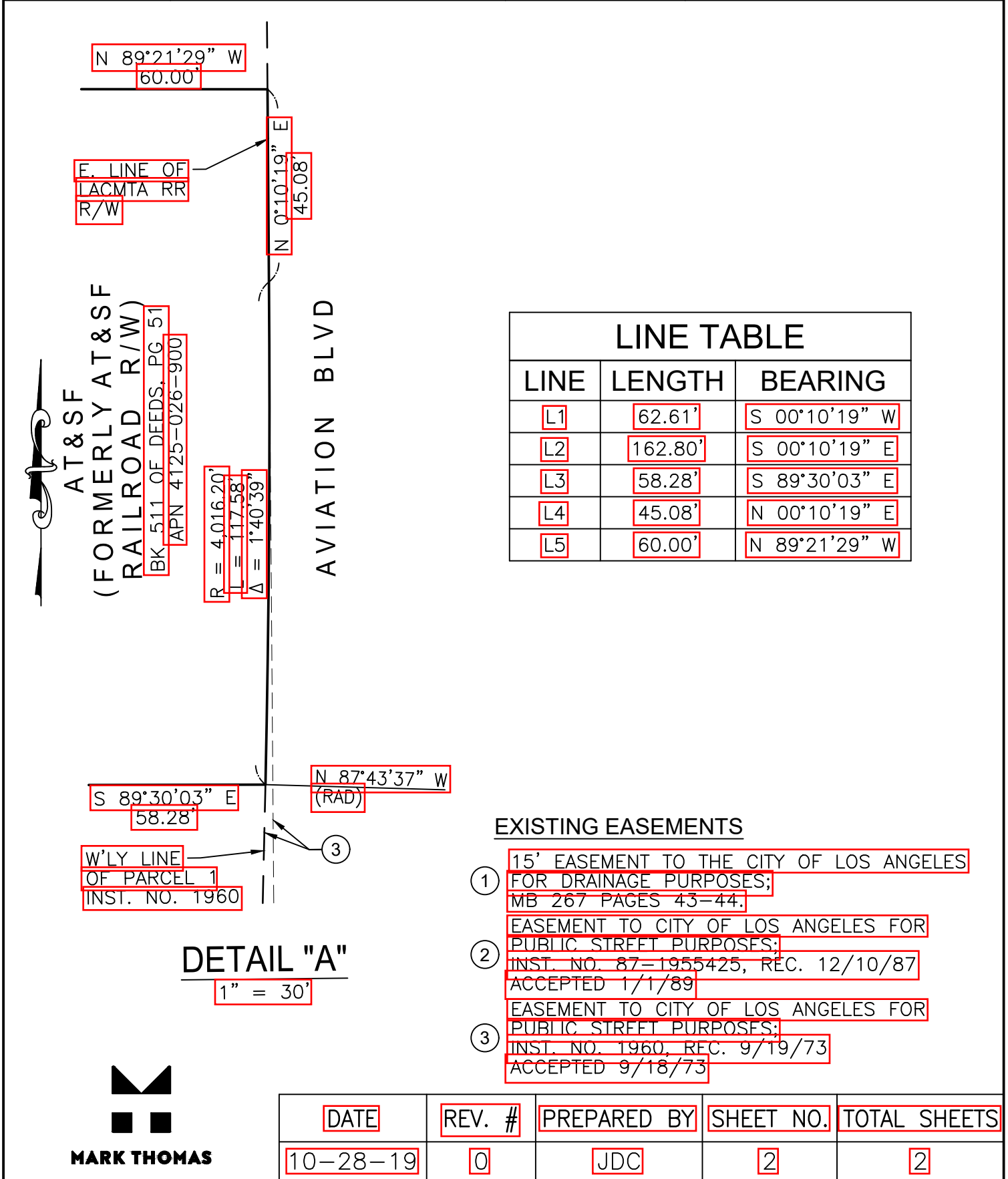


DATE	REV. #	PREPARED BY	SHEET NO.	TOTAL SHEETS
10-28-19	0	JDC	1	2



# EXHIBIT B2

PARCEL #	TYPE OF INTEREST	AREA	APN
4-5C	PERMANENT STREET EASEMENT	9,696 SF	4125-021-900



**EXHIBIT "C1"**  
**LEGAL DESCRIPTION**  
**FEE INTEREST**

THAT PORTION OF REAL PROPERTY IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA DESCRIBED IN THE FINAL ORDER OF CONDEMNATION IN FAVOR OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY RECORDED APRIL 21, 2016 AS DOCUMENT NUMBER 20160451013, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**BEGINNING (POINT OF BEGINNING)** AT THE MOST NORTHERLY CORNER OF THE REAL PROPERTY DESCRIBED IN SAID DOCUMENT NUMBER 20160451013, SAID CORNER IS THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHWEST, HAVING A RADIUS OF 583.69 FEET, TO WHICH THE BEGINNING OF CURVE A RADIAL BEARS SOUTH 69°25'51" EAST, SAID CURVE IS ALSO THE SOUTHEASTERLY LINE OF LOT 20 OF TRACT NUMBER 13375, AS SHOWN ON MAP FILED FOR RECORD IN BOOK 267 OF MAPS, PAGES 43 AND 44 IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

**THENCE** SOUTHWESTERLY ALONG SAID SOUTHEASTERLY LINE OF LOT 20, THROUGH A CENTRAL ANGLE OF 7°34'10", AN ARC LENGTH OF 77.11 FEET;

**THENCE** DEPARTING SAID SOUTHEASTERLY LINE OF LOT 20, SOUTH 69°12'11" EAST, A DISTANCE OF 10.51 FEET;

**THENCE** NORTH 45°00'00" EAST, A DISTANCE OF 16.17 FEET;

**THENCE** SOUTH 89°21'29" EAST, A DISTANCE OF 10.33 FEET TO THE WEST LINE OF THE 60 FOOT WIDE RAILROAD RIGHT OF WAY OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY AS DESCRIBED IN THE DEED TO THE REDONDO BEACH RAILWAY COMPANY (PREDECESSOR IN INTEREST TO THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY WHO IS A PREDECESSOR TO SAID AUTHORITY) RECORDED NOVEMBER 3, 1888 IN BOOK 511, PAGE 51 OF DEEDS, RECORDS OF SAID COUNTY;

**THENCE** ALONG SAID WESTERLY LINE OF THE AUTHORITY RAILROAD RIGHT OF WAY, NORTH 0°10'19" EAST A DISTANCE OF 62.61 FEET TO THE **POINT OF BEGINNING**;

CONTAINING 0.022 ACRES OR 959 SQUARE FEET, MORE OR LESS.

BEARINGS AND DISTANCES ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM OF 1983 (CCS83), 2010.00 EPOCH, ZONE 5. THE DISTANCES SHOWN HEREIN ARE GRID DISTANCES. GROUND DISTANCES MAY BE OBTAINED BY DIVIDING GRID DISTANCES BY THE COMBINATION FACTOR OF 1.00001967.

SEE PLAT ATTACHED HERETO AS EXHIBIT "C2" AND BY THIS REFERENCE MADE PART HEREOF.

PREPARED UNDER MY SUPERVISION:



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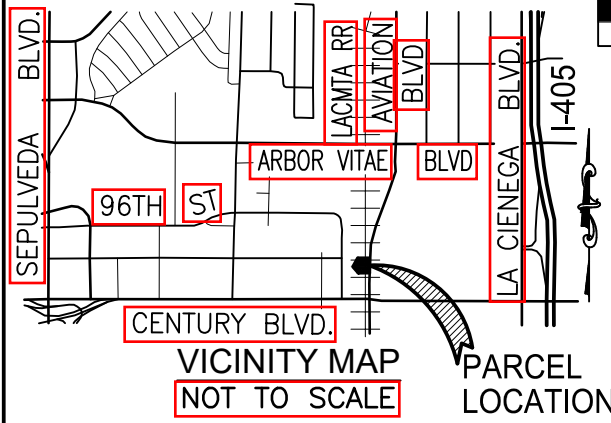
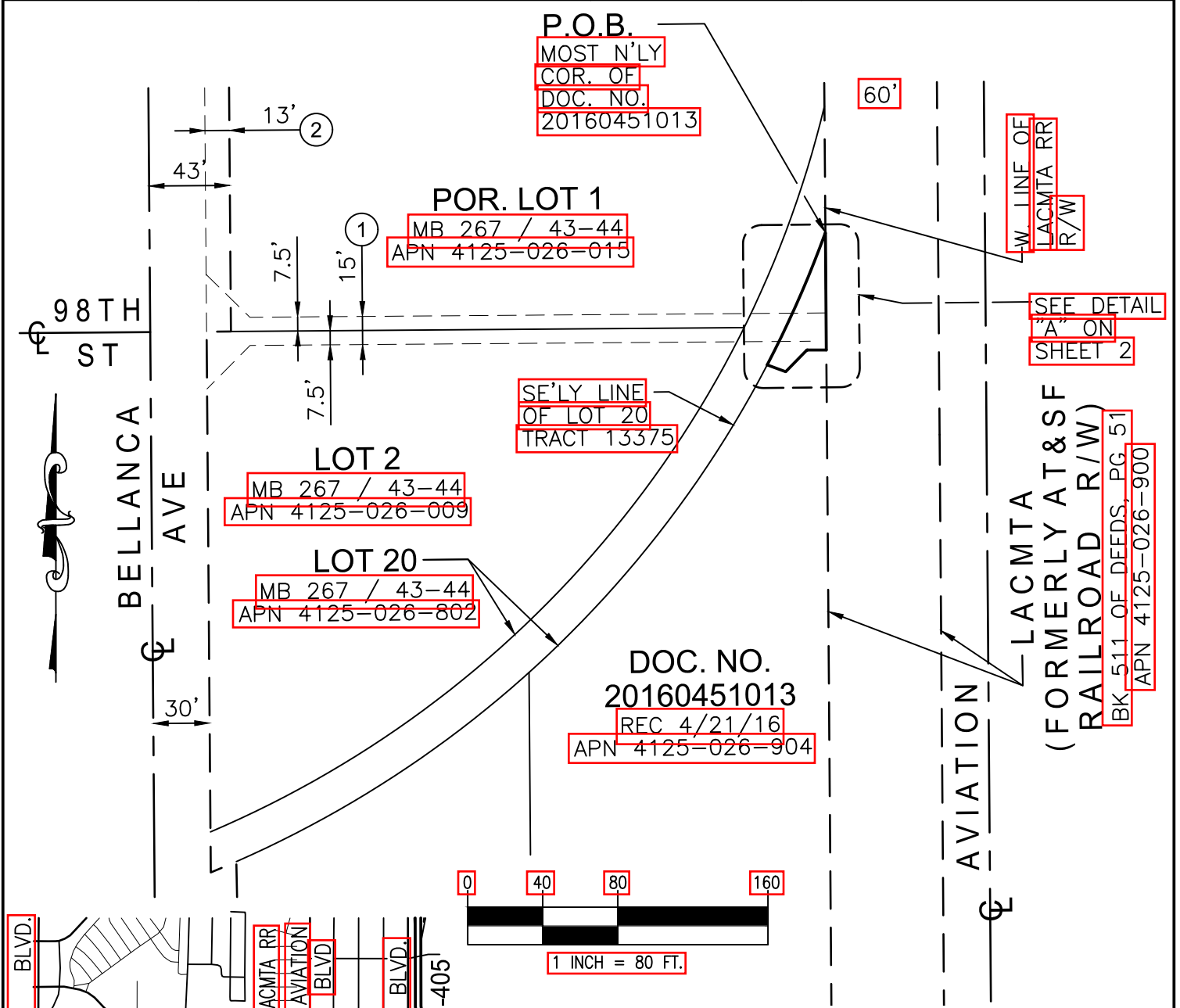
JOSHUA D. COSPER, P.L.S.  
P.L.S. 8774, EXP. 12-31-20

10/28/19  
DATE



# EXHIBIT C2

<b>PARCEL #</b>	<b>TYPE OF INTEREST</b>	<b>AREA</b>	<b>APN</b>
4-17B	FEE INTEREST	959 SF	4125-026-904



**NOTE: REFER TO SHEET 2 FOR LINE / CURVE AND EASEMENT INFORMATION.**

LEGEND	NOTES
<ul style="list-style-type: none"> <li><span style="display: inline-block; width: 20px; height: 10px; border: 1px solid black; margin-right: 5px;"></span> LIMITS OF DESCRIPTION</li> <li><span style="display: inline-block; width: 20px; border-bottom: 1px dashed black; margin-right: 5px;"></span> EXISTING RIGHT OF WAY</li> <li><span style="display: inline-block; width: 20px; border-bottom: 1px dotted black; margin-right: 5px;"></span> EASEMENT AS NOTED</li> <li><span style="display: inline-block; width: 20px; border-bottom: 1px solid black; margin-right: 5px;"></span> EXISTING PROPERTY LINE</li> </ul>	<p>THE BASIS OF BEARINGS FOR THIS SURVEY IS CCS83, ZONE 5 (2010.00)</p> <p>DISTANCES SHOWN HEREIN ARE GRID DISTANCES. GROUND DISTANCES MAYBE OBTAINED BY DIVIDING GRID DISTANCES BY THE COMBINATION FACTOR OF 1.00001967</p>



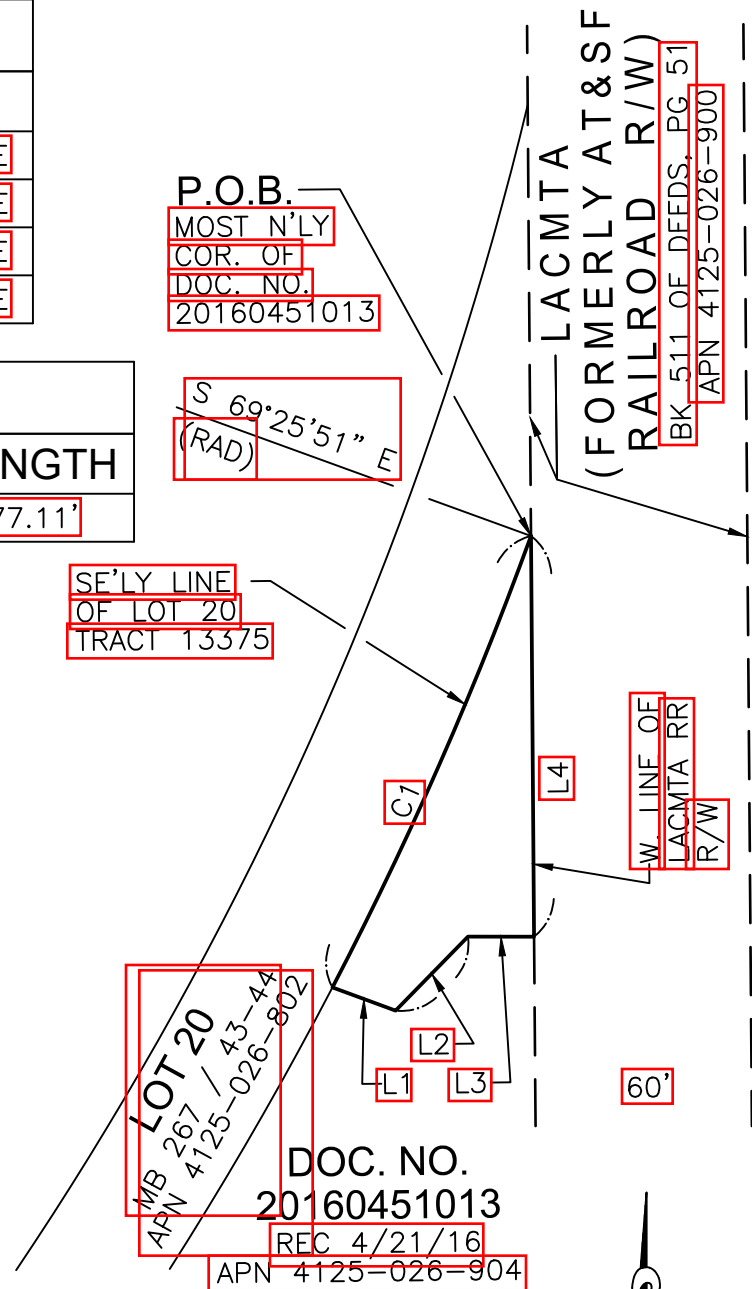
<b>DATE</b>	<b>REV. #</b>	<b>PREPARED BY</b>	<b>SHEET NO.</b>	<b>TOTAL SHEETS</b>
10-28-19	0	JDC	1	2

# EXHIBIT C2

<b>PARCEL #</b>	<b>TYPE OF INTEREST</b>	<b>AREA</b>	<b>APN</b>
4-17B	FEE INTEREST	959 SF	4125-026-904

LINE TABLE		
LINE	LENGTH	BEARING
L1	10.51'	S 69°12'11" E
L2	16.17'	N 45°00'00" E
L3	10.33'	S 89°21'29" E
L4	62.61'	N 00°10'19" E

CURVE TABLE			
LINE	RADIUS	DELTA	LENGTH
C1	583.69'	7°34'10"	77.11'



**EXISTING EASEMENTS**

- ① 15' EASEMENT TO THE CITY OF LOS ANGELES FOR DRAINAGE PURPOSES; MB 267 PAGES 43-44.
- ② EASEMENT TO CITY OF LOS ANGELES FOR PUBLIC STREET PURPOSES; INST. NO. 87-1955425, REC. 12/10/87 ACCEPTED 1/1/89

DOC. NO.  
20160451013  
REC 4/21/16  
APN 4125-026-904

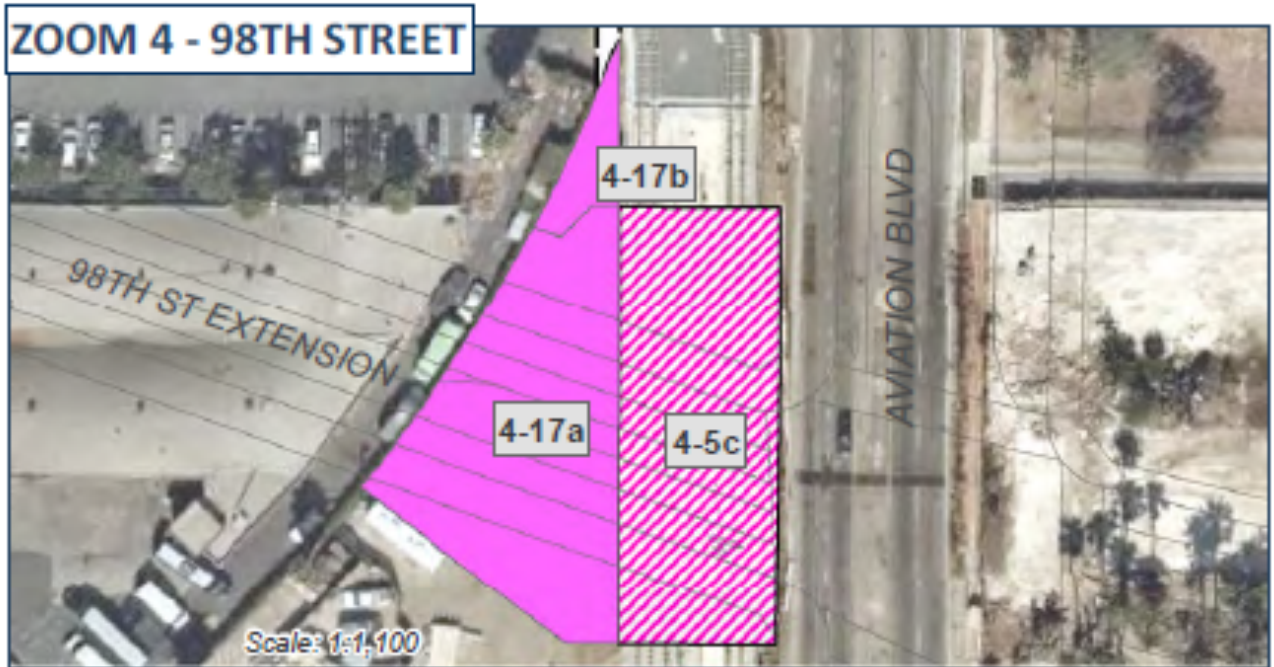
**DETAIL "A"**  
1" = 30'



DATE	REV. #	PREPARED BY	SHEET NO.	TOTAL SHEETS
10-28-19	0	JDC	2	2

**Exhibit "D"**

**Site Plan**



**Fee Interest Property = Parcel 4-17a, 4-17b**

**Easement Property = Parcel 4-5c**