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Agenda - Final

Thursday, August 27, 2020

10:00 AM

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(ALSO APPLIES TO BOARD COMMITTEES)

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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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- 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
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CALL TO ORDER

ROLL CALL

1. APPROVE Consent Calendar Items: 2, 5, 6, 7, 12, 13, 14, 17, 19, 20, 26, 31, 33, 36, 38, 41, 43, 45, and 47.

Consent Calendar items are approved by one motion unless held by a Director for discussion and/or separate action.

CONSENT CALENDAR

2. **SUBJECT: MINUTES** [2020-0447](#)

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held June 25, 2020.

Attachments: [Regular Board Meeting MINUTES - June 25, 2020](#)

FINANCE, BUDGET, AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

5. **SUBJECT: SALE OF EASEMENTS - SOUTHWEST YARD** [2020-0483](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (“CEO”) to execute documents to sell various permanent and temporary easements (“Easements”) as described in Exhibit A in a portion of the Southwest Yard Maintenance Facility located at 5623 - 5698 West Arbor Vitae Street to the City of Los Angeles World Airport (“LAWA”) for the amount of **Six Hundred Fifty-Six Thousand and Ninety-One Dollars (\$656,091.00)**.

Attachments: [Exhibit A- Site Plan](#)

FINANCE, BUDGET, AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

6. **SUBJECT: SALE OF SURPLUS PROPERTY** [2020-0455](#)

RECOMMENDATION

DECLARING that a portion of 6111 Wilshire Boulevard (shown in Attachment A) is not necessary for use by LACMTA and is “exempt surplus land” as defined in Section 54221(f)(1) (C) of the California Surplus Land Act (the “Act”).

Attachments: [Attachment A- Site Plan for 6111 Wilshire Boulevard](#)

FINANCE, BUDGET, AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

- 7. SUBJECT: MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE SELECTIONS**

[2020-0477](#)

RECOMMENDATION

APPROVE:

- A. Richard Stanger, the recommended nominee for area of expertise C, Transit professional with a minimum of ten (10) years of experience in senior-level decision making in transit operations and labor practices; and

- B. Gregory Amparano, the recommended nominee for area of expertise E, Professional with demonstrated experience of ten (10) years or more in the management of large-scale construction projects.

Attachments: [Attachment A - Committee Membership Requirements.pdf](#)
 [Attachment B - Selection Panel Guidelines.pdf](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

- 12. SUBJECT: MARIACHI PLAZA JOINT DEVELOPMENT**

[2020-0420](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute an amendment to an existing Exclusive Negotiation Agreement and Planning Document (“ENA”) with East Los Angeles Community Corporation (“Developer”) to extend the term by one year with an option to extend the term for an additional year for the joint development of Metro-owned property at the Mariachi Plaza Station.

Attachments: [Attachment A - Site Map Presentation](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

13. SUBJECT: METRO BIKE HUB OPERATIONS AND MAINTENANCE

[2020-0413](#)

RECOMMENDATION

CONSIDER:

AUTHORIZING the Chief Executive Officer to award Contract No. PS63912000 to BikeHub (dba BikeHub/Tranzito) for a firm fixed price of \$572,680 for a two-year base, and a two-year option term in an amount of \$497,892, for a total amount of \$1,070,572, effective September 22, 2020.

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

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

14. SUBJECT: MEASURE M MULTI-YEAR SUBREGIONAL PROGRAM ANNUAL UPDATE - SOUTH BAY SUBREGION

[2020-0436](#)

RECOMMENDATION

CONSIDER:

A. APPROVING:

1. programming of additional \$43.9 million within the capacity of Measure M Multi-Year Subregional Program (MSP) - South Bay Highway Operational Improvements Program;
 2. programming of additional \$15.9 million within the capacity of Measure M MSP - Transportation System and Mobility Improvements Program;
- and

B. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements and/or amendments for approved projects.

Attachments: [Attachment A - Transportation System Mobility Improvement Program \(Expenditure Line Item\)](#)
 [Attachment B - South Bay Highway Operational Improvements \(Expenditure Line Item\)](#)
 [Attachment C - Transportation System Mobility Improvement Program \(Expenditure Line Item\)](#)

**PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING
RECOMMENDATION (5-0):**

- 17. SUBJECT: HIGH DESERT INTERCITY RAIL CORRIDOR SERVICE
DEVELOPMENT PLAN**

[2020-0046](#)

RECOMMENDATION

CONSIDER:

- A. APPROVING programming of \$3 million of Measure M High Desert Multipurpose Corridor (HDMC) funds identified in the Expenditure Plan for Right-of-Way acquisition to be repurposed to develop an intercity rail corridor service development plan.
- B. APPROVING a life of project budget of \$5 million for the High Desert Intercity Rail Corridor Service Development Plan which includes \$375,000 of in-kind contributions by DesertXpress Enterprises, LLC.
- C. DELEGATING authority to the Chief Executive Officer or his designee to enter into a Memorandum of Understanding (MOU) and any subsequent extensions or amendments with the Los Angeles County Department of Public Works to memorialize terms and conditions to advance \$1.5 million of Supervisorial 5th District Proposition A Local Return Transit Program discretionary funds to Metro to begin work on the High Desert Intercity Rail Corridor Service Development Plan and for Metro to repay the County of Los Angeles once the funding becomes available (Refer to Attachment C).
- D. AUTHORIZING the Chief Executive Officer to negotiate and execute all agreements to implement the High Desert Intercity Rail Corridor Service Development Plan.

Attachments: [Attachment A - High Desert Intercity Rail Corridor Study Area](#)
[Attachment B - Virgin Trains USA Vicinity Map](#)
[Attachment C - Los Angeles County August 2020 Board Letter](#)
[Attachment D DesertXpress Enterprises Final Match Letter \(July 2020\)](#)
[Presentation](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

19. SUBJECT: WESTLAKE/MACARTHUR PARK JOINT DEVELOPMENT

[2020-0410](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to execute an Exclusive Negotiations Agreement and Planning Document (ENA) with the Walter J Company (Proposer) for the joint development of Metro-owned property at the Westlake/MacArthur Park Station (Site) for a period of eighteen (18) months, with an option to extend up to twelve (12) additional months.

Attachments: [Attachment A - Site Map](#)
[Presentation](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0-1):

20. SUBJECT: VERMONT/SANTA MONICA JOINT DEVELOPMENT

[2020-0279](#)

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) to execute a Purchase and Sale Agreement and agreements containing conditions, covenants, restrictions and easements with SMV Housing, L.P. (Developer), an affiliate of LTSC Community Development Corporation (LTSC), that provide for Developer's purchase from Metro of approximately 33,682 square feet of real property (Metro JD Property) next to the Vermont/Santa Monica B (Red) Line Station and the construction and operation of a mixed-use, affordable housing project (Project) on the Metro JD Property and adjacent Developer-owned property (collectively, Site), subject to Federal Transit Administration (FTA) and California Transportation Commission (CTC) concurrence;
- B. ADOPTING the attached resolution (Attachment D) authorizing the CEO or his designee to apply for, receive an allocation of funds, and to enter into, execute, and deliver a State of California Standard Agreement, and any and all other documents required or deemed necessary related to the California Department of Housing and Community Development Transit-Oriented Development (TOD) Housing Program in an amount not to exceed \$5,000,000 (TOD Grant) to fund station plaza improvements in support of the Project; and
- C. FINDING that the Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15332/Class 32

(In-Fill Development Projects) of the CEQA Guidelines, and statutorily exempt pursuant to Public Resources Code Section §21080.27(a)(3) and Section §21080.27(b)(2) and to authorize the CEO to file a Notice of Exemption for the Project consistent with such exemptions.

- Attachments:** [Attachment A - Site Map](#)
[Attachment B - Project Rendering and Site Plan](#)
[Attachment C - PSA Terms and Conditions](#)
[Attachment D - HCD TOD Grant Resolution](#)
[Attachment E - Qualifying Criteria for CEQA Exemption Presentation](#)

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

- 26. SUBJECT: ORAL REPORT ON REGIONAL CONNECTOR SERVICE PLAN UPDATE** [2020-0549](#)

RECOMMENDATION

RECEIVE oral report on Regional Connector Service Plan Update.

- Attachments:** [Presentation](#)

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

- 31. SUBJECT: DIVISION 11 AND 22 HVAC AND ROOF REPLACEMENT** [2020-0318](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Contract Modification No. 3 to Contract No. C56872C1142 with Archico Design Build Inc. to provide Heating, Ventilation and Air Conditioning (HVAC) replacement and additional roofing replacement and increase the contract price by \$1,820,450.00 from \$6,570,294.00 to \$8,390,744.00.

- Attachments:** [Attachment A - Procurement Summary](#)
[Attachment B - Contract ModificationChange Order Log](#)
[Attachment C - DEOD Summary](#)

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

33. SUBJECT: WESTSIDE PURPLE LINE EXTENSION SECTION 1 PROJECT [2020-0351](#)

RECOMMENDATIONS

CONSIDER:

- A. AMENDING the Life-of-Project (LOP) budget by \$200,000,000 for the Westside Purple Line Extension Section 1 Project (Project) of \$2,778,879,593 to \$2,978,879,593 using the fund sources as summarized in Attachment A, consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy (Attachment B), and
- B. AUTHORIZING the use of \$200,000,000 representing unused Expo Phases 1 and 2 funds for the proposed LOP Budget increase.

Attachments: [Attachment A - WPLE 1 Funding-Expenditure Plan](#)
[Attachment B - WPLE 1 Measure R and Measure M Unified Cost Management I](#)
[Attachment C - WPLE 1 Project Projected Breakdown of Cost Allocation Presentation](#)

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

36. SUBJECT: METRO ADOPT-A-BIKE PILOT PROGRAM [2020-0050](#)

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING a policy revision for unclaimed bicycles left on Metro property that establishes a Metro Adopt-A-Bike Pilot Program.
- B. APPROVING the administration of a mini-grant program for community-based organizations to perform tasks that support the distribution of unclaimed bicycles through the Adopt-A-Bike Pilot Program with a focus on equity.

Attachments: [ATTACHMENT A - Lost and Found Policy & Procedures](#)
[Adopt a Bike Pilot Program Presentation](#)

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (5-0):

38. SUBJECT: FEDERAL LEGISLATION [2020-0481](#)

RECOMMENDATION

ADOPT staff recommended positions:

A. House Resolution 7389 (Pressley) - A bill to institute a federal grant program to support efforts to provide fare-free transit service. **SUPPORT**

Attachments: [Attachment A - H.R. 7389 \(Pressley\) Legislative Analysis](#)

EXECUTIVE MANAGEMENT COMMITTEE FORWARDED THE FOLLOWING:

41. SUBJECT: RESPONSE TO BOARD MOTION REGARDING CEO CALL TO ACTION TO CONTROL COSTS [2020-0540](#)

RECOMMENDATION

RECEIVE AND FILE the response to Board Motion Item 34.2 (Attachment A) at the May 28, 2020 Board Meeting (Directors Hahn, Garcetti, Butts, Solis) related to Cost Control Pertaining to COVID-19 Board Box.

Attachments: [Attachment A - Metro Board Motion Item 34.2](#)
[Attachment B - Metro Board Box - CEO Call to Action](#)
[Attachment C - Pillar Projects and ESFV Schedules](#)

EXECUTIVE MANAGEMENT COMMITTEE FORWARDED THE FOLLOWING:

43. SUBJECT: ADVERTISING, COMMERCIAL SPONSORSHIPS, AND OTHER REVENUE OPPORTUNITIES [2020-0456](#)

RECOMMENDATION

RECEIVE AND FILE staff update on commercial sponsorship efforts and expanded advertising options for the purpose of generating additional revenues. This is intended to be informational and will not require a Board Action. However, staff are seeking feedback in order to present actionable items for the Board at a later date.

Attachments: [Attachment A - LACMTA Asset Valuation Study \(Legistar File # 2020-0387\)](#)
[Attachment B - Asset List for Comercial Sponsorship Consideration](#)
[Attachment C - Revenue Generation Presentation](#)
[Presentation](#)

EXECUTIVE MANAGEMENT COMMITTEE FORWARDED THE FOLLOWING:

- 45. SUBJECT: REPORT ON MOTION TO "UPLIFT THE HUMAN SPIRIT THROUGH METRO ART"**

[2020-0471](#)

RECOMMENDATION

RECEIVE AND FILE a report and approach to "Uplift the Human Spirit Through Metro Art" in response to the June 2020 Board motion (Attachment A).

Attachments: [Attachment A – June 2020 Board Directive](#)
[Attachment B – Transit Agency Percent for Art Programs Presentation](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

- 47. SUBJECT: COUNTYWIDE CALL FOR PROJECTS**

[2020-0435](#)

RECOMMENDATION

CONSIDER:

- A. RECERTIFYING \$137.2 million in existing Fiscal Year (FY) 2020-21 commitments from previously approved Countywide Call for Projects (Call) and AUTHORIZING the expenditure of funds to meet these commitments as shown in Attachment A;
- B. DEOBLIGATING \$4.1 million of previously approved Call funding, as shown in Attachment B, and hold in RESERVE;
- C. REALLOCATING:
 - 1. ~~\$1.67 million of Call funds originally programmed to the City of Los Angeles: 1) Westlake MacArthur Park Pedestrian Improvement – partial (#F3631), 2) Last Mile Folding Bike Incentive Program (#F7707), and 3) Building Connectivity with Bicycle Friendly Business Districts (#F9803), to the City of Los Angeles: 1) Exposition West Bikeway Northvale Project (#F3514) and 2) L.A. River Bike Path, Headwaters Section (#F5518);~~
 - 2. ~~\$13.39 million of Call funds originally programmed to the City of Los Angeles: 1) Alameda Street Downtown LA: Goods Movement, Phase I (#F5207) and 2) Alameda Street Widening – North Olympic Boulevard to I-10 Freeway (#F9207), to the Metro's Rail to Rail Project;~~
 - 1. \$3.85 million of Call funds remaining in the City of Los Angeles Victory Boulevard Widening from Topanga Canyon Boulevard to De Soto Avenue, Phase II (#F1141), to the City of Los Angeles: 1) Widening

- San Fernando Road at Balboa Road (#F1129), 2) Olympic Boulevard and Mateo Street Goods Movement Improvement Phase II (#F1205), and 3) Burbank Boulevard Widening from Lankershim Boulevard to Cleon Avenue (#8046);
2. \$456,144 of Call funds originally programmed to the County of Los Angeles Willowbrook Area Bikeway Improvements (#F3521), to Metro's Willowbrook/Rosa Parks Station Improvement Project, to complete the planned bikeway improvements; and
 3. \$582,739 of Call funds originally programmed to the City of Long Beach Park or Ride (#F9808), to the City of Long Beach San Gabriel River Bike Path Gap Closure at Willow Street (#F1528);
- D. AUTHORIZING the CEO to:
1. Negotiate and execute all necessary agreements and/or amendments for previously awarded projects; and
 2. Amend the FY 2020-21 budget, as necessary, to include the 2020 Countywide Call Recertification and Extension funding in the Subsidies budget;
- E. APPROVING changes to the scope of work for:
1. City of El Monte - El Monte Regional Bicycle Commuter Access Improvements (#F7520);
 2. City of Los Angeles - Westlake MacArthur Park Pedestrian Improvement Project (#F3631);
 3. City of Los Angeles - Magnolia Boulevard Widening (North Side) - Cahuenga Boulevard to Vineland (#F7123);
 4. City of Los Angeles - Walk Pico! A Catalyst for Community Vitality & Connectivity (#F7624); and
 5. City of Santa Clarita - 13th Street/Dockweiler Drive Extension (#F7105);
- F. RECEIVING AND FILING:
1. Time extensions for 62 projects shown in Attachment D;
 2. Reprogramming for one project shown in Attachment E; and
 3. Update on future countywide Call considerations

Attachments: [Attachment A - FY 2020-21 Countywide Call Recertification](#)
[Attachment B - FY 2019-20 Countywide Call Deobligation](#)
[Attachment C - Background Discussion of Each Recommendation](#)
[Attachment D - FY 2019-20 Countywide Call Extensions](#)
[Attachment E - FY 2019-20 Countywide Call Reprogram](#)
[Attachment F - Result of TAC Appeals Process](#)

NON-CONSENT

3. **SUBJECT: REMARKS BY THE CHAIR** [2020-0575](#)

RECOMMENDATION

RECEIVE remarks by the **Chair**.

4. **SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER** [2020-0576](#)

RECOMMENDATION

RECEIVE report by the **Chief Executive Officer**.

FINANCE, BUDGET, AND AUDIT COMMITTEE FORWARDED THE FOLLOWING DUE TO ABSENCES AND CONFLICTS:

11. **SUBJECT: REAL ESTATE APPRAISAL SERVICES BENCH** [2020-0416](#)

RECOMMENDATION

CONSIDER authorizing the Chief Executive Officer to:

- A. APPROVE the establishment of 19 contract agreements for professional services under the Real Estate Appraisal Services Bench, with the contractors recommended in Attachment A-1 for a five-year base period in the amount of \$34,500,000, with two, one-year options, for \$3,500,000 and \$2,064,500, respectively, with a funding amount not to exceed cumulative total of \$40,064,500, subject to resolution of protest(s) if any.

- B. AWARD Task Orders within the approved not-to-exceed cumulative total value of \$34,500,000.

Attachments: [Attachment A - Procurement Summary](#)
[Attachment A-1 - Recommended Firms by Discipline](#)
[Attachment B - DEOD Summary](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0-1):

15. **SUBJECT: SEPULVEDA TRANSIT CORRIDOR** [2020-0296](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. AWARD AND EXECUTE a 50-month, firm fixed price Contract No. AE67085000 to HTA Partners, a joint venture between HNTB Corporation, Terry A. Hayes Associates Inc. and AECOM Technical

Services, Inc., for environmental analysis and advanced conceptual engineering (ACE) design services on the Sepulveda Transit Corridor in the amount of \$48,304,067 (inclusive of two optional tasks: Task 11 for an additional alternative in the amount of \$6,778,040 and Task 12 for Westside-LAX environmental clearance in the amount of \$7,544,627), subject to resolution of protest(s), if any; the amount of \$3,394,472 has been requested in the FY21 budget in Project 460305 (Sepulveda Transit Corridor) in Cost Center 4360 to support environmental clearance, Advanced Conceptual Engineering, and associated community outreach; upon approval of this action, staff will ensure necessary funds are allocated to the project in coherence with the Continuing Resolution until the FY21 budget is adopted in September; and

- B. APPROVE Contract Modification Authority in the amount of 25% of the contract award value and authorize the CEO to execute individual Contract Modifications within the Board-approved Contract Modification Authority.

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

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0-1):

16. SUBJECT: CRENSHAW NORTHERN EXTENSION

[2020-0174](#)

RECOMMENDATION

CONSIDER:

- A. RECEIVING AND FILING the Crenshaw Northern Extension Advanced Alternatives Screening Study; and
- B. AUTHORIZING the Chief Executive Officer (CEO) to award and execute a 30-month, firm fixed price Contract No. AE64930000 to Connect Los Angeles Partners, a joint venture between WSP USA, Inc. and AECOM Technical Services, Inc., for environmental analysis (CEQA) and advanced conceptual engineering (ACE) in the amount of \$50,367,851, subject to resolution of protests, if any. However, only the amount of \$2.19M is requested in the FY21 budget for Professional Services in Cost Center 4350 (Special Projects), Project 475558 (Crenshaw Northern Extension). Upon approval of this action, staff will ensure necessary funds are allocated to the project in coherence with the Continuing Resolution until the FY21 budget is adopted in September.

- Attachments:** [Attachment A - Final Advanced AA Screening Report Executive Summary](#)
[Attachment B - Community Outreach & Meeting Report](#)
[Attachment C - Crenshaw/LAX Northern Extension Funding and Project Deliver](#)
[Attachment D - Procurement Summary](#)
[Attachment E - DEOD Summary](#)
[Presentation](#)

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE FORWARDED THE FOLLOWING:

25. SUBJECT: FY21 REVENUE SERVICE HOURS [2020-0521](#)

RECOMMENDATION

RECEIVE oral report on FY21 Revenue Service Hours.

- Attachments:** [Presentation](#)

EXECUTIVE MANAGEMENT COMMITTEE FORWARDED THE FOLLOWING DUE TO ABSENCES AND CONFLICTS:

30. SUBJECT: EXECUTE CONTRACT MODIFICATION FOR EIGHT (8) DEPOT CHARGERS FOR ORANGE LINE ELECTRIC BUS CHARGING STATIONS, INCREASE CONTRACT MODIFICATION AUTHORITY AND STAFF DELEGATION AUTHORITY [2020-0061](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No. 14 to Contract No. OP28367-001, Part D, awarded to New Flyer of America, to add eight (8) additional Depot Chargers for the Metro Orange Line buses and charging infrastructure at Firm Fixed price of \$1,138,133, increasing the Contract Value from \$73,289,973 to \$74,428,108.
- B. INCREASE the Contract Modification Authority (CMA) from 10% to 15% of the total base and option contract values to \$10,113,208 for Contract No. OP28367-001 Part D with New Flyer of America, Inc.
- C. INCREASE the Contract Modification Authority amount from 10% to 15% of the total base and option of contract values to \$11,795,724 for Contract OP28367-002, Part C, with BYD Coach & Bus, LLC.
- D. INCREASE staff delegation authority with El Dorado National (California), Inc. ("ENC") for future contract modifications for Contract No. OP28367-

000, Part A, to a not to exceed amount of \$1,000,000 for each contract modification action.

E. INCREASE staff delegation authority with New Flyer of America for future contract modifications for Contract No. OP28367-003, Part B, to a not to exceed amount of \$1,000,000 for each contract modification action.

F. INCREASE staff delegation authority with BYD Coach & Bus, LLC for future contract modifications for Contract No. OP28367-002, Part C, to a not to exceed amount of \$1,000,000 for each contract modification action.

Attachments: [Attachment A-B - New Flyer Procurement Summary and Modification Log](#)
[Attachment A-B2_DEOD Summary Part B New Flyer of America_CNG Buses](#)
[Attachment C-D –BYD Procurement Summary and Modification Log](#)
[Attachment C-D2 - DEOD Summary_BYD](#)
[Attachment E-F EIDorado Procurement Summary and Modification Log](#)
[Attachment E-F2 - DEOD Summary_EI Dorado National California, Inc](#)
[Attachment G-H New Flyer of America, Inc. Procurement Summary and Modific](#)
[Attachment G-H2 - DEOD Summary Part B New Flyer of America_CNG Buses](#)

EXECUTIVE MANAGEMENT COMMITTEE FORWARDED THE FOLLOWING:

40. SUBJECT: EQUITY AND RACE PROGRAM UPDATE [2020-0514](#)

RECOMMENDATION

RECEIVE AND FILE status report on the Equity and Race Program.

Attachments: [Attachment A - Metro Equity Platform Report](#)
[Attachment B - Equity Platform FY19 Activation Plan](#)
[Attachment C - Rapid Equity Assessment Tool](#)
[Presentation](#)

EXECUTIVE MANAGEMENT COMMITTEE FORWARDED THE FOLLOWING:

44. SUBJECT: VOLUNTARY SEPARATION INCENTIVE PROGRAM [2020-0470](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to implement a Voluntary Separation Incentive Program (VSIP) that offers an enhanced additional benefit that provides cash payments of up to \$7,500, and an additional two years of retirement service credit, to eligible Non-Contract, AFSCME and Teamsters represented employees who voluntarily agree to separate or retire from Metro within a pre-designated retirement period. Metro Board approval is required in order to provide any additional or enhanced benefit to employees.

Attachments: [Attachment A - VSIP Program Estimated Cost Analysis Presentation](#)

EXECUTIVE MANAGEMENT COMMITTEE FORWARDED THE FOLLOWING:

45.1. SUBJECT: AMENDMENT TO REPORT ON MOTION TO "UPLIFT THE HUMAN SPIRIT THROUGH METRO ART" [2020-0566](#)

RECOMMENDATION

APPROVE Amending Motion by Directors Butts, Garcetti, and Garcia that the Board direct the CEO to initiate the following policy directives:

1. Instruct staff to return to this Board with a specific set-aside percentage of interior space on both rail and busses to accommodate the placement of Metro Art posters as we have done in the past; and
2. Include in the FY 21 Budget \$400,000 dollars to accomplish the goals outlined above. Staff will reprioritize available resources and work cross-departmentally to identify internal and external funding opportunities to support the projects.

CONSTRUCTION COMMITTEE FORWARDED THE FOLLOWING DUE TO ABSENCES AND CONFLICTS:

48. SUBJECT: I-5 NORTH HOV & TRUCK LANE ENHANCEMENT CONSTRUCTION SUPPORT SERVICES CONSULTANT (CSSC) CONTRACT ACTION: APPROVE RECOMMENDATIONS [2020-0491](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. Negotiate and execute a 5-year cost-plus fixed fee Contract No. PS67828 with Hill International, Inc. to provide Construction Support Services for the I-5 North HOV & Truck Enhancement Project (Project), in an amount not-to-exceed \$50,000,000, and exercise 2 one-year options, when deemed appropriate; and
- B. Authorize the CEO to execute individual Contract Modifications within the Board approved Life of Project Budget.

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

49. SUBJECT: UPDATE ON CRENSHAW/LAX PROJECT

[2020-0579](#)

RECOMMENDATION

RECEIVE oral report on Crenshaw/LAX Project.

50. SUBJECT: ROSECRANS/MARQUARDT GRADE SEPARATION PROJECT

[2020-0461](#)

RECOMMENDATION

CONSIDER:

A. Holding a hearing on the proposed Resolution of Necessity; and

B. Adopting a Resolution of Necessity authorizing the commencement of an eminent domain action to acquire a Utility Overhang Easement and a 54-month Temporary Construction Easement from the property identified as Parcel RM-17 (APN: 8059-029-036; formerly 8059-029-006 and 8059-029-007). The property listed above is herein referred to as the "Property".

REQUIRES 2/3 VOTE

Attachments: [Attachment A- Staff Report](#)
 [Attachment B- Resolution of Necessity](#)

END OF NON-CONSENT ITEMS

51. SUBJECT: CLOSED SESSION

[2020-0577](#)

- A. Conference with Legal Counsel - Existing Litigation - G.C. 54956.9(d)(1)
1. Martin Calixto Loera, et al. v. LACMTA, Case No. BC 702038
 2. George Adam McMeekin v. LACMTA, Case No. 19STCV05948
 3. Katherine Scott, et al. v. LACMTA, Case No. BC686911
 4. City of Beverly Hills v. LACMTA, et al., USDC Case No. CV 18-3891-GW(SSx)

SUBJECT: GENERAL PUBLIC COMMENT

[2020-0537](#)

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 #: 2020-0447, **File Type:** Minutes

Agenda Number: 2.

**REGULAR BOARD MEETING
AUGUST 27, 2020**

SUBJECT: MINUTES

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held June 25, 2020.



Los Angeles, CA

Virtual Online Meeting

MINUTES

Thursday, June 25, 2020

10:00 AM

Board of Directors - Regular Board Meeting

DIRECTORS PRESENT:

**James Butts, Chair
Eric Garcetti, Vice Chair
Hilda Solis, 2nd Vice Chair
Kathryn Barger
Mike Bonin
Jacquelyn Dupont-Walker
John Fasana
Robert Garcia
Janice Hahn
Paul Krekorian
Sheila Kuehl
Ara Najarian
Mark Ridley-Thomas
John Bulinski, non-voting member**

Phillip A. Washington, Chief Executive Officer

CALLED TO ORDER: 10:18 A.M.

ROLL CALL

1. APPROVED Consent Calendar Items: 2, 6, 7, 7.1, 8, 9, 10, 11, 12, 13, 16, 17, 20, 24, 25, 26, 27, 28, 32, and 33.

Consent Calendar items were approved by one motion except for item 24 which was held by a Director for discussion and/or separate action.

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
|----|----|----|----|----|----|----|----|----|----|-----|-----|----|
| Y | Y | Y | Y | Y | A | Y | Y | Y | Y | Y | A | Y |

2. **SUBJECT: MINUTES** **2020-0399**

APPROVED ON CONSENT CALENDAR Minutes of the Regular Board Meeting held May 28, 2020.

3. **SUBJECT: REMARKS BY THE CHAIR** **2020-0422**

RECEIVED remarks by the Chair.

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
|----|----|----|----|----|----|----|----|----|----|-----|-----|----|
| P | P | P | P | P | P | P | P | P | P | P | P | P |

4. **SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER** **2020-0423**

RECEIVED report by the Chief Executive Officer.

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
|----|----|----|----|----|----|----|----|----|----|-----|-----|----|
| P | P | P | P | P | P | P | P | P | P | P | P | P |

| | | | |
|-------------------|------------------|------------------------|----------------|
| PK = P. Krekorian | HS = H. Solis | KB = K. Barger | RG = R. Garcia |
| JF = J. Fasana | JB = J. Butts | JDW = J. Dupont-Walker | |
| JH = J. Hahn | EG = E. Garcetti | MRT = M. Ridley-Thomas | |
| MB = M. Bonin | SK = S. Kuehl | AN = A. Najarian | |

LEGEND: Y = YES, N = NO, C = HARD CONFLICT, S = SOFT CONFLICT ABS = ABSTAIN, A = ABSENT, P = PRESENT

6. SUBJECT: CHAVEZ AND FICKETT JOINT DEVELOPMENT ENA EXTENSION 2020-0223

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to execute an amendment to the Exclusive Negotiations and Planning Agreement with Abode Communities to extend the term for one year, plus an option to extend the term for an additional year, for the joint development of Metro-owned property at Cesar E. Chavez Avenue and Fickett Street in Boyle Heights.

7. SUBJECT: MEASURE R AMENDMENT LANGUAGE 2020-0334

APPROVED ON CONSENT CALENDAR:

A. the Measure R Ordinance Proposed Amendment Language (Attachment A); and,

B. ADOPTED the Resolution Notifying the State Legislature of the Amendment (Attachment C).

7.1. SUBJECT: MEASURE R AMENDMENT LANGUAGE MOTION 2020-0418

APPROVED ON CONSENT CALENDAR Amending Motion by Directors Butts, Hahn, Ridley-Thomas, Barger, and Solis that the Board direct the Chief Executive Officer to adopt the Measure R Amendment language and include in the Footnote Section of the Expenditure Plan as Footnote "n" for proposed line 17a the projects listed above.

The South Bay Transit Projects listed above and identified in Footnote "n," depending on readiness, could be included with South Bay Highway projects submitted to Metro in the FY21-22 Metro Budget Request development process by Oct. 31, 2020. Anticipated available funding could then be accessed as early as July 2021.

8. SUBJECT: MODERNIZING THE METRO HIGHWAY PROGRAM 2020-0412

APPROVED ON CONSENT CALENDAR Motion by Directors Butts, Bonin, Garcia, Garcetti, and Fasana that the Board direct the Chief Executive Officer to:

- A. Circulate the recommendations in this report for stakeholder input, including the Policy Advisory Council (PAC), the Technical Advisory Committee (TAC), and Councils of Governments (COGs).

(continued on next page)

(Item 8 – continued from previous page)

- B. Initiate amendment processes for the Measure R Highway Program Eligibility Criteria and the Measure M Guidelines to clarify eligibility for transit, active transportation, and complete streets improvements, as described in Attachments A and B, and gather stakeholder input on proposed amendments concurrent with A, above; and
- C. Report back to the Planning & Programming Committee in 90 days with a summary of stakeholder input, Metro staff responses to recommendations, and proposed criteria/guideline amendments for the Board’s consideration.

9. SUBJECT: WORKERS' COMPENSATION MANAGED CARE SERVICES 2020-0256

AUTHORIZED ON CONSENT CALENDAR 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.

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| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
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10. SUBJECT: EXCESS LIABILITY INSURANCE PROGRAM 2020-0260

AUTHORIZED ON CONSENT CALENDAR 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.

11. SUBJECT: MAJOR CONSTRUCTION UMBRELLA INSURANCE PROGRAM 2020-0350

AUTHORIZED ON CONSENT CALENDAR 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).

**12. SUBJECT: TRANSPORTATION DEVELOPMENT ACT (TDA) ARTICLE 2020-0329
8 FUND PROGRAM**

ADOPTED ON CONSENT CALENDAR:

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.

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

APPROVED ON CONSENT CALENDAR:

- 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).

15. SUBJECT: ORAL REPORT ON COVID-19 SERVICE UPDATE **2020-0372**

RECEIVED oral report on Covid-19 Service Update

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| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
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16. SUBJECT: MEMBERSHIP ON METRO'S REGIONAL SERVICE COUNCILS **2020-0089**

APPROVED ON CONSENT CALENDAR nominees for membership on Metro's Gateway Cities, San Fernando Valley, San Gabriel Valley, South Bay Cities and Westside Central Service Councils.

17. SUBJECT: FIRE-LIFE SAFETY SYSTEMS TESTING AND CERTIFICATION SERVICES **2020-0316**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to execute Modification No. 6 to Contract No. OP5766200 with Link-Nilsen Corporation, for Fire-Life Safety Systems Testing and Certification services to exercise option year two in an amount not to exceed \$836,474, increasing the total contract value from \$3,462,243 to \$4,298,717 and extending the contract term from September 15, 2020 to September 15, 2021.

**20. SUBJECT: I-5 NORTH CAPACITY ENHANCEMENTS FROM SR- 118 2020-0311
TO SR-134; SEGMENT 3**

AUTHORIZED ON CONSENT CALENDAR Contract Modification No. 280 (CCO 280) by the California Department of Transportation (Caltrans) for the construction contract for Segment 3 (Empire) of I-5 North Capacity Enhancements Project between SR-134 and SR-118 (Project) in the amount \$631,246.57 under Funding Agreement No. MOU.P0008355/8501A/A9 within the current LOP budget.

21. SUBJECT: AIRPORT METRO CONNECTOR PROJECT 2020-0123

AUTHORIZED:

- A. the Chief Executive Officer to negotiate and execute Contract No. C65322C1194, AMC Site Work and Rail Systems Construction with Hensel Phelps Herzog JV, for the Early Demolition, Preliminary Site Work and Design and Installation of Rail Systems for a term of approximately 24 months within the Not-to-Exceed amount of \$21,000,000.
- B. Contract Modification Authority (CMA) specific to Contract No. C65322 C1194 with Hensel Phelps Herzog JV, in correspondence with the executed contract, in the amount of 20% of the final negotiated contract amount.

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
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**21.1. SUBJECT: VOLUNTARY REDUCTION OF FEES FOR METRO 2020-0443
CONSULTANTS**

APPROVED Amending Motion by Directors Solis, Butts, and Dupont-Walker that the Board direct the Chief Executive Officer to require all consultants considering a voluntary fee reduction under a Metro contract to certify in writing within 30 days that:

- 1. All of their subconsultants have been informed that any request from Metro for reductions in fees is voluntary and not mandatory; and
- 2. Any reduction in fees applied to a contract will be applied to all consultants and subconsultants at the same rate in order to prevent subconsultants from bearing the entirety of any reductions, with exemptions for businesses that contribute to federal or Metro-established participation goals established for the contract.

Report back at the next Executive Management Committee meeting, identify any consultant that has not submitted such certification and take action as appropriate to ensure compliance from those identified.

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
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| Y | A | Y | C | Y | Y | Y | Y | Y | Y | Y | A | Y |

24. SUBJECT: REPORT ON FREE STUDENT FARES FEASIBILITY STUDY

2020-0353

AUTHORIZED the Chief Executive Officer to work with:

1. Los Angeles Unified School District (LAUSD), Pasadena Unified School District (PUSD) and other districts to implement the K-12 U-Pass Program for Homeless Student Support Services
2. Los Angeles Community College District (LACCD), University of California Los Angeles (UCLA) Graduate Student Association (GSA) and other schools and districts to implement the transportation fees approved through the student referendums under the existing U-Pass program
3. LA County schools and districts to conduct student surveys and other collect other data needed to implement additional student pass programs

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| Y | A | Y | Y | Y | A | Y | Y | Y | A | Y | A | Y |

25. SUBJECT: EMPLOYER PASS (E-PASS) PROGRAM

2020-0352

APPROVED ON CONSENT CALENDAR recommendation to establish a permanent Employer Pass (E-Pass) Program based on the success of the current 2-Year E-Pass Pilot Program

26. SUBJECT: MOBILITY ON DEMAND EMERGENCY FOOD AND ESSENTIAL GOODS DELIVERIES

2020-0374

AUTHORIZED ON CONSENT CALENDAR:

- A. expansion of emergency food and essential goods delivery to First 5 LA's five Best Starts regions (which include 14 subcommunities) up to 750 deliveries a week, as further described in Attachment A and Attachment B; and
- B. the CEO or his designee to execute necessary agreements and amendments to contracts as related.

**27. SUBJECT: MEASURE R AND M HIGHWAY SUBREGIONAL PROGRAM 2020-0096
SEMI-ANNUAL UPDATE**

APPROVED ON CONSENT CALENDAR:

- A. \$178,107,100 in additional programming within the capacity of the Measure R Highway Subregional Programs and funding changes via the updated project list as shown in Attachment A for:
- Highway Operational Improvements in Arroyo Verdugo
 - Highway Operational Improvement in Las Virgenes Malibu
 - I-405, I-110, I-105 and SR-91 Ramp and Interchange Improvements (South Bay)
 - I-605 Corridor "Hot Spots" Interchange Improvements in Gateway Cities
 - I-710 South and/or Early Action Projects in Gateway Cities
- B. deobligation of \$23,214,900 dollars of previously approved Measure R Highway Subregional Program funds for re-allocation at the request of project sponsors;
- C. \$5,250,000 in additional programming of Measure M Multi-Year Subregional Program (MSP) funds as shown in Attachment B for:
- Transportation System and Mobility Improvements Program (Expenditure Line 66) project number MM5508.05
 - I-605 Corridor "Hot Spots" Interchange Improvements Program (Expenditure Line 61) project number MM5509.05
- D. DELEGATING to the CEO or his designee the authority to:
1. amend Measure R funding agreements to modify the scope of work of projects and project development phases consistent with eligibility requirements;
 2. allow changes in project sponsor to deliver board approved projects; and
- E. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements for the Board-approved projects; and

28. SUBJECT: METRO RED LINE SCADA REPLACEMENT

2020-0348

AUTHORIZED ON CONSENT CALENDAR:

- A. The Chief Executive Officer to increase the Contract Modification Authority (CMA) specific to Contract No. OP39603035 with ARINC Control and Information Systems (ARINC) in the amount of \$3,357,496 increasing the total authorized contract amount from \$15,551,028 to \$18,908,524.

(continued on next page)

(Item 28 – continued from previous page)

- B. The Chief Executive Officer to execute contract modifications up to the Board-approved CMA in an amount not to exceed \$18,908,524.
- C. The purchase of additional coverage on the existing \$15,000,000 supplemental project insurance in excess of ARINC's limited liability in an amount not-to-exceed \$700,000. This action increases the total coverage cost from \$1,449,000 to \$2,149,000;
- D. An extension to the period of performance of Contract OP39603035 to December 31, 2021 to allow for SCADA-related work on the CLAX/AMC Station to be completed under this Contract.

31. SUBJECT: STATE LEGISLATION

2020-0300

ADOPTED staff recommended positions:

- 1. Assembly Constitutional Amendment 5 (Weber, Gipson, Santiago) - Government Preferences. **SUPPORT**
- 2. Potential Ballot Measure to enact ACA 5/Proposition TBD - **SUPPORT**

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
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31.1.SUBJECT: ASSEMBLY CONSTITUTIONAL AMENDMENT 5

2020-0428

APPROVED Amending Motion by Director Garcetti that the Board direct the CEO to report to the Executive Management Committee in November with a race and gender action plan related to the prospective passage of ACA 5, including:

- Updating the disparity study, as applicable;
- Applying race-conscious and gender-conscious goals;
- Reactivating the MBE and WBE program;
- Considering a Historically Underutilized Business program;

(continued on next page)

(Item 31.1. – continued from previous page)

- Expanding the DBE program to non-federally funded procurements;
- Strengthening race and gender-based hiring and advancement;
- Implementing targeted community engagement and empowerment;
- Updating the Equity Platform; and
- Other strategies related to ACA 5 that will meaningfully advance racial and gender equity both at Metro and in Metro’s wide portfolio of services, projects, and programs.

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
|----|----|----|----|----|----|----|----|----|----|-----|-----|----|
| Y | A | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | Y |

32. SUBJECT: FEDERAL LEGISLATION

2020-0414

ADOPTED ON CONSENT CALENDAR staff recommended positions:

- A. House Resolution 2 7095 (DeFazio) - Five-year federal surface transportation authorization legislation. **SUPPORT**

33. SUBJECT: LEVERAGING AND COORDINATING GREEN

2020-0415

INFRASTRUCTURE FUNDING: CREATING THE WHAM COMMITTEE

APPROVED ON CONSENT CALENDAR Motion by Directors Kuehl and Solis that the Board direct the Chief Executive Officer to join the County process to regularly convene leaders of the departments and agencies implementing measures W, H, A, and M for the purposes of creating efficiencies across programs; fulfilling the goals of measures W, H, A, and M; facilitating coordinated programmatic and project/project area planning; implementation of specific multi-benefit projects, project areas, and programs; leveraging W, H, A, and M funding with other funding sources-including other local, state and federal funding opportunities; fostering procedural, project, and programmatic collaboration; and eliminating redundancies and inconsistent policies where appropriate.

35. SUBJECT: REPORT BACK ON USE OF FORCE POLICY FOLLOWED 2020-0419 BY METRO POLICING CONTRACTORS AND EMPLOYEES

APPROVED Motion by Directors Hahn, Solis, and Butts that the Board direct the Chief Executive Officer in conjunction with the Chief of Metro's Systems Security and Law Enforcement, Executive Officer of Equity and Race, and Office of Civil Rights, to report back to the Board in 90 days with the following:

- A. A review of the training and use of force policies followed by our policing partners and security contract personnel;
- B. A review of training and use of force policies for our Metro Transit Security Guards and provide reform recommendations; and
- C. Recommendations on how to further reform policing at Metro and reallocate resources for homelessness outreach and services in preparation for the expiration of existing policing contracts.

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
|----|----|----|----|----|----|----|----|----|----|-----|-----|----|
| Y | A | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | Y |

36. SUBJECT: UPLIFTING THE HUMAN SPIRIT THROUGH METRO ART 2020-0427

APPROVED Motion by Directors Butts, Solis, Garcetti, and Hahn that the Board direct the CEO to return in the August Board cycle with a Report back on how Metro can:

- Integrate Metro Art programs into our trains, busses;
- Champion artistic experimentation including provocative works that are responsive to the issues and concerns of our time; and
- Think about how artists might be included in the Reimagining of Transportation

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
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| Y | A | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | Y |

37. SUBJECT: A COMMUNITY SAFETY APPROACH TO SYSTEM SECURITY AND LAW ENFORCEMENT

2020-0429

APPROVED AS AMENDED Motion by Directors Bonin, Garcetti, Hahn, Dupont-Walker, and Solis that the Board direct the Chief Executive Officer to:

- A. Establish a Transit Public Safety Advisory Committee. This committee should incorporate the existing Community Safety & Security Working Group and include additional perspectives that represent Metro’s ridership and advocacy organizations, including but not limited to racial, cultural, gender, income, geography, immigration status, and housing status.
- B. In partnership with the Advisory Committee, Office of Civil Rights, Executive Officer for Equity & Race, and Executive Officer for Customer Experience, develop a community-based approach to public safety on the transit system, including but not limited to:
 - 1. A transit ambassador program that provides staffed presence at Metro facilities and on Metro vehicles.
 - 2. Alternatives to armed law enforcement response to nonviolent crimes and code of conduct violations.
 - 3. Greater community stewardship of transit spaces, such as supporting street vending in transit plazas.
 - 4. The Universal Blue Light program proposed in Metro’s June 2018 ridership initiatives (BF 2018-0365).
 - 5. Education about and expansion of fare discount programs.
 - 6. Outreach and services for unhoused individuals.
 - 7. A shift of resources from armed law enforcement to the above strategies.
 - 8. **Fasana Amendment:** Add the Customer Code of Conduct to the committee’s purview.
 - 9. **Butts Amendment:** Task the committee with developing a mission and values statement for transit policing.
- C. Consult with the Advisory Committee when developing the new scope of services, budget, and other provisions of the multiagency police contract renewal.
- D. Report back to the Operations, Safety, and Customer Experience Committee in 90 days, and quarterly thereafter until the 2022 contract renewal. In the final quarterly report of 2022, include an external, third-party evaluation of the effectiveness of the Advisory Committee and a recommendation on whether it should continue.

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| Y | A | Y | Y | Y | Y | Y | Y | Y | N | Y | A | N |

38. SUBJECT: MUTUAL AID AGREEMENT

2020-0430

APPROVED Motion by Directors Bonin, Solis, and Garcetti that the Board direct the Chief Executive Officer and County Counsel to:

- A. Review Metro's commitments under the mutual aid agreement and seek amendments, if necessary, to ensure that Metro's assets are only required for civilian transportation purposes.
- B. Report back to the Operations, Safety, and Customer Experience Committee in 90 days.

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
|----|----|----|----|----|----|----|----|----|----|-----|-----|----|
| Y | A | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | Y |

39. SUBJECT: POLICIES & PROTOCOLS FOR FUTURE SERVICE SHUTDOWNS

2020-0431

APPROVED Motion by Directors Bonin and Solis AS AMENDED that the Board direct the Chief Executive Officer to:

- A. In consultation with the Office of Civil Rights and Executive Officer for Equity & Race, develop clear criteria for when suspending service is necessary and appropriate. Such criteria should include measures to minimize service disruptions by containing service suspensions to the line(s), division(s), or service sector(s) affected whenever feasible and prudent.
- B. Develop protocols for rider notification of service suspensions and policies for providing alternative transportation. Such protocols should consider demographic, language, and technology access data from Metro's on-board rider survey.
- C. Circulate proposed criteria and protocols for input from Service Councils.
- D. Report back on all the above to the Operations, Safety, and Customer Experience Committee in 90 days.

DUPONT-WALKER AMENDMENT: To include the following language in the item's preamble: "Metro's CEO was forced to make decisions in the absence of policy because the Metro Board of Directors had failed to provide said policy or guidance for these types of situations."

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
|----|----|----|----|----|----|----|----|----|----|-----|-----|----|
| Y | A | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y |

40. SUBJECT: METRO RESPONSE TO DEMONSTRATIONS FOR RACIAL JUSTICE 2020-0417

RECEIVED AND FILED staff report on Metro's actions in response to demonstrations and civil unrest during the weekend of May 30, 2020 and after-action plans.

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
|----|----|----|----|----|----|----|----|----|----|-----|-----|----|
| P | P | P | P | P | P | P | P | P | P | P | P | P |

41. SUBJECT: BOARD OFFICERS 2020-0402

ELECTED Director Najarian as 2nd Vice Chair.

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
|----|----|----|----|----|----|----|----|----|----|-----|-----|----|
| Y | A | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | Y |

42. SUBJECT: CLOSED SESSION 2020-0424

A. Conference with Legal Counsel - Anticipated Litigation - G.C. 54956.9(d)(2)

Significant Exposure to Litigation (One Case)

No report.

B. Conference with Real Estate Negotiator - G.C. 54956.8

Property Description: 6101 and 6111 Wilshire Boulevard
Los Angeles, CA

Agency Negotiator: Velma Marshall

Negotiating Party: AU Zone Investments #2

Under Negotiation: Price and terms

The Board approved a settlement regarding the above referenced properties, the terms of which will be available upon the agreement being made final.

| JF | PK | MB | RG | SK | EG | JB | HS | JH | KB | JDW | MRT | AN |
|----|----|----|----|----|----|----|----|----|----|-----|-----|----|
| Y | Y | Y | Y | Y | Y | Y | Y | Y | C | Y | A | Y |

(continued on next page)

(Item 42 – continued from previous page)

C. Conference with Labor Negotiator - G.C. 54957.6

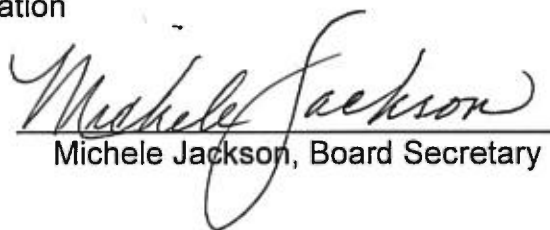
Agency Designated Representative: Joanne Peterson
Employee Organizations: SMART, ATU, AFSCME, TCU,
and Teamsters

Unrepresented employees: All

No report.

ADJOURNED AT: 3:24 P.M.

Prepared by: Mandy Cheung
Administrative Analyst, Board Administration


Michele Jackson, Board Secretary

###

**Board Report**

File #: 2020-0483, **File Type:** Policy**Agenda Number:** 5.

**FINANCE, BUDGET AND AUDIT COMMITTEE MEETING
AUGUST 19, 2020****SUBJECT: SALE OF EASEMENTS - SOUTHWEST YARD****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (“CEO”) to execute documents to sell various permanent and temporary easements (“Easements”) as described in Exhibit A in a portion of the Southwest Yard Maintenance Facility located at 5623 - 5698 West Arbor Vitae Street to the City of Los Angeles World Airport (“LAWA”) for the amount of **Six Hundred Fifty-Six Thousand and Ninety-One Dollars (\$656,091.00)**.

ISSUE

LAWA is planning, designing and constructing the Landside Access Modernization Program (“LAMP”) which includes the Automated People Mover (APM) system (including the train, guideway, stations and other related improvements) to improve access to Los Angeles International Airport (“Airport”). LACMTA is planning, designing and constructing 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. Because LAWA and LACMTA are undertaking parallel construction activities for the LAMP and the AMC Station (collectively, “Projects”) and because the Projects will be built in close proximity and during the same time period, there is collaboration and coordination with respect to the design and construction of the LAMP and the AMC Station. Board approval is required since the action is for the sale of property interests in real property which exceeds the authority of the CEO.

DISCUSSION

The required Easements (see Exhibit A) will be utilized for the construction and operation of the APM elevated rail structure which will bisect the southerly portion of the Southwest Yard Maintenance Facility (“SW Yard”) as well as the adjacent Crenshaw LAX railroad corridor. 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. Laurain's appraisal and determined that the appraisal methodology utilized by Mr. Laurain was appropriate and concurred with the valuation.

Easement Descriptions

Southwest Yard Parcel - Assessor Parcel No. 4125-020-900 to 907, 4125-021-900 and 903; Easement Parcel 4-3/4-4 - an Aerial Easement containing 14,942 square feet inclusive of 236 square feet of surface column area and a Setback Area for Vertical Structures containing 3,223 square feet. The SW Yard will also be impacted by TCE Area 1A containing 49,580 square feet, TCE Area 1B containing 14,500 square feet and an ingress/egress area containing 25,640 square feet. The TCE areas have two different terms which include 13.3 months for Phases 1 to 3 of the project and an additional 21 months for Phase 4 of the Project.

Rail Corridor Parcel Assessor Parcel No. 4125-026-900; Parcel No 4-5 - Aerial Easement containing 5,930 square feet as a transverse crossing. The property will also be impacted by TCE 2 containing 19,920 square feet of land.

The appraisal reports concluded that the aerial easements will not have measurable impact on the highest and best use of either the SW Yard parcel, as a special use public property, or the Railroad Corridor parcel. Therefore, compensation for the permanent aerial easements were considered to be a "nominal" amount of \$2,500, as applied to each of the three areas of Parcel 4-3/4-4 and to Parcel 4-5, for a total "Nominal consideration of \$10,000. No improvements will be impacted. Compensation for the TCE's was based on the land rental value and totals \$646,091 for the total duration of the TCE's. Total compensation for the Easements is \$656,091.

EQUITY PLATFORM

Both the LAMP and the AMC projects will bring valuable transit connections to those working and travelling at LAWA.

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

There is no impact to the budget as the income received from the sale will be credited to the Crenshaw/LAX Project and used to offset Project costs.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

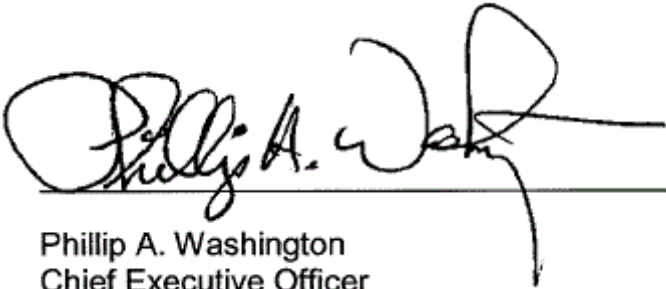
The recommended Board action is consistent with Metro Vision 2028 Goal #1: Provide high quality mobility options that enable people to spend less time traveling. The disposition of this property to LAWA to construct the APM elevated rail structure will facilitate an additional mobility option to LAWA.

ATTACHMENTS

Exhibit A- 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

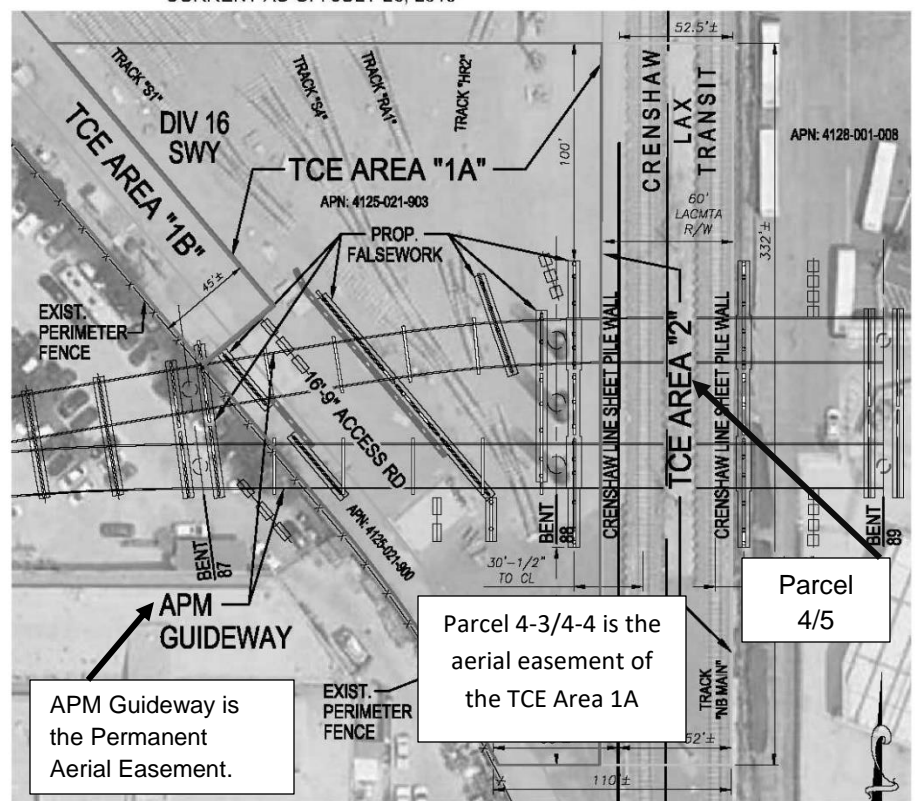
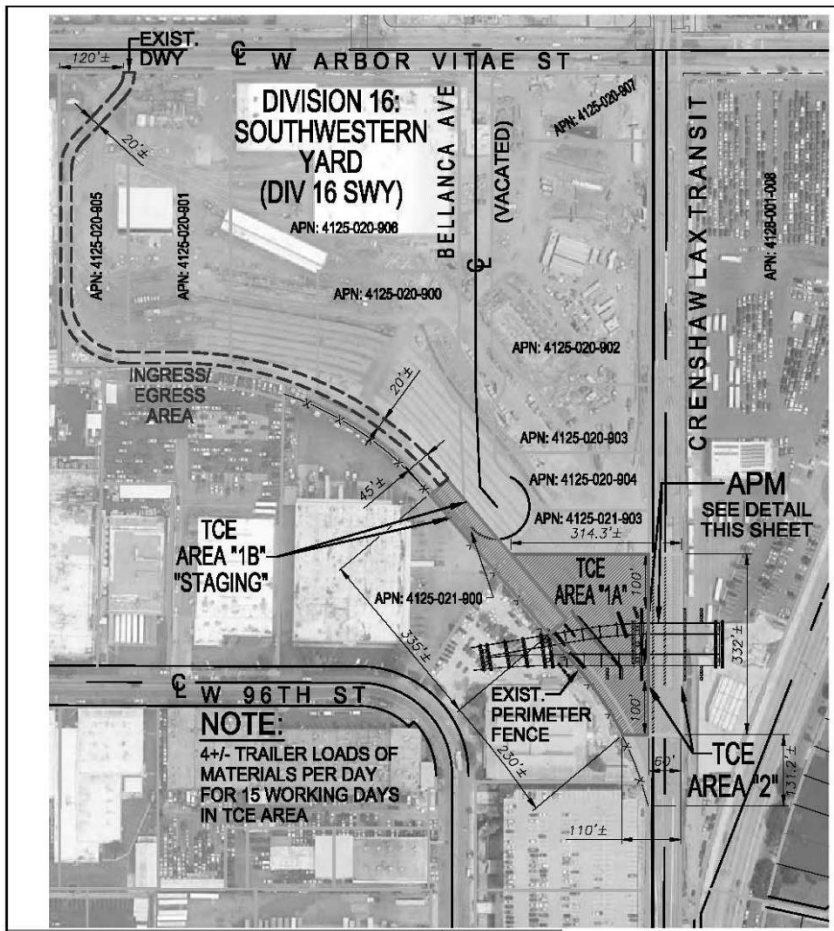


Phillip A. Washington
Chief Executive Officer

EXHIBIT A - SITE PLAN

APM FALSEWORK WITHIN AMC STATION

APN: 4125-020-900, 902, 907 / 4125-021-900, 903 / 4125-026-900
CURRENT AS OF: JULY 26, 2019



| DESIRED AREAS | AREA (SF) |
|---|-----------|
| INGRESS/EGRESS AREA | 25,640 |
| TEMPORARY CONSTRUCTION EASEMENT AREA "1A" | 49,580 |
| TEMPORARY CONSTRUCTION EASEMENT AREA "1B" "STAGING" | 14,500 |
| TEMPORARY CONSTRUCTION EASEMENT AREA "2" | 19,920 |

LEGEND

- EXISTING STREET CENTERLINE
- EXISTING CITY R/W
- PROPERTY LINE
- PROPOSED FALSEWORK
- PROPOSED BENTS
- LIMITS OF GUIDEWAY
- LIMITS OF TCE AREA "1A"
- LIMITS OF TCE AREA "1B"
- LIMITS OF TCE AREA "2"
- LIMITS OF INGRESS/EGRESS AREA

NOT TO SCALE



Board Report

File #: 2020-0455, File Type: Policy

Agenda Number: 6.

FINANCE, BUDGET AND AUDIT COMMITTEE MEETING AUGUST 19, 2020

SUBJECT: SALE OF SURPLUS PROPERTY

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

DECLARING that a portion of 6111 Wilshire Boulevard (shown in Attachment A) is not necessary for use by LACMTA and is “exempt surplus land” as defined in Section 54221(f)(1) (C) of the California Surplus Land Act (the “Act”).

ISSUE

LACMTA originally acquired fee simple interest in 6111 Wilshire Boulevard (the “Subject Property”) for the Westside Purple Line Extension Section 1 Project (the “Project”). A portion of the Subject Property is not needed for the Project and can be declared surplus (such portion will be referred to hereinafter as the “Property”). Under the Section 54221(b)(1) 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”.

DISCUSSION

Exempt Surplus Land - Summary 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. As defined in Section 54221(f)(1)(C) of the Act, exempt surplus land includes “surplus land that a local agency is exchanging for another property necessary for the agency’s use”.

The Property will be sold to the owner of contiguous adjacent land as part of the litigation settlement authorized by the Board in closed session at its June 25, 2020 Board meeting, in connection with the acquisition of real property interests necessary for the Project.

The Property to be Exchanged

LACMTA acquired fee simple interest in the Subject Property for construction and operation of the Project. The Subject Property, more particularly described and depicted in Attachment “A”, is approximately 8,183 square feet in size. After construction of the Project, portions of the Subject Property adjacent to Wilshire Boulevard will be encumbered with permanent surface and subsurface easements (the “Easements”) that are required in connection with the construction and permanent location of certain permanent facilities necessary to serve the Wilshire/Fairfax Station that is part of the Project. The permanent facilities are needed for ventilation, emergency exit hatches, dedication areas and underground structures necessary for the operation of the Project.

The remainder of the Subject Property not encumbered by the Easements (i.e., the Property), containing approximately 5,887 square feet are not needed by the Project and can be declared surplus.

Property Necessary for LACMTA Use

In addition to the easement areas on the Subject Property necessary for the Project, LACMTA needed to acquire certain property interests for construction and operation of the Project, located at 6101 Wilshire Boulevard which is adjacent to the Subject Property (“Adjacent Property”). Those interests include a temporary construction easement containing approximately 8,481 square feet for an eight (8)-year period, and a fee interest containing approximately 254 square feet (“Property Interests”) in the Adjacent Property. After LACMTA failed to reach a negotiated agreement with the owner of the Adjacent Property on the purchase price for the Property Interests, LACMTA adopted a Resolution of Necessity to condemn the required Property Interests in April 2014. The condemnation case has been proceeding through the courts. Finally in 2020, a tentative agreement was reached between LACMTA and the owner, subject to approval of the LACMTA Board of Directors. The agreement included the sale of the Property as part of the compensation for the Property Interests. The exchange of the Property is an integral part of the settlement agreement for the acquisition of the Property Interests.

Under these circumstances and pursuant to the Act, the Property is exempt surplus land.

EQUITY PLATFORM

The sale of the Property to the Adjacent Property owner promotes the completion of the transit facilities and provides access to critical transportation for disadvantaged communities.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

Declaring the land as exempt surplus land does not have any financial impact. The value to be attributed to the project for the sale of this property was approved by the Board in the June 25, 2020

closed session, subject to the Board determining the Property was exempt surplus land. A portion of the funds to acquire the property was received from the Federal Transit Administration ("FTA"). FTA concurred with LACMTA's request for disposition of the Property by letter dated June 16, 2020 and requires the proceeds from the sale to be used to reduce the gross cost of the Project.

Impact to Budget

Declaring the land as exempt surplus land does not have any impact to the budget. The value to be attributed to the project for the sale of this property (approved in June 2020) was included in the FY21 budget.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

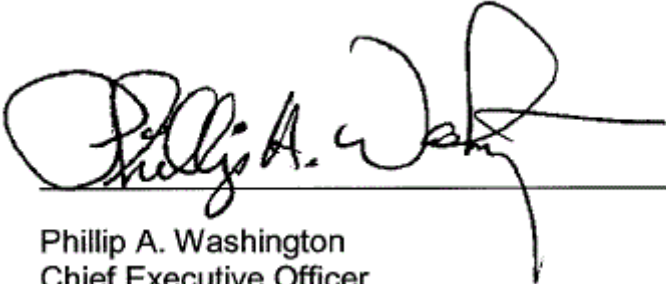
The recommended Board action is consistent with Metro Vision 2028 Goal #1: Provide high quality mobility options that enable people to spend less time traveling.

ATTACHMENTS

Attachment A - Site Plan for 6111 Wilshire Boulevard

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



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A



Marinello Parcel
6111 Wilshire Boulevard LA, CA 90048



Board Report

File #: 2020-0477, File Type: Appointment

Agenda Number: 7.

**FINANCE, BUDGET AND AUDIT COMMITTEE
AUGUST 19, 2020**

SUBJECT: MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE SELECTIONS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

APPROVE:

- A. Richard Stanger, the recommended nominee for area of expertise C, Transit professional with a minimum of ten (10) years of experience in senior-level decision making in transit operations and labor practices; and
- B. Gregory Amparano, the recommended nominee for area of expertise E, Professional with demonstrated experience of ten (10) years or more in the management of large-scale construction projects.

ISSUE

The Measure M Ordinance (Ordinance) approved by voters in November 2016 requires the establishment of a Measure M Independent Taxpayer Oversight Committee of Metro (“Committee”) to provide an enhanced level of accountability for expenditures of sales tax revenues made under the Expenditure Plan. The Committee carries out the responsibilities laid out in the Ordinance and plays a valuable and constructive role in the ongoing improvement and enhancement of project delivery contemplated under the Measure M Ordinance.

DISCUSSION

The Measure M Ordinance requires the establishment of the Measure M Independent Taxpayer Oversight Committee (“Committee”) comprised of seven members representing the following areas of expertise:

- A. A retired Federal or State judge;
- B. A professional from the field of municipal/public finance and/or budgeting with a minimum of ten (10) years of relevant experience;

- C. A transit professional with a minimum of ten (10) years of experience in senior-level decision making in transit operations and labor practices;
- D. A professional with a minimum of ten (10) years of experience in management and administration of financial policies, performance measurements, and reviews;
- E. A professional with demonstrated experience of ten (10) years or more in the management of large-scale construction projects;
- F. A licensed architect or engineer with appropriate credentials in the field of transportation project design or construction and a minimum of ten (10) years of relevant experience; and
- G. A regional association of business representative with at least ten (10) years of senior-level decision making experience in the private sector.

The Measure M Ordinance states that the Selection Panel consisting of Metro's Board Chair, Vice Chair, and second Vice Chair or their designees shall select for approval the Committee Members. The Selection Panel developed guidelines to solicit, collect, and review applications of potential candidates for membership on the Committee. In accordance with the Selection Panel's guidelines, Metro developed a Communication Plan to promote the solicitation of applicants for the Committee. As part of the extensive outreach to solicit applications, Metro contacted elected officials, associations that represent professions identified for the Committee, business organizations and other stakeholders. To collect the applications, Metro opened the online application process using Metro's dedicated website for Measure M.

As stipulated in the guidelines, on June 25, 2020, staff presented the candidates to designees of the Metro Board Chair, Vice Chair and second Vice Chair.

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

Approving the recommended action brings no financial impact to the agency.

ALTERNATIVES CONSIDERED

Not approve the recommended members for the Committee and re-solicit applications. This is not recommended as it would increase the number of vacancies on the Committee and increase the likelihood of not obtaining the quorum necessary to review and discuss important Measure M matters. This may impact the ability to provide an enhanced level of accountability for expenditures of sales tax revenues made under the Expenditure Plan.

NEXT STEPS

Upon approval staff will schedule an orientation session for the selected members. In addition, staff will commence the recruitment process to fill a vacancy for subject area of expertise B; municipal

financial/budget professional as Carlos Bohorquez resigned on July 7, 2020.

ATTACHMENTS


Attachment A - Committee Membership Requirements

Attachment B - Selection Panel Guidelines

Prepared by: Lauren Choi, Interim Sr. Director, Audit, (213) 922-3926

Monica Del Toro, Audit Support Manager, (213) 922-7494

Reviewed by: Shalonda Baldwin, Interim Chief Auditor, (213) 418-3265



Phillip A. Washington
Chief Executive Officer

Measure M Independent Taxpayer Oversight Committee
Membership

Requirements:

Committee Members shall be comprised of seven (7) voting members representing the following professions or areas of expertise:

- A. A retired Federal or State judge
- B. A professional from the field of municipal/public finance and/or budgeting with a minimum of ten (10) years of relevant experience
- C. A transit professional with a minimum of ten (10) years of experience in senior-level decision making in transit operations and labor practices
- D. A professional with a minimum of ten (10) years of experience in management and administration of financial policies, performance measurements, and reviews
- E. A professional with demonstrated experience of ten (10) years or more in the management of large-scale construction projects
- F. A licensed architect or engineer with appropriate credentials in the field of transportation project design or construction and a minimum of ten (10) years of relevant experience
- G. A regional association of businesses representative with at least ten (10) years of senior-level decision making experience in the private sector

The intent is to have one member representing each of the specified areas of expertise. If, however, after a good faith effort, qualified individuals have not been identified for one (1) or more of the areas of expertise, then no more than two (2) members from one (1) or more of the remaining areas of expertise may be selected.

The members of the Committee must reside in Los Angeles County and be subject to conflict of interest provisions. No person currently serving as an elected or appointed city, county, special district, state, or federal public officeholder shall be eligible to serve as a member of the Committee.

The Committee members shall be subject to Metro's conflict of interest policies. The members shall have no legal action pending against Metro and are prohibited from acting in any commercial activity directly or indirectly involving Metro, such as being a consultant to Metro or to any party with pending legal actions against Metro during their tenure on this Committee. Committee members shall not have direct commercial interest

ATTACHMENT A

Measure M Independent Taxpayer Oversight Committee Membership

or employment with any public or private entity, which receives sales tax funds authorized by this Ordinance.

Each member of the Committee shall serve for a term of five (5) years, and until a successor is appointed, except that initial appointments may be staggered with terms of three (3) years. A Committee member may be removed at any time by the appointing authority. Term limits for Committee members will be staggered to prevent significant turnover at any one time. There is no limit as to the number of terms that a Committee member may serve. Members will be compensated through a stipend and they may choose to waive.

Any member may, at any time, resign from the Committee upon written notice delivered to the Metro Board. Acceptance of any public office, the filing of intent to seek public office, including a filing under California Government Code Section 85200, or change of residence to outside the County shall constitute a Member's automatic resignation.

**Selection Panel Guideline
Measure M Independent Taxpayer Oversight Committee**

Independent Taxpayer Oversight Committee Selection

I. Solicitation/Outreach

Metro's Communications Department will be responsible for developing an outreach plan to solicit applicants for the Measure M Independent Taxpayer Oversight Committee which requires the following seven (7) areas of expertise:

- A. A retired federal or state judge.
- B. A professional from the field of municipal/public finance and/or budgeting with a minimum of ten (10) years of relevant experience.
- C. A transit professional with a minimum of ten (10) years of experience in senior-level decision making in transit operations and labor practices.
- D. A professional with a minimum of ten (10) years of experience in management and administration of financial policies, performance measurements, and reviews
- E. A professional with demonstrated experience of ten (10) years or more in the management of large-scale construction projects.
- F. A licensed architect or engineer with appropriate credentials in the field of transportation project design or construction and a minimum of ten (10) years of relevant experience.
- G. A regional association of businesses representative with at least ten (10) years of senior-level decision making experience in the private sector.

Management Audit Services will partner with Information Technology Services and Communications in the maintenance and update of the Independent Taxpayer Oversight Committee Webpage that links to the Measure M website. The Independent Taxpayer Oversight Committee Webpage will include the purpose, responsibilities, membership of the Committee including eligibility requirements as stipulated in the Ordinance, vacancies and recruitment information at a minimum. The website will also include links to the full Ordinance and online application; as well as a centralized email address for applicant inquiries. Inquiries on the application will be forwarded to the respective department or personnel and response time will be within three to five business days.

II. Application Process

Management Audit Services in partnership with various business units within Metro will develop the draft application questions for the Selection Panel's input and approval. Once approved, the questions will be converted to an online application. The online application and bulletin will be approved by the Selection Panel prior to posting on the Independent Taxpayer Oversight Committee Webpage which links to the Measure M website. The application will be open to the public for at least sixty (60) days to allow for adequate outreach.

III. Collection of Applications

Submitted application forms will be collected using the online application process approved by the Selection Panel. At the end of at least the 60 day period of online application process, a summary of applications received together with the completed

**Selection Panel Guideline
Measure M Independent Taxpayer Oversight Committee**

applications and associated attachments will be turned in to the Selection Panel within seven business days after the online application closes. The summary will include but will not be limited to:

1. Total applicants received including areas of expertise that they applied for,
2. Total applicants that meet the eligibility requirements per area of expertise applied for, and
3. Total applicants that did not meet the eligibility requirements per area of expertise applied for.

IV. Selection Panel's Review of Applications

The Selection Panel, which will consist of Metro's Board Chair, Vice Chair, and second Vice Chair or designees, will be responsible for reviewing applications received from eligible applicants and for screening the applicants. The Panel shall recommend potential candidates for the Independent Taxpayer Oversight Committee membership to the Metro Board for approval. The successful candidates will receive notification from the Selection Panel at least three weeks prior to Metro Board Meeting.

V. Board Approval

Once the Selection Panel recommends the final candidates, it will be added as an agenda item for the Metro Board Meeting. The recommended candidates for Independent Taxpayer Oversight Committee Membership shall be approved by the Metro Board by a simple majority.

VI. Term

Each member of the Independent Taxpayer Oversight Committee shall serve for a term of five (5) years, and until a successor is appointed, except that initial appointments may be staggered with terms of three (3) years. A Committee member may be removed at any time by the appointing authority. Term limits for Committee members will be staggered to prevent significant turnover at any one time. There is no limit as to the number of terms that a Committee member may serve.

Six (6) months prior to expiration of term, the Selection Panel will convene to determine if there is any need to replace any of the Committee members. The Selection Panel will also confirm whether the incumbent Committee members still wish to serve for additional term(s).

VII. Compensation

Members will be compensated through a stipend, the amount of which is approved by the Metro Board. Members may choose to waive stipend.

VIII. Resignation/Replacement of Committee Members

Any member may, at any time, resign from the Committee upon written notice delivered to the Metro Board. Acceptance of any public office, the filing of intent to seek public office,

**Selection Panel Guideline
Measure M Independent Taxpayer Oversight Committee**

including a filing under California Government Code Section 85200, or change of residence to outside Los Angeles County shall constitute a Member's automatic resignation.

The filling of membership vacancies, due to removals and reappointments will follow the above procedures in this Guideline.

IX. Committee Orientation

Management Audit Services will work with various departments to prepare an orientation handbook and presentation will conduct the orientation at least one month prior to the first scheduled Independent Taxpayer's Oversight Committee.

X. Establishment of Committee Officers and Bylaws

Subsequent to the orientation, the Independent Taxpayer's Oversight Committee may elect to develop their own bylaws including rules for the establishment of Committee Officers (e.g. Chair, Vice Chair, etc.) including a rotation schedule for these positions.



Board Report

File #: 2020-0413, File Type: Contract

Agenda Number: 13.

PLANNING AND PROGRAMMING COMMITTEE AUGUST 19, 2020

SUBJECT: METRO BIKE HUB OPERATIONS AND MAINTENANCE

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

AUTHORIZING the Chief Executive Officer to award Contract No. PS63912000 to BikeHub (dba BikeHub/Tranzito) for a firm fixed price of \$572,680 for a two-year base, and a two-year option term in an amount of \$497,892, for a total amount of \$1,070,572, effective September 22, 2020.

ISSUE

Metro operates group bicycle parking facilities known as Metro Bike Hubs. Facilities include locations at the El Monte Transit Center, Hollywood/Vine Red Line Station, Union Station, Culver City Expo Line Station and Willowbrook/Rosa Parks, opening fall 2020. The current contract to operate and maintain these facilities ends September 21, 2020. Therefore, a new contract award is needed to ensure continued services without interruption for Metro Bike Hub locations.

BACKGROUND

The Metro Bike Hub program provides 24/7, high-capacity bike parking in a secure, monitored, controlled-access environment at key transit locations for a nominal membership fee. Each bike parking facility accommodates at least 50 bicycles and includes 2-tier bike parking racks, video monitoring and a robust alarm system. Additional services may include retail, bike repairs, and bike rentals, which the contractor offers at some locations to lower operating costs. Metro Bike Hubs may also offer educational workshops coordinated by the contractor or in partnership with other Metro programs.

DISCUSSION

BikeHub/Tranzito is the incumbent and has been the contracted operator since 2015 when the program launched. The scope of their services includes tasks related to customer service, account registration, security, facility maintenance, and marketing. These functions are necessary to continue Metro Bike Hub operations and maintain a high level of service for users. This contract includes two

optional tasks: 1) to provide supplemental staffing resources; and 2) to update existing infrastructure to facilitate walk-up registrations and daily membership options. Currently, memberships are only available as 7-day, 30-day and 1-year passes.

Secure and available bicycle parking, as provided by this program, is a key strategy to promoting bikes-to-transit and supporting multimodal mobility in the region. Having secure and available bike parking encourages people to park their bikes at the station instead of bringing them on-board a transit vehicle. These facilities and the program provide transit users with a necessary first and last mile transit connection option.

Moreover, Metro Bike Hubs is designated as a transit program and therefore essential. It provides services to the Los Angeles County community and helps support mobility alternatives. This is especially the case now as the COVID-19 global pandemic continues to evolve, and this active transportation program continues to provide mobility options to essential workers.

Equity Platform

The contract award will allow for continued customer service, including conducting an annual customer satisfaction survey. In addition, this program provides a service to historically disadvantaged communities. These activities support Pillar II. Listen and Learn as well as Pillar III. Focus and Deliver.

DETERMINATION OF SAFETY IMPACT

Approval of the Metro Bike Hub Operations and Maintenance contract award will improve Metro's safety standards by ensuring the continued operation of secure bike parking facilities.

FINANCIAL IMPACT

Approval of this recommendation will not impact the FY 2021 budget, since funding for this contract is already included under Project 308012 (Bike Hub/Lockers O&M), Cost Center 4320 (Bike Share Planning and Implementation). Since this is a multi-year project, the cost center Manager and Chief Planning Officer will be accountable for budgeting the cost in future years. In addition, staff is exploring strategies to reduce future costs and increase revenue at several locations through the establishment of community partnerships and the expansion of retail space.

Impact to Budget

The funding source for this action is Proposition C 25% Streets & Highway. These funds are not eligible for bus and rail operating and capital expenditures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following strategic plan goals:

1. Provide high-quality mobility options that enable people to spend less time traveling;
2. Deliver outstanding trip experiences for all users of the transportation system; and

3. Enhance communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

The Board could choose not to award the contract and allow the current contract to end on September 21, 2020. This would discontinue core functions of the Metro Bike Hub program including customer service, regular auditing of the interior bicycle parking area, and responding to door alarm alerts. This would compromise the security of Metro Bike Hub facilities and impact customer experience.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS63912000 with Bike Hub/Tranzito for Metro Bike Hubs operations and maintenance.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

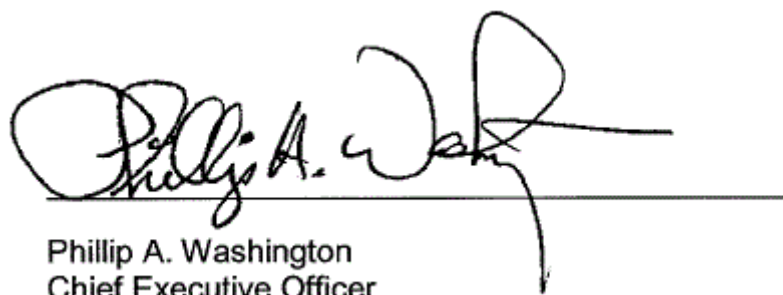
Prepared by: Paula Carvajal-Paez, Senior Director, Countywide Planning & Development, (213) 922-4258

Frank Ching, DEO, Countywide Planning & Development, (213) 922-3033

Holly Rockwell, SEO - Real Estate, Transit Oriented Communities and Transportation Demand Management, (213) 922-5585

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

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



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

BIKE HUB OPERATIONS AND MAINTENANCE/PS63912000

| | | |
|----|---|--|
| 1. | Contract Number: PS63912000 | |
| 2. | Recommended Vendor: BikeHub (dba: BikeHub/Tranzito) | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order | |
| 4. | Procurement Dates: | |
| | A. Issued: July 1, 2019 | |
| | B. Advertised/Publicized: July 1, 2019 | |
| | C. Pre-Proposal Conference: July 10, 2019 | |
| | D. Proposals Due: August 7, 2019 | |
| | E. Pre-Qualification Completed: October 23, 2019 | |
| | F. Conflict of Interest Form Submitted to Ethics: August 14, 2019 | |
| | G. Protest Period End Date: August 25, 2020 | |
| 5. | Solicitations Picked up/Downloaded: 23 | Proposals Received: 1 |
| 6. | Contract Administrator: Lily Lopez | Telephone Number: (213) 922-4639 |
| 7. | Project Manager: Paula Carvajal-Paez | Telephone Number: (213) 922-4258 |

A. Procurement Background

This Board Action is to approve Contract No. PS63912000 issued to support the operations of secure-access, group bicycle parking facilities known as Metro Bike Hubs for a two-year base term with one, two-year option term. Metro Bike Hub facilities are designed to offer self-serve unattended group bicycle parking facilities with attended service capabilities. Self-serve refers to registered users that access a securely controlled room to lock their bike to a bike rack at their convenience. Self-serve bicycle parking shall be available at all Metro Bike Hubs allowing 24/7 access. Attended services refers to staffing at a location during specified times where services may include, but not be limited to, customer service, check-in bike parking, bicycle repair/service, limited retail sale of bicycle parts and bicycle rental, and trip planning. Board approval of contract award is subject to resolution of all properly submitted protest(s).

The Request for Proposals (RFP) was issued under the Small Business Enterprise Prime (Set-Aside) Program in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

No amendments were issued during the solicitation phase of this RFP.

A pre-proposal conference was held on July 10, 2019, attended by two participants representing two firms. Six questions were asked during the solicitation phase. A total of 32 firms downloaded the RFP and were included in the planholders list.

One proposal was received on August 7, 2019 from BikeHub. A market survey was conducted of planholders that did not submit a proposal to ascertain the reason(s) for non-submittal. Fifteen responses were received. Reasons given for not submitting proposals included unfamiliar with operating and maintaining bike lockers, not having the experience or manpower to pursue the project, and firm's capabilities did not align with requested services.

B. Evaluation of Proposal

The Proposal Evaluation Team (PET) consisting of staff from Metro's Countywide Planning and Facilities Maintenance was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights:

- Experience 15%
- Project Team 15%
- Project Plan 30%
- Cost Reduction Strategies 10%
- Systemwide Access Control Redevelopment 10%
- Cost 20%

Several factors were considered when developing these weights, giving the greatest importance to Project Plan. The PET evaluated the proposal according to the pre-established evaluation criteria.

On August 15, 2019 the PET completed its independent evaluation of the proposal and determined that the firm was qualified to perform the required services.

Qualifications Summary of Firm within the Competitive Range:

BikeHub (dba: BikeHub/Tranzito) is a Metro-certified SBE firm with demonstrated experience in designing and operating bike transit programs such as secure bike parking, bike share and mobility hubs. BikeHub's proposed approach is comprehensive and provides a clear plan to provide the required services. Their previous experience with Metro projects and their role as the incumbent contractor has equipped BikeHub for this work effort and places them in an ideal position to benefit both from their knowledge of the current operations as well as affording them the opportunity to enhance their services through innovation.

A summary of the PET scores is provided below:

| 1 | Firm | Average Score | Factor Weight | Weighted Average Score | Rank |
|---|---|---------------|----------------|------------------------|----------|
| 2 | BikeHub | | | | |
| 3 | Experience | 93.33 | 15.00% | 14.00 | |
| 4 | Project Team | 86.67 | 15.00% | 13.00 | |
| 5 | Project Plan | 82.23 | 30.00% | 24.67 | |
| 6 | Cost Reduction Strategies | 86.70 | 10.00% | 8.67 | |
| 7 | Systemwide Access Control Redevelopment | 85.00 | 10.00% | 8.50 | |
| 8 | Cost | 100.00 | 20.00% | 20.00 | |
| 9 | Total | | 100.00% | 88.84 | 1 |

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon a technical analysis, a cost analysis, fact finding, and negotiations.

| | Proposer Name | Proposal Amount | Metro ICE | Negotiated Amount |
|----|---------------|-----------------|-------------|-------------------|
| 1. | BikeHub | \$1,101,242 | \$2,194,551 | \$1,070,573 |

The independent cost estimate (ICE) was developed with the assumption of higher labor rates for each of the classifications needed to fulfill the services required. Additionally, the cost of redeveloping access control was estimated at a higher amount as it assumed that the access control hardware would need to be replaced; however, BikeHub was able to retrofit the existing equipment which resulted in a cost savings. Lastly, due to the unique attributes of the project, some future location(s) may not require staffing which yielded a cost reduction in labor.

Based on the fact finding/statement of work discussion, BikeHub made a \$30,869 reduction to the overall price as there were savings identified in travel and other direct costs.

D. Background on Recommended Contractor

The recommended firm, BikeHub located in Alameda, California, and founded in 2004, specializes in planning, building, and operating bicycle transit projects for

transit agencies, corporations, and developers. BikeHub is the incumbent on the existing Metro Bike Hub contract awarded in September 2014, and has performed satisfactorily.

DEOD SUMMARY

BIKE HUB OPERATIONS AND MAINTENANCE / PS63912000

A. Small Business Participation

Effective June 2, 2014, per Metro’s Board-approved policy, competitive acquisitions with three or more Small Business Enterprise (SBE) certified firms within the specified North American Industry Classification System (NAICS) as identified for the project scope shall constitute Small Business Set-Aside procurement. Accordingly, the Contract Administrator advanced the solicitation, including posting the solicitation on Metro’s website, advertising, and notifying certified small businesses as identified by NAICS code(s) that this solicitation was open to SBE Certified Small Businesses Only.

Bike Hub (DBA: Tranzito), an SBE Prime, is performing 100% of the work with their own workforce.

| SMALL BUSINESS GOAL | SBE SET-ASIDE | SMALL BUSINESS COMMITMENT | 100% SBE |
|-----------------------------|--------------------------------------|---------------------------|--------------------|
| | | | |
| | SBE Subcontractors | | % Committed |
| 1. | Bike Hub (DBA: Tranzito) (SBE Prime) | | 100% |
| Total SBE Commitment | | | 100% |

B. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

C. Living Wage Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy 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

File #: 2020-0046, File Type: Informational Report

Agenda Number: 17.

PLANNING AND PROGRAMMING COMMITTEE AUGUST 19, 2020

SUBJECT: HIGH DESERT INTERCITY RAIL CORRIDOR SERVICE DEVELOPMENT PLAN
ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING programming of \$3 million of Measure M High Desert Multipurpose Corridor (HDMC) funds identified in the Expenditure Plan for Right-of-Way acquisition to be repurposed to develop an intercity rail corridor service development plan.
- B. APPROVING a life of project budget of \$5 million for the High Desert Intercity Rail Corridor Service Development Plan which includes \$375,000 of in-kind contributions by DesertXpress Enterprises, LLC.
- C. DELEGATING authority to the Chief Executive Officer or his designee to enter into a Memorandum of Understanding (MOU) and any subsequent extensions or amendments with the Los Angeles County Department of Public Works to memorialize terms and conditions to advance \$1.5 million of Supervisorial 5th District Proposition A Local Return Transit Program discretionary funds to Metro to begin work on the High Desert Intercity Rail Corridor Service Development Plan and for Metro to repay the County of Los Angeles once the funding becomes available (Refer to Attachment C).
- D. AUTHORIZING the Chief Executive Officer to negotiate and execute all agreements to implement the High Desert Intercity Rail Corridor Service Development Plan.

ISSUE

The Los Angeles County Metropolitan Transportation Authority (Metro) in partnership with DesertXpress Enterprises, LLC (“DesertXpress”) and the California State Transportation Agency (CalSTA), and in coordination with the High Desert Corridor Joint Powers Authority, San Bernardino County Transportation Authority, Victorville, Adelanto, Apple Valley, Palmdale and Lancaster, are developing a new high speed intercity passenger rail service from the Virgin Trains USA Southern California Station in the Victor Valley to the Palmdale Transportation Center, utilizing the 54-mile long east-west rail alignment of the High Desert Multipurpose Corridor (HDMC). Staff is requesting approval of \$5 million of life of project authority to conduct a High Desert Intercity Rail Corridor

Service Development Plan, of which \$1.5 million will be advanced by the County of Los Angeles Department of Public Works to fund the first year of work in FY 21 and Metro will repay the County of Los Angeles once the Measure M funds are available. The life of project budget of \$5 million for the High Desert Intercity Rail Corridor Service Development Plan includes \$3 million of Measure M HDMC funds and a total of \$2 million in funding contributions from CalSTA and DesertXpress.

DISCUSSION

The High Desert Intercity Rail (HDIR) Corridor Service Development Plan will assess a critical link to connecting the cities of Las Vegas and Los Angeles by way of a new high speed intercity passenger rail service along a 54-mile east-west rail alignment from the future Virgin Trains USA Southern California Station in Victor Valley located in San Bernardino County to the current Palmdale Transportation Center located in Los Angeles County (shown in Attachment A). A new intercity passenger rail service is needed between Las Vegas and Los Angeles to enhance regional, intercity and interstate mobility in one of the most traveled corridors by automobiles. The Interstate 15 freeway (I-15) is a congested two-lane road for most of the California portion of the trip which results in gridlock congestion on the I-15 on weekends and during special events. There are approximately 56 million annual trips by air and automobiles that travel between Las Vegas and Southern California, including 26.3 million trips between Los Angeles and Las Vegas, most of which are automobile trips to/from Las Vegas along the I-15 freeway.

The HDIR Corridor Service Development Plan from Victor Valley to Palmdale will study the operation of a two-seat ride, at speeds of up to 180 miles per hour, linking Las Vegas to the Victor Valley area to Palmdale, with transfers to/from the existing Metrolink Antelope Valley Line commuter rail service to Los Angeles Union Station, in addition to feeder bus services and vehicular access provided at the Palmdale Transportation Center. A future one-seat ride scenario from Las Vegas to Los Angeles Union Station (LAUS) will also be assessed presuming ultimate completion of the California High Speed Rail project segments of Palmdale to Burbank and Burbank to LAUS.

Consistent with the Measure M Expenditure Plan (see footnote q), staff is seeking Board authorization to repurpose and program \$3 million of the Measure M High Desert Multipurpose Corridor (HDMC) funds, identified in the Expenditure Plan for Right-of-Way acquisition, for execution of the HDIR Corridor Service Development Plan.

The HDIR Corridor Service Development Plan will consist of but not be limited to: up to 15 percent preliminary engineering design, third party and legal costs, rail propulsion technologies, financial planning with cost benefit analysis of potential ridership, travel demand forecasting, economic and market analysis and revenue forecasting.

DesertXpress Enterprises LLC, an affiliate of Virgin Trains USA

The HDIR Corridor Service Development plan builds on approximately \$4.8 billion investment by DesertXpress Enterprises LLC, an affiliate of Virgin Trains USA, to build a high-speed rail service along 190 miles from Las Vegas to Victor Valley. Construction for the Las Vegas to Victor Valley line is expected to begin in the second half of 2020 and be completed by 2023 (see Attachment B).

Virgin Trains USA is a majority owner of Virgin Trains USA Florida, formerly known as Brightline, which currently owns and operates an express passenger rail system that runs from Miami to West Palm Beach. Virgin Trains USA is currently building a \$4 billion extension of that line to Orlando International Airport with an estimated completion in 2022.

FINANCIAL IMPACT

The \$1.5 million required in fiscal year 2021 is included in the proposed budget, to be adopted through the September board meeting. The funds for this will be provided by County of Los Angeles from Supervisorial 5th District Proposition A Local Return Transit Program discretionary funds. This is to be ultimately repaid and the terms of which will be detailed in the MOU. Since this is a multi-year project, the cost center manager, project manager, and Chief Program Management Officer is responsible for budgeting future costs.

Impact to Budget

The life of project budget of \$5 million to develop the HDIR Service Development Plan including up to 15% design will be funded in the following manner: \$1.375 million in 2018 Transit Intercity Rail Capital Plan State grant under the Network Integration category awarded to Metro in April 2018, \$625,000 from DesertXpress (comprising of \$250,000 in cash and \$375,000 of in-kind contributions, refer to Attachment D) and \$3 million in Measure M High Desert Multipurpose Corridor funds, of which \$1.5 million in Supervisorial 5th District Proposition A Local Return Transit Program discretionary funds will be advanced by the County of Los Angeles to Metro to begin work in FY 21 on the HDIR Corridor Service Development Plan, and will be repaid by Metro to the County of Los Angeles once the funding becomes available (Refer to Attachment C). With the in-kind contributions by DesertXpress of \$375,000, the total expenditure required is \$4.625 million. These funds are not eligible for Metro operations.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan goals 1, 3 and 4. This study supports Metro's partnership with other rail operators to improve service reliability and mobility, provide better transit connections throughout the network and serves to implement the following specific strategic plan goals:

- Goal 1.2: Improve LA Country's overall transit network and assets;
- Goal 3.3: Genuine public and community engagement to achieve better mobility outcomes for the people of LA County; and
- Goal 4.1: Metro will work with partners to build trust and make decisions that support the goals of the Strategic Plan.

ALTERNATIVES CONSIDERED

The alternative would be for the Board to not program funds for the High Desert Intercity Rail Corridor Service Development Plan. This is not recommended as the region would lose an opportunity to advance an important connectivity to the regional rail network with Los Angeles Union Station as the

destination. Additionally, this study allows for the project to be more competitive for future state and federal grants.

NEXT STEPS

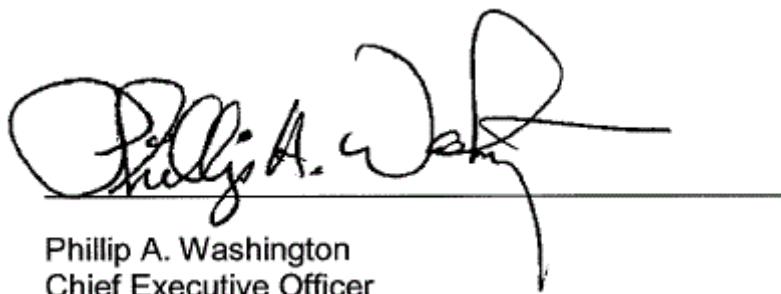
With Board approval of the staff recommendation, staff will issue a task order under the Regional Rail On-call Services by late Summer 2020. The HDMC project as designed is anticipated to be a public-private partnership. Staff may also seek federal and state grants and other funding opportunities for future phases of the project.

ATTACHMENTS

Attachment A - High Desert Intercity Rail Corridor Study Area
Attachment B - Virgin Trains USA Vicinity Map
Attachment C - Los Angeles County August 2020 Board Letter
Attachment D - DesertXpress Letter of Commitment, July 2020

Prepared by: Vincent Chio, Director, Regional Rail, (213) 418-3178
Jeanet Owens, Senior Executive Officer, Regional Rail (213) 418-3189

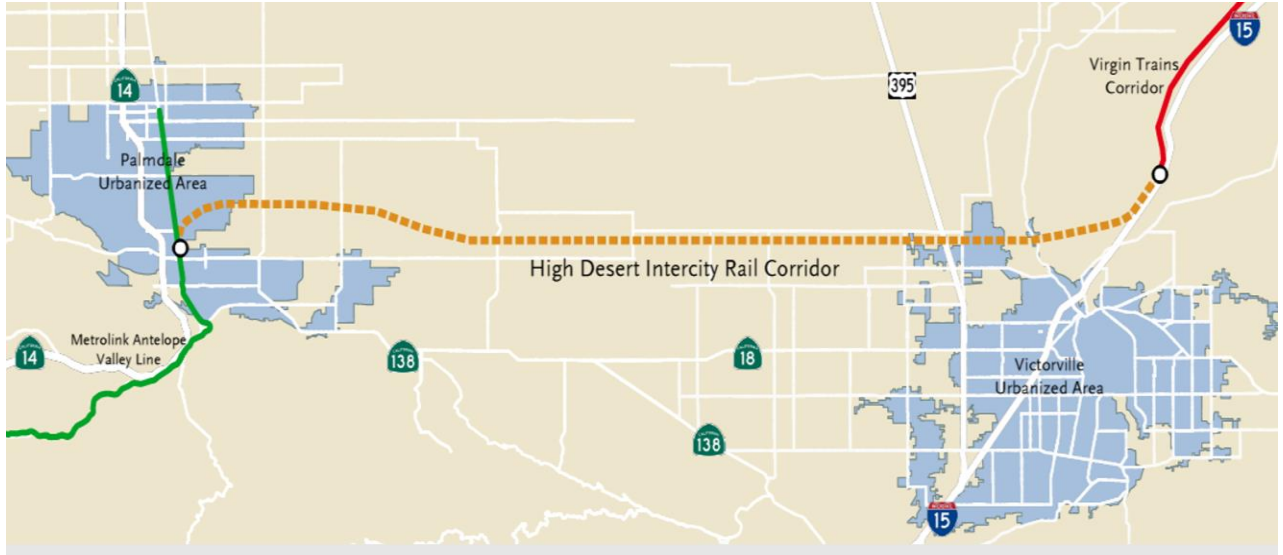
Reviewed by: Richard Clarke, Chief Program Management Officer, (213) 922-7557



Phillip A. Washington
Chief Executive Officer

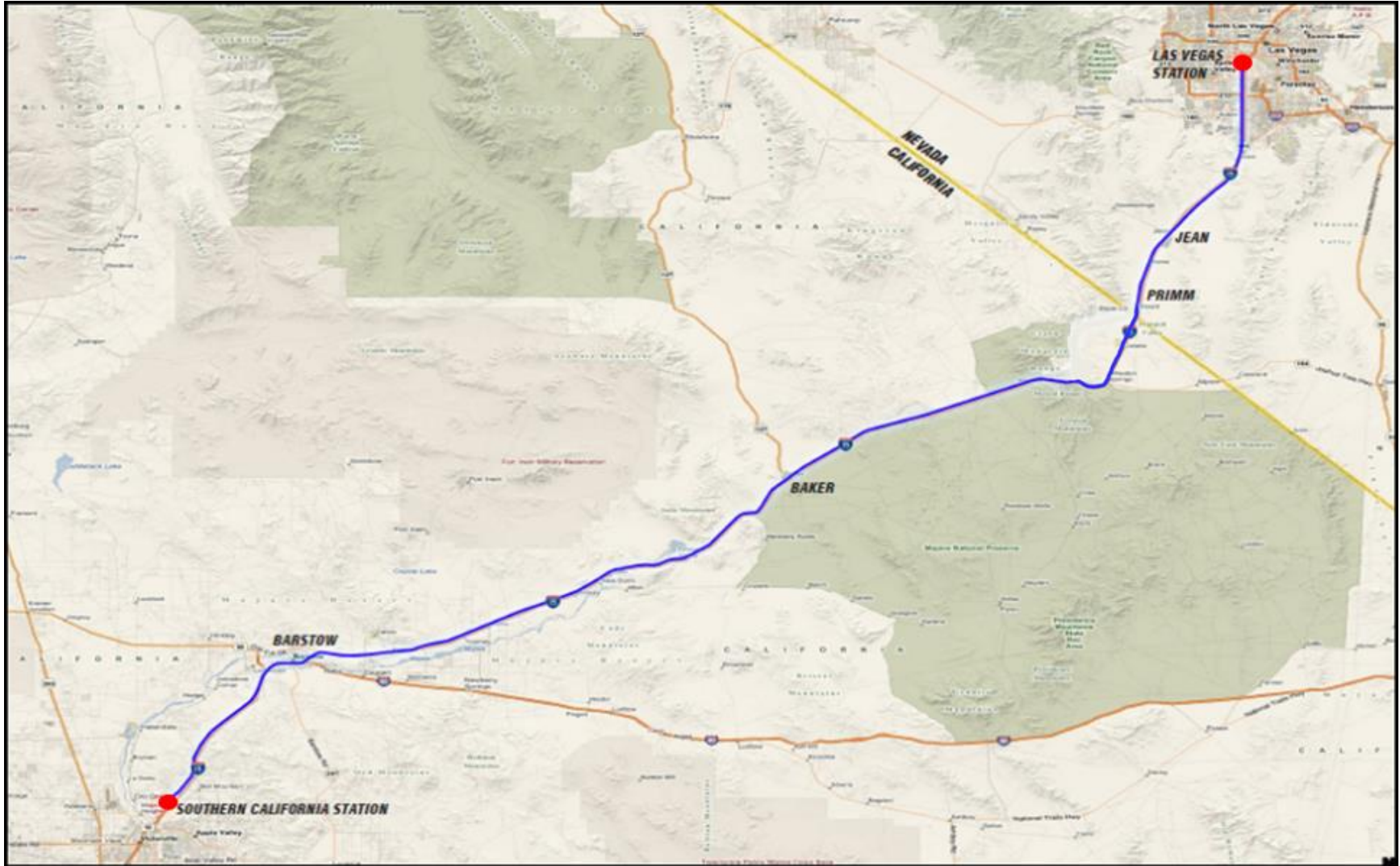
ATTACHMENT A

HIGH DESERT INTERCITY RAIL CORRIDOR STUDY AREA



ATTACHMENT B

Virgin Trains USA Vicinity Map



ATTACHMENT C



MARK PESTRELLA, Director

COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE
REFER TO FILE

August 04, 2020

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**TRANSPORTATION CORE SERVICE AREA
DELEGATE AUTHORITY TO ENTER INTO MEMORANDA OF UNDERSTANDING AND ANY
SUBSEQUENT EXTENSIONS OR AMENDMENTS BETWEEN
LOS ANGELES COUNTY AND LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY
FOR THE HIGH DESERT CORRIDOR PROJECT
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)**

SUBJECT

Public Works is seeking Board approval to delegate authority to the Director of Public Works or his designee to enter into a Memoranda of Understanding and any subsequent extensions or amendments with Metro to advance \$1,500,000 from the Fifth Supervisorial District's Proposition A Local Return Transit Program in the Transit Operations Funds in Fiscal Year 2020-21; and to fund a portion of the cost of the professional services contract for a High Desert Intercity Rail Corridor Service Development Planning Study from the future Virgin Train USA Southern California Station in the Victor Valley to the proposed Palmdale Transportation Center along a 54-mile-long west-east rail alignment along the High Desert Corridor.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are not a project or, alternatively, are exempt from the California Environmental Quality Act for the reasons stated in this letter and in the record.
2. Delegate authority to the Director of Public Works or his designee to enter into a Memoranda of Understanding and any subsequent extensions or administrative amendments with no financial change, with Metro to memorialize terms and conditions for County to advance \$1,500,000 from the

Fifth Supervisorial District's Proposition A Local Return Transit Program in the Transit Operations Fund in Fiscal Year 2020-21 to Metro to fund a portion of the cost of the professional services contract for a High Desert Intercity Rail Corridor Service Development Planning Study and for Metro to repay the County from the High Desert Corridor Measure M allocation once the funding and budget authority becomes available.

3. Approve and instruct the Director of Public Works or his designee to disburse \$1,500,000 from the Fifth Supervisorial District's Proposition A Local Return Transit Program in the Transit Operations Fund in Fiscal Year 2020-21 to Metro to fund a portion of the cost of the professional services contract for the High Desert Intercity Rail Corridor Service Development Planning Study.

4. Authorize the Director of Public Works or his designee to receive Metro funding reimbursement of \$1,500,000 from the High Desert Corridor Measure M allocation to fund the professional services contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find that they are not a project, or alternatively, are exempt from the California Environmental Quality Act (CEQA) and authorize the Director of Public Works to enter into an Memoranda of Understanding (MOU) and any subsequent extensions or administrative amendments with no financial impact, with Metro providing for the County to advance \$1,500,000 of the Fifth Supervisorial District's (SD5) Proposition A Local Return Transit Program in the Transit Operations Fund in Fiscal Year 2020-21 to Metro to fund a portion of the cost of the professional services contract for the High Desert Intercity Rail Corridor Service Development Planning Study (HDIRCSPS). It will further authorize the Director of Public Works to disburse such funds to Metro and receive reimbursement for it. This advancement in funding is needed by Metro to continue its work to advance the rail component of the proposed High Desert Corridor (HDC) transportation project.

The HDC was officially designated in Section 1304 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A legacy for users as a high priority corridor on the National Highway System from Los Angeles to Las Vegas via Palmdale and Victorville.

In March 2017 the HDC Rail Ridership and Revenue Forecast results revealed a significant demand for high speed rail service from Southern California to Las Vegas. The corridor from Southern California to Las Vegas is currently one of the most heavily traveled routes in America with more than 23 million people traveling annually by road between Southern California and Las Vegas. The 90 percent of the travelers from Southern California going to Las Vegas travel by automobiles. A new intercity passenger rail service will provide a new option for interstate travel from Southern California which will help reduce the growing congestion on Interstate 15 and the connecting east-west freeways. It is an important component in our regional effort to improve mobility, freight movement, and interstate travel.

On September 18, 2018, the High Desert Corridor Joint Powers Authority (HDCJPA), of which the County is a member, prioritized the advancement of the rail component of the proposed HDC transportation project. The HDCJPA approved sponsoring Virgin Train USA's request for the California Infrastructure Economic Development Bank to issue private activity bonds for the proposed XpressWest project, which includes the design, construction, and operation of a high speed rail line between Las Vegas and Victorville, and entered into a contract with Transportation

Solutions to obtain a final record of decision from the Federal Railroad Administration. The record of decision is a precondition to acquiring right of way parcels for the HDC rail portion of the project.

Subsequently, in October 2019, Metro, in partnership with California State Transportation Agency, Virgin Train USA's, and the San Bernardino County Transportation Authority submitted an application for a Consolidated Rail Infrastructure and Safety Improvements Program discretionary grant for a HDIRCSPS. The grant application was not successful and Metro, consistent with HDCJPA's desire to move forward with the rail component of the HDC project, is proposing to move forward with the HDIRCSPS using other grants and Measure M funds. Currently, due to COVID-19 impact on Metro's funding, they are not able to proceed with funding the contract for this planning effort. It is anticipated that Metro will reimburse the County by December 2023 pending availability of funding.

The County's commitment to advance \$1,500,000 from the Proposition A Local Return Transit Program funds to fund the cost of the professional services contract for the proposed HDIRCSPS is needed to continue to advance the rail component of the HDC project. Metro will repay the County from the HDC Measure M allocation once the funding and budget authority becomes available, which is anticipated in Fiscal Year 2023-24.

The proposed HDIRCSPS is anticipated to be completed in the spring of 2023.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: Strategy III.3, Pursuing Operational Effectiveness, Fiscal Responsibility, and Accountability. The recommended actions will improve the quality of life for the residents of the Antelope Valley by providing funds for work that will further the development of the rail component of the HDC transportation project and ultimately enhance regional, intercity and interstate mobility, and increase frequency and reliability of intercity passenger rail service.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

County's advancement of funds to fund a portion of the cost of the professional services contract for the proposed HDIRCSPS is estimated at \$1,500,000. Sufficient funding is available in SD5's Proposition A Local Return Transit Program in the Transit Operations Fund Fiscal Year 2020-21 Budget. The study will be funded with \$1,500,000 of SD5's Proposition A Local Return funds and \$1,500,000 will be reimbursed from Metro anticipated in Fiscal Year 2023-24.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

County Counsel will approve the MOU as to form prior to execution of the contract. Once the MOU is fully executed, a copy will be provided to the Chief Executive Office.

ENVIRONMENTAL DOCUMENTATION

The recommended actions are not a project under Section 21065 of the Public Resources Code and Section 15378(b)(5) of the State CEQA Guidelines and are excluded from the definition of a project because they involve organizational or administrative activities of government that will not result in

direct or indirect physical changes in the environment. In the alternative, the actions are exempt from the provisions of CEQA pursuant to Section 15262 of the State CEQA Guidelines since they consist of feasibility or planning studies for possible future actions which the Board has not approved, adopted or funded and for which environmental factors have been considered.

By approving the funding for the study for potential future proposed project, the County does not commit to or otherwise endorse, authorize, or approve any specific project. Any future recommendations on any proposed development remain subject to the Board's sole discretion to approve, deny, or modify a proposed project and to consider factors that would accompany CEQA review. Authorization of any future proposed project activities would occur only following compliance with CEQA and the department will return to the Board for consideration of appropriate environmental documentation.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the County Clerk pursuant to Public Resources Code Section 21152.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed HDIRCSPS is of general County interest. There will be no impact on current services or projects.

CONCLUSION

Please return one adopted copy of this letter to Public Works, Transportation Planning and Programs Division.

Respectfully submitted,



MARK PESTRELLA

Director

MP:MER:yr

- c: Chief Executive Office (Chia-Ann Yen)
- County Counsel (Warren Wellen)
- Executive Office

ATTACHMENT D

July 9, 2020

Mr. Philip Washington
CEO
LA Metro
One Gateway Plaza
Los Angeles, CA 90012-2952

Re: High Desert Intercity Rail Corridor Development Plan

Dear Mr. Washington,

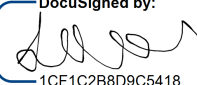
DesertXpress Enterprises, LLC (“DesertXpress”) is pleased to partner with the Los Angeles County Metropolitan Transportation Authority (LA Metro as the lead agency), San Bernardino County Transportation Authority (SBCTA) and California State Transportation Agency (CalSTA) to develop the High Desert Intercity Rail Corridor Service Development Plan (Project) between the City of Palmdale in Los Angeles County and DesertXpress’s planned station in the Victor Valley in San Bernardino County.

Please consider this letter of support as our commitment to provide matching funds in the amount of \$250,000 and an additional \$375,000 of in-kind support towards the Project. In-kind support will include support for engineering, operations planning, financial modeling, stakeholder outreach, and the development of a funding plan. These services would otherwise need to be contracted to a third-party by LA Metro.

By leveraging the substantial private investment DesertXpress is making in rail infrastructure in California, and by connecting to our planned intercity high-speed rail system, LA Metro as the lead agency seeks to expand connectivity into Los Angeles County to create new economic, environmental and transportation benefits. The public-private partnership between LA Metro, SBCTA, CalSTA and DesertXpress is a model for transportation investment and we strongly encourage your favorable consideration of LA Metro's application.

We look forward to working with LA Metro to enhance mobility throughout Southern California.

Sincerely,

DocuSigned by:

1CF1C2B8D9C5418...
Sarah Watterson
President

High Desert Corridor Service Development Plan



Los Angeles County Metropolitan Transportation Authority (LA Metro), in partnership with California State Transportation Agency (CalSTA) and Virgin Trains USA (VTUSA) working with the HDC JPA, San Bernardino County Transportation Authority (SBCTA) and the cities of Victorville, Adelanto, Apple Valley, Lancaster and Palmdale is proposing to prepare [High Desert Corridor Service Development Plan](#) to assess a new intercity passenger high speed rail service from the VTUSA Southern California Station in the Victor Valley to the Palmdale Transportation Center along a 54-mile-long west-east rail alignment along the High Desert Corridor, subject to Metro Board approval in August 2020.

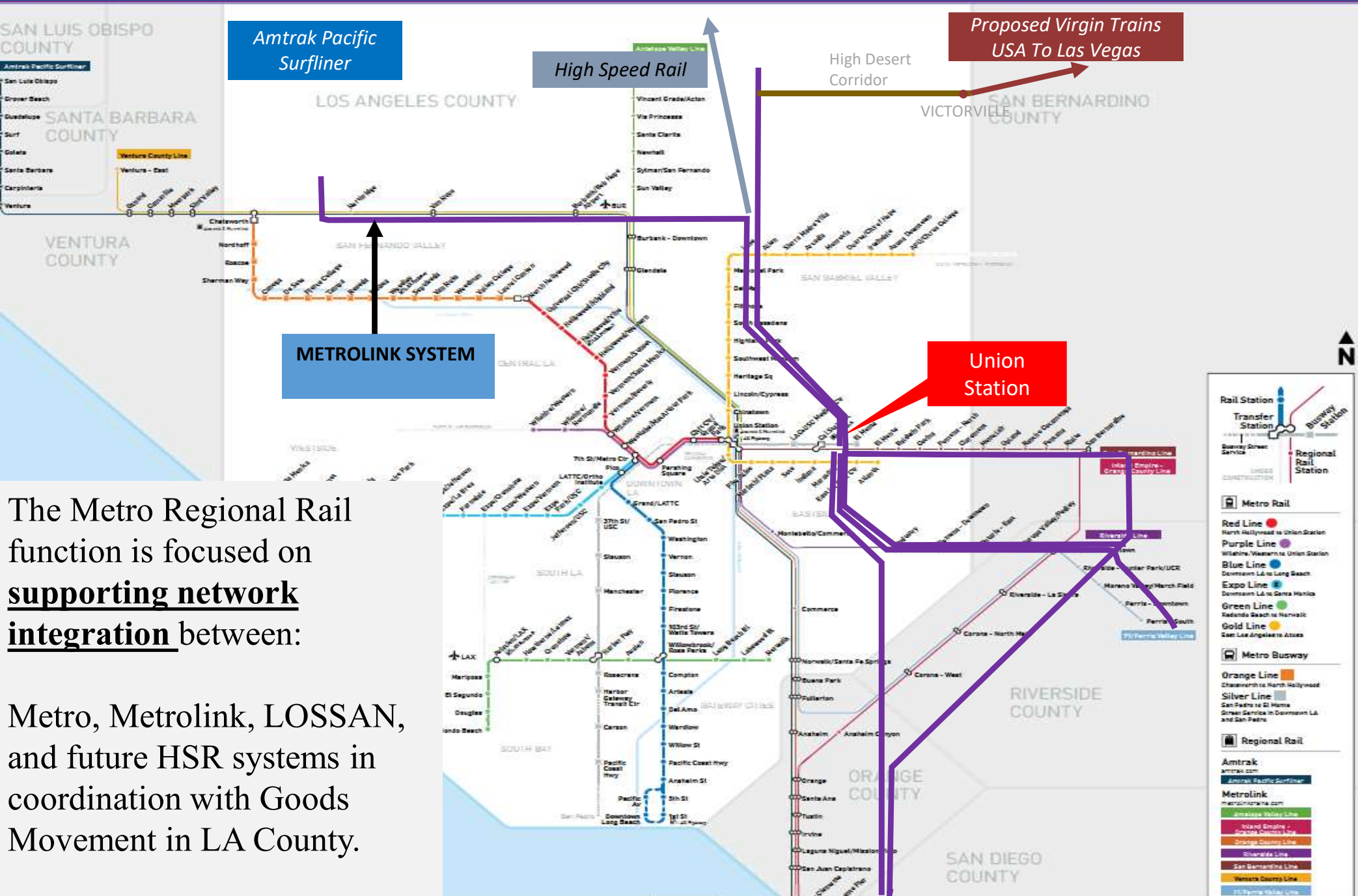
High Desert Corridor Service Development Plan

Preliminary Scope of Work:

- Up to 15 percent preliminary design plans
- railroad operations, safety and maintenance plans,
- On-board travel time
- Rail modeling and simulation analysis
- Equipment fleet planning
- Station and access analysis
- Right-of-way impacts
- Rail propulsion technologies
- Financial model and grant funding support
- Rail network phasing integration with existing, planned rail services including first and last-mile opportunities.
- Financial planning with cost-benefit analysis of potential ridership, travel demand forecasting, economic and market analysis and revenue forecasting to be provided by VTUSA.



Metro Regional Rail focus on Network Integration



The Metro Regional Rail function is focused on supporting network integration between:

Metro, Metrolink, LOSSAN, and future HSR systems in coordination with Goods Movement in LA County.

High Desert Corridor Service Development Plan

PROPOSED FUNDING PLAN- from \$3.5 million up to \$5 million

- 1. DesertXpress Enterprises, LLC (aka "Virgin Train USA") - \$625,000**
 - Cash: \$250,000
 - In-kind Service: \$375,000
- 2. Transit Intercity Rail Capital Program, Integration Study - \$1,375,000**
- 3. Measure M, High Desert Corridor – up to \$3 million**
 - County Dept. Public Works, Supervisorial District 5 Discretionary Prop A Transit Fund-**\$1.5 million will be advance to cover the FY 21 costs**



(Subject to funding availability)
Metro





Board Report

File #: 2020-0410, File Type: Agreement

Agenda Number: 19.

PLANNING AND PROGRAMMING COMMITTEE AUGUST 19, 2020

SUBJECT: WESTLAKE/MACARTHUR PARK JOINT DEVELOPMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to execute an Exclusive Negotiations Agreement and Planning Document (ENA) with the Walter J Company (Proposer) for the joint development of Metro-owned property at the Westlake/MacArthur Park Station (Site) for a period of eighteen (18) months, with an option to extend up to twelve (12) additional months.

ISSUE

In June 2020, the Proposer submitted a revised Phase 2 unsolicited joint development proposal (Revised Phase 2 Proposal) for the development of the Site and adjacent property owned by the Proposer. In response to Planning and Programming Committee input, the Revised Phase 2 Proposal increases the percentage of income-restricted units (up to 80% of AMI) provided from 18% to 25% and dedicates another 10% to workforce housing. The Revised Phase 2 Proposal also strengthens community outreach through a Project Advisory Task Force to ensure a mechanism for continued feedback on the project. An ENA will allow further due diligence and community engagement to negotiate terms for a potential Joint Development Agreement (JDA) and Ground Lease.

BACKGROUND

Metro received an unsolicited joint development proposal (Initial Proposal) from the Proposer in December 2017. In accordance with the Joint Development Unsolicited Proposals Policy (JD UP Policy), an evaluation committee composed of Metro staff from Joint Development, Operations, and Program Management reviewed the Initial Proposal and determined that it warranted additional consideration.

Consequently, the Proposer was invited to submit a more detailed proposal, which was received in August 2018 (Phase 2 Proposal). The Phase 2 Proposal was brought to the Planning and Programming Committee in February 2020. At the meeting, several Directors expressed a desire to see an increase in the number of affordable housing units and ensure there was robust community engagement. The Proposer acknowledged the Directors' concerns and addressed them in the

Revised Phase 2 Proposal, which was submitted to Metro in June 2020.

DISCUSSION

The Revised Phase 2 Proposal includes redevelopment of the existing Metro plaza in conjunction with the construction of two high-rise buildings on two adjacent lots owned by the Proposer (see Attachment A). The plaza improvements would enhance connectivity and transit access throughout the block. The following table outlines the changes from the Phase 2 Proposal that the Board considered in February 2020.

| | Phase 2 Proposal Feb 2020 | % | Revised Phase 2 Proposal June 2020 | % |
|------------------------------|------------------------------|-------------|---------------------------------------|-------------|
| Total Apartments | 665 | 100% | 668 | 100% |
| Market Rate Apartments | 545 | 82% | 434 | 65% |
| Income-Restricted Apartments | 120 | 18% | 234 | 35% |
| Very Low (30 - 50% AMI*) | 0 | -- | 66 | 10% |
| Low (50 - 80% AMI) | 120 | 18% | 66 | 10% |
| Workforce (120% - 150% AMI) | 0 | -- | 66 | 10% |
| Section 8 (0 - 50% AMI) | 0 | -- | 36 | 5% |
| Hotel Rooms | 252 | | 300 | |
| Commercial SF | 67,791 | | 124,058 | |
| Open Space SF | 75,679 | | no change | |
| Parking Spaces | 896 | | 775 | |

*Area Median Income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area, as determined annually by the Department of Housing and Urban Development (HUD), and adjusted for actual household size.

Findings

Upon completing the review of the Revised Phase 2 Proposal, the evaluation committee recommends that it be advanced for the following key reasons:

- 1. The inclusion of adjacent land enables a more substantial development project to overcome the challenges of the Site.** The Site is constrained by two station portals, an elevator, vent shafts, and a shallow station box that runs diagonal below the Site. These physical constraints make it challenging to build above the station and deliver transit-supportive densities. Prior proposals for the Site were unsuccessful due, in part, to the difficulty of development above the Site's transit infrastructure. The Proposer's two adjacent properties combined with the Metro-owned property create a unique opportunity to span the station box and provide a mixed-use project with a significant number of housing units adjacent to transit.
- 2. The project would provide more income-restricted units than could be developed by Metro on its own.** The Revised Phase 2 Proposal considers 168 affordable units (25% of total housing units) for residents earning between 0-80% of AMI spread throughout the two towers. In addition, the revised proposal introduces 66 workforce housing units (10% of total

housing units) targeting households earning between 120-150% of AMI. A prior proposal for the Metro property contemplated an 82-unit affordable housing development. Including Metro's property allows the Proposer to provide more income-restricted units across the entirety of the project than could likely be built on Metro property alone.

3. The project commits to supporting existing street vendors and small businesses by continuing and expanding the existing street vendor pilot program, and also setting aside (1) at least 10% of all retail spaces for minority-owned businesses and (2) at least 20% of the commercial or retail floor area for businesses that are owned and operated by Westlake/MacArthur Park residents. In addition, through its partnership with New Economics for Women, the project would include a cooperative marketplace focused on supporting the work of women artists, producers, and local artisans.

4. The Proposer's team has deep ties and experience working with the Westlake/MacArthur Park community. The Proposer's family has been a long-time business and property owner in the Westlake/MacArthur Park community. They recently obtained entitlements to develop the Lake on Wilshire project, which includes a 41-story tower with 478 apartments including 39 affordable units, a 220-room boutique hotel, and a performing arts center located one block east of the Site.

As noted above, the Proposer's team includes New Economics for Women (NEW), a Westlake non-profit established in 1984 that focuses on community development. NEW will provide property management services for the affordable units and operate a Business/Family Resource Center (Center) within the project. The Center would provide counseling, training, mentoring, and business development resources to community members.

Equity Platform

Partnering to build a transit-oriented development with affordable units falls into Pillar III, Focus and Deliver, of the Equity Platform by supporting affordable units in an Equity Focused Community (as defined in the Values Framework of the Long-Range Transportation Plan update). There is immense development pressure from Koreatown to the west and downtown Los Angeles to the east of the Site that have caused displacement of low-income residents in both neighborhoods. Though Westlake/MacArthur Park is just beginning to experience development pressure, Metro is setting an early example of maximizing the provision of affordable units at diverse income levels to protect residents around the Westlake/MacArthur Park Metro station.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety. Operations staff will review and comment on the proposed development to ensure that the proposal will have no adverse impact on the Westlake/MacArthur Park Station, portal and public-serving areas on Metro's property. In addition, the eventual implementation of the project will offer opportunities to improve safety for transit riders through better pedestrian, bicycle, and mobility connections.

FINANCIAL IMPACT

Pursuant to the ENA, certain staff and consultant costs are reimbursed through a developer deposit, and the execution of a JDA and Ground Lease will provide a source of revenues going forward. No new capital investment or operating expenses are anticipated to implement the Project.

Impact to Budget

Work under this ENA is included in the proposed FY21 budget under Cost Center 2210, Project 401038. Staff and consultant costs are proposed in the FY21 budget to negotiate the proposed transaction and review design and other projects documents.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposed project allows for a development that is in line with Goal 3 of the Strategic Plan, enhancing communities and lives through mobility and access to opportunity. The addition of below-market rate housing and community spaces adjacent to transit will increase ridership and activate the station area enhancing the community and the lives of community members through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

The Board could choose not to proceed with the recommended action and could direct staff to seek new development options for the Site via a competitive process. Staff does not recommend proceeding with these alternatives as the Revised Phase 2 Proposal, which includes adjacent parcels, would yield greater income-restricted housing and TOC benefits than Metro would be able to achieve with its property alone.

NEXT STEPS

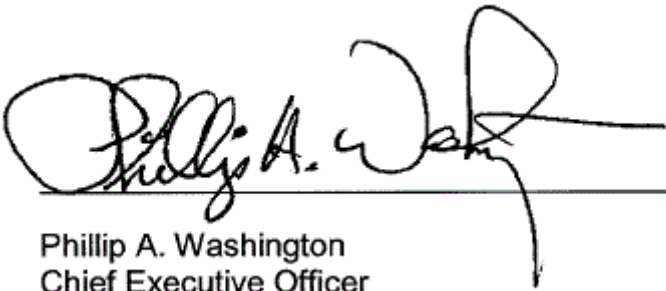
Upon Board approval of the recommended action, staff would execute the ENA and begin more intensive review of the Revised Phase 2 Proposal including design, financials, and other terms. In parallel, the Proposer would lead the community outreach process with a staff-approved outreach plan to conduct meaningful community engagement. Upon satisfactory completion of this deeper due diligence process, staff would begin negotiations of a JDA and Ground Lease while the Proposer seeks project entitlements and environmental approvals from the City of Los Angeles. Once the requisite approvals are obtained and parties have reached agreement with respect to terms, staff would return to the Board to request to enter into a JDA and Ground Lease.

ATTACHMENTS

Attachment A - Site Map

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Holly Rockwell, SEO - Real Estate, Transit Oriented Communities and Transportation
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Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington
Chief Executive Officer

Attachment A

Site Map





Board Report

File #: 2020-0279, File Type: Agreement

Agenda Number: 20.

PLANNING AND PROGRAMMING COMMITTEE AUGUST 19, 2020

SUBJECT: VERMONT/SANTA MONICA JOINT DEVELOPMENT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO) to execute a Purchase and Sale Agreement and agreements containing conditions, covenants, restrictions and easements with SMV Housing, L.P. (Developer), an affiliate of LTSC Community Development Corporation (LTSC), that provide for Developer's purchase from Metro of approximately 33,682 square feet of real property (Metro JD Property) next to the Vermont/Santa Monica B (Red) Line Station and the construction and operation of a mixed-use, affordable housing project (Project) on the Metro JD Property and adjacent Developer-owned property (collectively, Site), subject to Federal Transit Administration (FTA) and California Transportation Commission (CTC) concurrence;
- B. ADOPTING the attached resolution (Attachment D) authorizing the CEO or his designee to apply for, receive an allocation of funds, and to enter into, execute, and deliver a State of California Standard Agreement, and any and all other documents required or deemed necessary related to the California Department of Housing and Community Development Transit-Oriented Development (TOD) Housing Program in an amount not to exceed \$5,000,000 (TOD Grant) to fund station plaza improvements in support of the Project; and
- C. FINDING that the Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15332/Class 32 (In-Fill Development Projects) of the CEQA Guidelines, and statutorily exempt pursuant to Public Resources Code Section §21080.27(a)(3) and Section §21080.27(b)(2) and to authorize the CEO to file a Notice of Exemption for the Project consistent with such exemptions.

ISSUE

In January 2017, Metro received an Unsolicited Joint Development Proposal from the Developer which contemplated joint development of Metro-owned property and adjacent privately-owned parcels at the Vermont/Santa Monica B (Red) Line Station. In March 2018, the Metro Board of Directors approved entering into an Exclusive Negotiation Agreement and Planning Document (ENA)

with the Developer, which will expire in September 2020. The ENA has allowed staff and the Developer to explore the feasibility of the proposed Project, conduct community outreach, undertake CEQA clearance and negotiate the key terms and conditions of a Purchase and Sale Agreement (PSA) that will ultimately provide for the Developer's construction and operation of the Project on the Site. Since these efforts have concluded favorably, staff recommends executing a PSA subject to the closing conditions further described below.

BACKGROUND

Site Description

The Site is located in the City of Los Angeles East Hollywood community and is surrounded by several prominent neighborhoods, including Hollywood, Silver Lake, and Los Feliz. Metro currently owns four (4) parcels at the Site with a total area of 46,105 square feet (1.05 acres). Portions of the Metro property are currently leased by adjacent businesses for parking. The PSA would transfer ownership of the approximately 33,682 square feet (0.77 acres) Metro JD Property to the Developer. Metro would retain ownership of the remaining approximately 12,423 square feet (0.27 acres) which includes the station plaza and portal. The Developer owns four adjacent parcels totaling 20,499 square feet (0.47 acres) and, when combined with the Metro JD Property, make for a total of 54,181 square feet (1.24 acres) and creates a more regular street-to-street lot suitable for mixed-use development (see Attachment A - Site Map).

A study was conducted in December 2015 to determine the feasibility of development on just the Metro-owned properties at the Vermont/Santa Monica Station. The analysis concluded that, due to the constraints of the irregularly shaped parcels and location of the station's portal and plaza, the only potentially feasible development scenario would be limited to a small single-story 20,000 square foot shopping center with 37 surface parking spaces. While technically feasible, this scenario with solely the Metro-owned parcels was not deemed to be the highest and best use for this high traffic urban corridor and staff decided to not actively pursue joint development of the site at that time.

Project Description

The Project consists of a total of one hundred and eighty-five (185) affordable rental units including ninety-one (91) units restricted to households earning 50% of Area Median Income (AMI) or less and ninety-four (94) special needs units restricted to households earning 30% of AMI or less. There will be two (2) unrestricted managers' units and sixty-nine (69) parking spaces. Metro's Joint Development Policy seeks to facilitate construction of affordable housing units such that 35% of the total housing units in the Metro Joint Development portfolio are affordable for residents earning 60% or less of AMI. This Project would support that goal by bringing the total affordable units completed, in construction and/or in negotiations to 37%. Though these units may sit on adjacent private property, they are developed in partnership with Metro through its Joint Development program.

Approximately 22,000 square feet of ground floor commercial space would be provided, along with on-site supportive services, community space and a federally-qualified health clinic. LTSC's Small Business Program, in partnership with local East Hollywood organizations, intends to recruit longtime area businesses to rent space in the proposed food hall that would surround the plaza. In order to enhance the overall pedestrian experience and connect with the existing neighborhood fabric, the Project includes transit-related infrastructure and pedestrian amenities including new landscaping, a

self-service Metro Bike Hub, upgraded lighting, and street furniture.

The Developer has secured Affordable Housing and Sustainable Communities (AHSC) funding as part of its capital sources for the Project. The AHSC Program is a competitive funding program that uses State Cap and Trade funds to finance infill and compact development projects that reduce greenhouse gas emissions through new transportation improvements. In partnership with the City of Los Angeles, a portion of the AHSC award will be used to purchase new electric DASH buses, bus shelters, streetlights, installation of new crosswalks and sidewalks and closing of gaps in the area's bike network. See Attachment B for a Project rendering and site plan.

Community Engagement

Since entering into an ENA with Metro in March 2018, the Developer has engaged with more than 500 local stakeholders and two dozen local organizations. Initial outreach was conducted via door-knocking and in-depth conversations with neighbors surrounding the Site. Community engagement progressed to meetings with area institutions including Los Angeles City College, the Blind Children's Center, the Braille Institute, John Wesley Community Health Center, Children's Hospital Los Angeles, Kaiser Permanente, and the Los Angeles LGBT Center. The East Hollywood Business Improvement District and East Hollywood Neighborhood Council voted to formally support the Project at their fall 2019 meetings. Outreach efforts will continue throughout the term of the PSA to keep the community informed of the Project's development progress.

DISCUSSION

Sale of Property

Metro Joint Development projects typically utilize long-term ground leases. Through the ENA period, Metro staff and the Developer determined that entitling a project across multiple ownerships would create insurmountable obstacles to securing planning and land use entitlements from the City of Los Angeles. Given the configuration of the parcels, it was infeasible to design the buildings in a way that would not cross over property lines with differing ownership. In addition, in order to adequately protect Metro's interest in the event of ground lease default, Metro would be required to retain rights to automatically acquire the Developer's property to ensure continuous operation of the Project. Such an acquisition would present challenges, including securing funds within a short period of time to purchase the Developer's improvements on the Metro JD Property in the event of a default under a ground lease. It was thus determined that a ground lease structure would not be possible. Instead, staff recommends fee simple sale of portions of the currently underutilized Metro JD Property to the Developer while retaining certain rights that will unequivocally safeguard and preserve Metro's ability to operate, maintain, and access the adjacent public transit facilities, as further described below.

Although the contemplated transaction will be a fee simple sale of the Metro JD Property to a third party, Metro entered into the ENA prior to September 30, 2019 and the PSA requires that the sale be completed by December 31, 2022; therefore Metro is not required to follow the procedural steps of the amended Surplus Land Act (Cal. Gov. Code §§ 54220 *et seq.*) (SLA) that became effective January 1, 2020 (See: Cal. Gov. Code Sec. 54234). The procedural requirements of the prior version of the SLA also do not apply because the sale is not a sale of "surplus" land that is not needed for Metro's use (See: Cal. Gov. Code § 54221(b) in effect prior to January 1, 2020). Metro's authority to jointly develop the Project is within Metro's express statutory authority (see: Cal. Pub. Util. Code §

30634) and the Project clearly advances Metro's policy goals of providing for affordable housing and promoting transit oriented communities. Metro will ensure that the Metro JD Property will continue to be used for agency uses following completion of the sale by recording against the Site a set of CCRs (described below) containing enforcement rights for Metro.

As the Site was acquired in the early 1990s using funding from both the Federal Transit Administration (FTA) and State bonds, Metro submitted the terms of the PSA to the FTA and the California Transportation Commission (CTC). CTC and FTA concurrence of the Project and sale of portions of the Metro property are expected in August 2020.

Purchase Price Discount

The Metro Joint Development Policy adopted in 2016 allows Metro to discount joint development dispositions below the fair market value in order to accommodate affordable housing for households earning 60% or less of AMI. The proportional discount may not be greater than the proportion of affordable units to the total number of housing units in the project, with a maximum discount of 30%. The Metro JD Property was appraised at approximately \$10,200,000. Since 100% of the Project's units will be limited to households earning 30-50% of AMI, the purchase price has been discounted by 30% (\$3,060,000) resulting in a price of \$7,140,000. As soil contamination has been identified on a portion of the Metro property, a maximum of \$375,000 of the \$7,140,000 will be held in escrow to cover potential expenses related to environmental clean-up. Any unused escrow funds will be released to Metro at the conclusion of construction.

PSA Terms

Attachment C provides the summary of key terms and conditions for the PSA. The terms of the PSA Closing Conditions are focused on the Developer bringing the Project through full financing and construction readiness whereupon, if all the conditions included in the PSA are satisfied, the parties would close on the transaction and transfer the Metro JD Property. Key PSA Closing Conditions include:

- Escrow period of two (2) years, with the option to extend an additional three (3) years
- Developer must demonstrate to Metro that they have the financial resources sufficient to design, construct and operate the Project
- Developer has received all required governmental approvals (including Metro approval of final construction documents)
- Metro has received a payment of \$7,140,000 (with \$375,000 held in escrow for environmental cleanup, if required)
- Covenants, Conditions and Restrictions (CCRs), as described further below, will be concurrently recorded on the properties

Upon closing and transfer of the Metro JD Property, the CCRs will govern the ongoing relationship between Metro and the Developer, similar to a ground lease. Key terms in the CCRs include:

- Requirement that all units remain affordable for a period of ninety-nine (99) years
- Ninety-one (91) units shall be restricted to households earning no more than 50% of AMI and ninety-four (94) units shall be restricted to households earning no more than 30% of AMI for a minimum of 55 years
- For 55 - 99-years, all 185 units shall be reserved for occupancy by households with an

- adjusted income that does not exceed sixty percent (60%) of AMI
- Retained rights to maintain public access to the public transit facilities
- Metro's right to review, inspect and approve any changes to the Project's design, and review/approve major improvements to the Project
- LEED Silver sustainability construction standards
- Requirement to comply with Metro's Project Labor Agreement and Construction Careers Policy
- If the Developer fails to complete construction of the Project within four years, Metro would retain the right to rescind the Metro JD Property transfer and concurrently acquire the Developer property at Fair Market Value
- Maintenance and operations standards
- Requirements for permitted transferees
- Use restrictions

California Department of Housing and Community Development TOD Housing Program

In April 2020, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for approximately \$141 million in funds for the Transit-Oriented Development (TOD) Housing Program. This funding provides low-interest permanent loans up to \$10 million per rental housing project and grants up to \$5 million per locality/public transit agency for infrastructure projects necessary for housing developments, or to facilitate connections between these developments and a transit station. In July 2020, the Developer submitted a TOD Housing Program application to fund additional improvements to the Metro plaza area such as more expansive landscaping and hardscaping upgrades, seating areas and wayfinding/signage.

As a condition of Developer's application, HCD requires that the Metro Board adopt a resolution authorizing the CEO or his designee to apply for, receive the allocated infrastructure grant funds, and to enter into, execute, and deliver a State of California Standard Agreement for such funding, and any and all other documents required or deemed necessary related to the TOD Housing Program infrastructure grant in support of the Project. HCD requires this resolution be adopted and submitted by August 31, 2020. See Attachment D for the resolution.

CEQA Actions

The City of Los Angeles, as the lead agency under CEQA, has determined that the Project is statutorily exempt pursuant to Public Resources Code Section §21080.27(a)(3) and §21080.27(b)(2) and categorically exempt from CEQA pursuant to California Public Resources Code Section 15332/Class 32 (In-Fill Development Projects) as described in Attachment E.

Metro staff concurs with the City's determination and finds that Project is statutorily exempt pursuant to Public Resources Code Section §21080.27(a)(3) and Section §21080.27(b)(2); and categorically exempt under CEQA pursuant to California Public Resources Code Section 15332/Class 32 (In-Fill Development Projects) of the CEQA Guidelines. Staff is requesting that the Metro Board make a similar determination as a responsible agency consistent with the requirements for exemption set forth in Attachment E. Staff is also requesting authorization to file a Notice of Exemption for the Project consistent with such determination.

Equity Platform

Consistent with the Equity Platform pillar “listen and learn,” the Project undertook a lengthy community engagement process. The Developer was required to engage with stakeholders and refine the Project in response to feedback. Furthermore, the Project is an opportunity to “focus and deliver” by adding much needed, transit-oriented affordable housing, support services and other community benefits in the East Hollywood community.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety. Staff will continue to oversee the development and construction of the Project on the Site to ensure that it does not adversely impact Metro property or the continued safety of staff, contractors and the public. In addition, the implementation of this Project at the Vermont/Santa Monica Station will offer opportunities to improve safety for transit riders through better pedestrian and bicycle connections and improvements to the existing plaza at the station entrance.

FINANCIAL IMPACT

Pursuant to the PSA, certain staff and consultant costs are reimbursed through a developer deposit, and execution of a PSA will provide a source of revenues going forward. No new capital investment or operating expenses are anticipated to implement the Project.

Impact to Budget

Continued work under the PSA is included in the proposed FY21 budget in Cost Center 2210 (Joint Development) under Project 401004 (Vermont/Santa Monica Joint Development). Staff and consultant costs are proposed in the FY21 budget to review design and other projects documents.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports the Strategic Plan Goal to “enhance communities and lives through mobility and access to opportunity”, specifically Initiative 3.2 which states “Metro will leverage its transit investments to catalyze transit-oriented communities and help stabilize neighborhoods where these investments are made.” The proposed Project will deliver a number of community benefits, including transit-accessible, low-income housing and new commercial/community space.

ALTERNATIVES CONSIDERED

The Board could choose not to authorize execution of the PSA. Staff does not recommend this option because the proposed Project is the product of extensive negotiations and community engagement and is consistent with the goals of Metro’s Joint Development Policy including the development of affordable housing. Electing not to authorize execution of the PSA would unnecessarily delay development of the Site.

The Board may choose not to approve the resolution in Attachment D. Staff does not recommend this alternative because Metro would not be able to accept the infrastructure grant (if awarded) to support

improvements to the Vermont/Santa Monica Station plaza.

NEXT STEPS

Upon approval of the recommended actions, staff and the Developer will work to satisfy the Closing Conditions. The PSA will be executed thereafter in substantial accordance with the terms and conditions set forth in Attachment C. HCD TOD Housing Program awards will be announced in October 2020. It is anticipated that construction will commence in spring 2021 with completion in mid-2023.

ATTACHMENTS

- Attachment A - Site Map
- Attachment B - Project Rendering and Site Plan
- Attachment C - PSA Terms and Conditions
- Attachment D - HCD TOD Grant Resolution
- Attachment E - Qualifying Criteria for CEQA Exemption

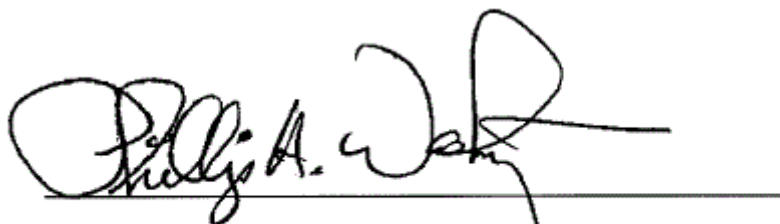
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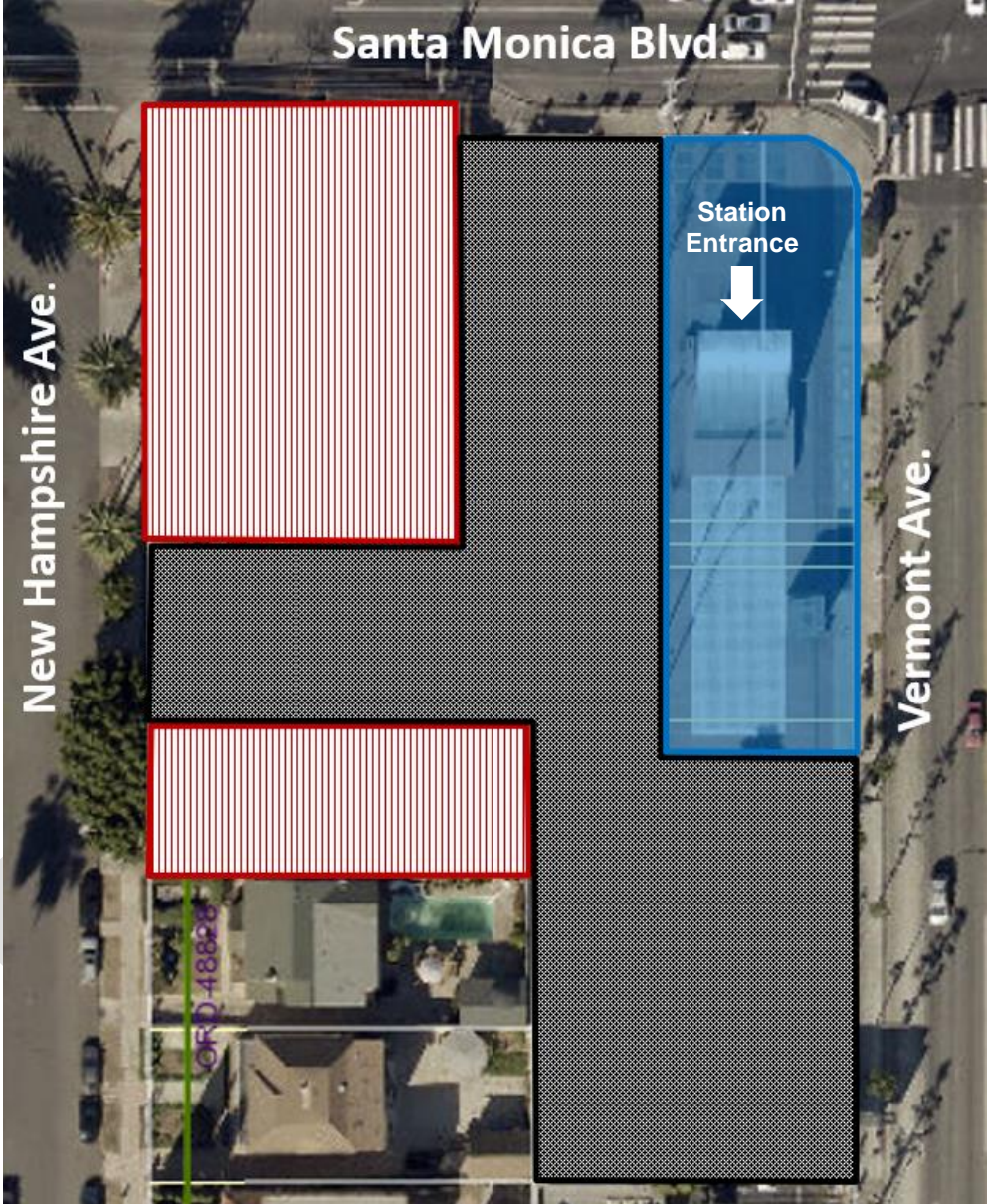
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Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington
Chief Executive Officer

SITE MAP



| | |
|---|----------------------------------|
|  | Metro Property to be transferred |
|  | Metro Property to be retained |
|  | Developer Property |

PROJECT RENDERING AND SITE PLAN



ATTACHMENT B (CONT.)



ATTACHMENT B (CONT.)



**SUMMARY OF KEY TERMS AND CONDITIONS OF
JOINT DEVELOPMENT TRANSACTION AND PURCHASE AND SALE AGREEMENT
FOR
VERMONT/SANTA MONICA STATION JOINT DEVELOPMENT
(Dated: August 6, 2020)**

General Description

Developer/Project: SMV Housing, L.P., a California Limited Partnership (“**Developer**”) which is a development entity owned (directly and/or indirectly) and controlled by LTSC Community Development Corporation (“**LTSC**”) and which was created for purposes of the Vermont/Santa Monica Station Joint Development project (“**Project**”). LTSC and the Los Angeles County Metropolitan Transportation Authority (“**LACMTA**”) entered into an Exclusive Negotiation Agreement and Planning Document dated as of March 22, 2018, and an Amendment No. 1 to Exclusive Negotiation Agreement and Planning Document dated as of August 21, 2019 (collectively, the “**ENA**”). The ENA contemplates that Developer and LACMTA will enter into this Summary of Key Terms and Conditions of Joint Development Transaction and Sale Agreement (this “**Term Sheet**”) to set forth the key terms and conditions of a purchase and sale agreement, declaration of covenants, conditions, restrictions and easements and associated Project documents necessary to design and develop the Project, as more specifically described herein. The Parties initially considered a ground lease structure, but, pursuant to the negotiations under the ENA, have determined that a more beneficial structure for the transaction is a sale of the fee interest of a portion of the LACMTA Property (defined below) to Developer for development of the Project. Developer and LACMTA are sometimes referred to individually in this Term Sheet as a “**Party**” and collectively as the “**Parties**”.

Development Site: LACMTA is the fee owner of the land described on Attachment A, attached hereto and incorporated herein by this reference (the “**LACMTA Property**”), which consists of approximately 1.06 acres of real property located at the southwest corner of Santa Monica Boulevard and Vermont Avenue in the City of Los Angeles (“**City**”), County of Los Angeles. An approximately 0.54 acre portion of the LACMTA Property is currently improved with and used as parking lots and an approximately 0.52 acre portion

of the LACMTA Property is currently improved with the LACMTA station commonly known as the Vermont/Santa Monica B (Red) Line Station (the “**Station**”) which includes a public plaza and entrance portal for the Station (the “**Station Plaza**”).

Developer is the fee owner of approximately 0.47 acres of real property with Assessor Parcel Numbers (APNs) 5538-022-002, 004, 023 and 5538-022-016, commonly known as 4718-4722 Santa Monica Boulevard and 1020 N. Hampshire Avenue, in the City and County of Los Angeles, as depicted in Attachment B attached hereto and incorporated herein by this reference (the “**Developer Property**”).

The Parties propose to enter into a sale transaction pursuant to which LACMTA would convey to Developer a fee interest in approximately 0.77 acres of the LACMTA Property, as depicted on Attachment C, attached hereto and incorporated herein by this reference (the “**LACMTA Sale Property**”). The portions of the LACMTA Property which shall not be conveyed to Developer in fee shall be referred to herein as the “**LACMTA Retained Plaza**” as depicted in Attachment D.

The proposed development site consists of the LACMTA Sale Property, which will be conveyed to Developer at Closing as described above, together with the entire Developer Property (collectively, the “**Site**”).

Proposed Project: The proposed Project will be constructed on the Site by Developer, at Developer’s sole cost and expense. The Project will consist of a mixed-use development that includes, without limitation, 185 affordable rental apartments, 2 unrestricted property manager’s apartments, approximately 20,000 square feet of commercial space, approximately 2,000 square feet of tenant services space and 69 parking spaces.

To ensure LACMTA’s ability to maintain and operate the Vermont/Santa Monica B (Red) Line Station and LACMTA Retained Plaza on an ongoing basis, no structures or improvements, other than ADA-compliance hardscaping and landscaping, shall be built in the portion of the LACMTA Sale Property depicted in Attachment E (the “**Circulation Area**”). The Circulation Area can be used for pedestrian circulation between the Project and the Station Plaza. The restrictions described in this paragraph shall be included in covenants, conditions and restrictions to be recorded on the LACMTA Sale Property and the Developer Property.

A site plan and renderings detailing the proposed Project are included as Attachment F and are subject to modification and revision as set forth herein.

LACMTA shall have a right of first offer to lease, for rent calculated at a commercial fair market value, an approximately 966 square foot retail space ("**Bike Hub**") in the ground floor of the Project. The right of first offer shall expire two (2) years after the issuance of the last certificate of occupancy for the entire Project. If LACMTA exercises the right of first offer for the Bike Hub, then the Parties shall agree at that time to undertake the design, build out and delivery of the Bike Hub in one of the following two (2) ways:

(a) The Bike Hub shall be provided to LACMTA in "cold shell" condition subject to the same general terms and conditions as provided to similar retail space within the Project. LACMTA shall undertake the build-out and Developer shall provide LACMTA a tenant improvement allowance of not more than Four Hundred and Twenty-Five Dollars (\$425) per square foot.

or

(b) Developer shall design and undertake the work to build-out the Bike Hub (the "**Bike Hub Work**"), in which event, LACMTA shall provide to Developer a detailed description of the tenant improvements needed in the Bike Hub, after which time Developer shall prepare the plans, specifications and an estimated budget for the Bike Hub Work and shall present such plans, specifications and budget estimates to LACMTA for review and approval, in its sole and absolute discretion, which, after approved by LACMTA, shall be the "**Bike Hub Work Approved Plans and Budget.**" Developer shall perform the Bike Hub Work in a good and workmanlike manner, consistent with generally recognized standards of performance in the construction industry in conformity with the Bike Hub Work Approved Plans and Budget. When Developer believes that it has completed the Bike Hub Work, it shall provide to LACMTA all drawings, documents and other materials for such work and LACMTA shall evaluate such drawings, documents and materials and inspect the work to determine whether LACMTA accepts the Bike Hub Work. If LACMTA determines that the Bike Hub Work is not complete or it has defects, Developer shall make such corrections as LACMTA deems necessary in order for LACMTA to accept the Bike Hub Work. The Bike Hub shall be provided to LACMTA in final, built-out condition subject to the same general terms

and conditions as provided to similar retail space within the Project.

Phased

Development: The Project will be constructed in a single phase.

General Conditions

Dedications: LACMTA will reasonably consider any dedications and grants of LACMTA real property rights to the City or other public or quasi-public entities as are reasonably necessary to support the development and construction of the Project, subject to receiving acceptable compensation in LACMTA's sole discretion.

Federal, State and
Local Funding
Source Approval:

Initial investigation by LACMTA indicates that the LACMTA Property was acquired by LACMTA using federal and state funds and the Metro B (Red) Line subway and the Station were constructed using similar funding sources. Accordingly, the transactions contemplated in this Term Sheet are subject to: (a) applicable Federal Transportation Administration ("**FTA**") approvals/concurrence, (b) LACMTA confirmation that such actions will not violate any bond funding related requirements or restrictions imposed on LACMTA, the LACMTA Property or the Metro B (Red) Line, (c) applicable bond trustee and bond holder approval, and (d) applicable State of California ("**State**") approval/concurrence. LACMTA will seek the required FTA and State of California concurrence with the terms of this Term Sheet as soon as possible.

Development
Entitlements and
Other Legal Requirements:

Developer has or will have, at its sole cost and expense obtained all required entitlements for the Project, including adoption of CEQA findings (in the event environmental review under CEQA is required), in accordance with the terms and conditions of the ENA, and any applicable period for the filing of an administrative appeal, judicial challenge, referendum petition, request for reconsideration or other protest being taken, or if any appeal, challenge, petition, request or other protest has been taken, or any challenge to the approval is made, the body ruling on the appeal or challenge shall

have made a formal, final finding upholding approval of such entitlements in a form and content, and subject to conditions of approval, reasonably acceptable to Developer and LACMTA, and all further appeal periods have expired without further appeal being taken. Developer shall comply with all applicable City zoning and planning requirements and other legal requirements related to the development, construction and operation of the Project.

On the terms and conditions set forth herein, LACMTA will convey to Developer the LACMTA Sale Property as separate legal parcels and LACMTA will retain the LACMTA Retained Plaza. Prior to entering into the PSA (as defined below), the LACMTA Board of Directors ("**LACMTA Board**") will need to make the requisite findings as a responsible agency pursuant to CEQA requirements, to the extent required, as more particularly set forth in the ENA.

As-Is Condition: Developer shall acquire the LACMTA Sale Property on an "as is, where is, with all faults" basis, and shall acknowledge that it has conducted its own due diligence and investigations with respect to the Site. LACMTA has entered into a right of entry agreement with Developer granting Developer a right of entry onto the LACMTA Sale Property to conduct investigations of such property for soil conditions and to perform any environmental testing deemed necessary.

Key Purchase and Sale Agreement ("PSA") Terms:

PSA - Generally: After (i) LACMTA Board approval and Developer acceptance of this Term Sheet, (ii) any required FTA and State approval of the Project/Sale transaction, (iii) Developer has met all CEQA requirements, if any (as further described below in the Closing Conditions), and (iv) the LACMTA Board has made the requisite findings as a responsible agency pursuant to any applicable CEQA requirements, then LACMTA and Developer will enter into a Purchase and Sale Agreement ("**PSA**") containing terms and conditions that are substantially consistent with those set forth in this Term Sheet, subject to any modifications as directed by the LACMTA Board (and as approved by Developer).

PSA Term: The PSA shall be effective upon execution by LACMTA and Developer (the "**PSA Effective Date**"). Concurrent with the PSA Effective Date, LACMTA and Developer will enter into an escrow with Cheryl Greer of Commonwealth Land Title Insurance Company pursuant to the PSA. The closing of such escrow shall be subject to satisfaction or waiver of certain conditions precedent (the "**Closing Conditions**") set forth in the PSA. The term of the

PSA shall be mutually agreed upon by the Parties, provided that closing shall occur no later than December 31, 2022. LACMTA shall have the option, in its sole discretion, following a request by Developer, to extend to extend the Closing for a date to occur no later than five (5) years after the PSA Effective Date.

Option Fee: As partial consideration for the rights to be granted to Developer under the PSA, commencing with the PSA Effective Date and continuing throughout the PSA term, Developer will pay LACMTA a monthly non-refundable option fee of Two Thousand Five Hundred Dollars (\$2,500) ("**Option Fee**") on the first day of each month for the entire PSA term (including any extensions terms, if applicable) commencing on the PSA Effective Date. The Option Fee paid by Developer shall be applicable to the Purchase Price payable by Developer at the Closing. If Developer fails to pay the Option Fee for any month and such failure continues for ten (10) days after written notice, LACMTA will have the right to terminate the PSA term by written notice to Developer.

Ownership of Entitlements:

If Developer fails to proceed with the development of the Project by the expiration of the Construction Period (defined below), Developer will retain any entitlements or development rights related to the Developer Property, and LACMTA will retain any entitlements or development rights related to the LACMTA Sale Property, to the extent the same can be separated between the properties. In the event that Developer subsequently desires to transfer the Developer Property to a third party, LACMTA will consider transferring the entitlements or development rights related to the LACMTA Sale Property to such proposed transferee, subject to LACMTA's approval (in its sole discretion) of the proposed transferee.

Conditions to Closing:

The PSA will address matters occurring from the PSA Effective Date through the date that the Closing Conditions have been satisfied or waived by the applicable Party, at which time the Parties will close the purchase and sale of the LACMTA Sale Property (the "**Closing**").

The "Closing Conditions" will require, among other things, that (a) Developer has delivered to LACMTA evidence and assurances demonstrating that Developer has the financial resources (which may include commitments for financing) sufficient to design, construct and operate the Project ("**Financial Assurances**"),

including (i) a performance bond in a sum of not less than one hundred percent (100%) of an amount reasonably calculated to make LACMTA whole if Developer fails to complete the portions of the Project that benefit LACMTA's transit patrons, which shall amount include, without limitation, the projected costs (A) to complete any offsite improvements benefitting LACMTA and (B) to restore the Circulation Area and LACMTA Retained Plaza to the condition it was in before the Developer broke ground on the Project except that any such restoration must also take into account the then-current ADA standards and (ii) a payment bond in a sum equal to the sum of the performance bond, each such bond issued by a licensed surety company and in a form acceptable to LACMTA, which approval shall not be unreasonably withheld or conditioned; (b) Developer shall have applied for and received all governmental approvals necessary for the development and construction of the Project (including all City and LACMTA approvals, which shall include LACMTA approval of the final construction documents for the Project) and, as necessary, shall obtain prior to such time as they are required, any permits or approvals required for the operation of the Project; (c) all necessary and applicable CEQA documents for the Project have been approved/certified by the applicable governmental authorities, all applicable statutes of limitation have run, and either a lawsuit challenging the CEQA approval/certification has not been timely filed or, if such a lawsuit has been filed, then final adjudication or dismissal with prejudice of such lawsuit has occurred, upholding the approvals/ certifications; (d) Developer has received a "ready to issue" letter from the City Department of Building and Safety; (e) Developer shall have executed and delivered to escrow all Closing documents as contemplated by the Parties and other transaction documents as determined between Parties (including, without limitation, the Permanent Covenants, Conditions and Restrictions and the Construction Covenants, Conditions and Restrictions, as hereinafter defined, the key terms of which are outlined below (collectively, the "**CCRs**"); (f) Developer shall have obtained an acceptable title commitment from a mutually acceptable title company (the "Title Company") for an owner's title policy in the amount of the Purchase Price for the LACMTA Sale Property; and (g) LACMTA shall have received all other assurances it requires that the development of the Project will proceed and Developer is ready to commence construction of the Project.

All construction funding sources will be fully committed to the satisfaction of the LACMTA Board.

Design Review:

The PSA will include as an exhibit, or otherwise reference, the Schematic Design Drawings as defined in the ENA, which shall

have been approved by LACMTA in accordance with the ENA (or the Parties may elect to attach a subsequent level of Schematic Design Drawings that have been prepared by Developer and approved by LACMTA prior to the execution of the PSA if both LACMTA and Developer so agree).

During the PSA term (and escrow term), LACMTA will have the right to review and approve any changes to the Schematic Design Drawings; provided that LACMTA may only disapprove such a change if it is either not a Logical Evolution (as defined in the ENA) to the Schematic Design Drawings or if it creates a material impact on the LACMTA Development-Related Concerns. Notwithstanding the above, if Developer's submittal of changes to the Schematic Design Drawings contains a Deemed Approval Notice and LACMTA has not responded to the request for approval within forty-five (45) business days of receipt, then the change for which LACMTA approval is being sought shall be deemed approved by LACMTA. A "Deemed Approval Notice" shall be a letter containing the following text prominently displayed in bold faced capital letters in at least fourteen (14) point font: ENCLOSED WITH THIS LETTER IS A REQUEST FOR APPROVAL OF CHANGES TO SCHEMATIC DESIGN DRAWINGS FOR THE VERMONT/SANTA MONICA JOINT DEVELOPMENT PROJECT. IF LACMTA DOES NOT NOTIFY DEVELOPER OF ITS DISAPPROVAL OR REQUIRED CHANGES TO SUCH SCHEMATIC DESIGN DRAWINGS WITHIN FORTY-FIVE (45) BUSINESS DAYS AFTER LACMTA'S RECEIPT OF THIS LETTER, THEN SUCH SCHEMATIC DESIGN DRAWINGS WILL BE DEEMED APPROVED BY LACMTA.

"LACMTA Development-Related Concerns" means, collectively, (a) LACMTA's operations on the LACMTA Retained Plaza, (b) LACMTA's exercise of its Retained Rights, (c) public health and safety (however, except where the design will reasonably impact a Retained Right, the determination of public health and safety issues shall be determined by the City and the State permitting and plan check process), (d) any public transit facilities adjacent to the Site and access to or from the same, and (e) (as applicable) any lateral and subjacent support of the LACMTA Retained Plaza, any public transit facilities adjacent to the Project, and any area providing support necessary for LACMTA to exercise its Retained Rights.

Circulation Area Work:

LACMTA and Developer shall collaborate in good faith to create the design and budget for the Circulation Area Work, with the goal of designing an integrated public plaza that meets Developer's

and LACMTA's needs for access, safety, and operations and ensures the delivery of a high-quality public realm.

Accordingly, Developer shall prepare the plans and specifications for and allocate a portion of the Project budget to the Circulation Area Work and shall present such plans and specifications and budget allocations to LACMTA no later than sixty (60) days prior to Closing for review and approval, in its sole and absolute discretion, which, after approved by LACMTA, shall be the "**Circulation Area Work Approved Plans and Budget.**" In accordance with the Construction CCRs, Developer shall perform the Circulation Area Work during the construction of the Project in a good and workmanlike manner, consistent with generally recognized standards of performance in the construction industry in conformity with the Circulation Area Work Approved Plans and Budget. When Developer believes that it has completed the Circulation Area Work, it shall provide to LACMTA all drawings, documents and other materials for such work and LACMTA shall evaluate such drawings, documents and materials and inspect the work to determine whether LACMTA accepts the Circulation Area Work. If LACMTA determines that the Circulation Area Work is not complete or it has defects, Developer shall make such corrections as LACMTA deems necessary in order for LACMTA to accept the Circulation Area Work. As the owner of the Circulation Area, the Developer will be responsible for ongoing maintenance and operation of the Circulation Area Work.

Retained Plaza Work:

LACMTA and Developer shall collaborate in good faith with each other to create the design and budget for the Retained Plaza Work, with the goal of designing a plaza that meets Developer's and LACMTA's needs for access, safety, and operations and ensures the delivery of a high-quality public realm.

Accordingly, Developer shall cooperate with LACMTA to prepare the plans and specifications for and allocate a portion of the Project budget to the Retained Plaza Work and shall no later than sixty (60) days prior to Closing present such plans and specifications and budget allocations to LACMTA for review and approval, each in its sole and absolute discretion, which, after approved by LACMTA, shall be the "**Retained Plaza Work Approved Plans and Budget.**" Developer shall perform the Retained Plaza Work during the construction of the Project in a good and workmanlike manner, consistent with generally recognized standards of performance in the construction industry in conformity with the Retained Plaza Work Approved Plans and Budget. When Developer believes that it has completed the

Retained Plaza Work, it shall provide to LACMTA all drawings, documents and other materials for such work and LACMTA shall evaluate such drawings, documents and materials and inspect the work to determine whether LACMTA accepts the Retained Plaza Work. If LACMTA determines that the Retained Plaza Work is not complete or it has defects, Developer shall make such corrections as LACMTA deems necessary in order for LACMTA to accept the Retained Plaza Work. Developer will not be responsible for ongoing maintenance or operation of the Retained Plaza Work.

Cost of Project:

Developer shall be solely responsible for the cost of designing and constructing the Project, including, without limitation, the Circulation Area Work and Retained Plaza Work. In the event that the Project results in the removal, relocation, or other modifications to LACMTA's facilities, Developer shall be responsible for the cost of any replacements or modifications reasonably required by LACMTA resulting from such work. Notwithstanding the foregoing, LACMTA shall collaborate with Developer to identify and apply for grants from public agencies and other similar sources of funding for a portion of the Project. Developer will not be responsible for the cost of any improvements to the Project made by LACMTA in the exercise of its Retained Rights except for maintenance, repair or mitigation arising from the Project or the negligent or willful misconduct of Developer, its tenants, contractors, agents, subcontractors or invitees.

Closing:

The PSA Closing will occur upon satisfaction or waiver by the appropriate Party of all the Closing Conditions. At Closing, LACMTA will convey to Developer by Grant Deed the LACMTA Sale Property to Developer, subject to the CCRs, in exchange for the payment of the Purchase Price to be paid under the PSA. Documents related to Closing, including, without limitation, the Grant Deed, will be executed by the Parties as is necessary to properly effectuate the Closing.

Transfers, Assignment
and Subletting:

Except as otherwise approved in writing by LACMTA in its sole and absolute discretion, Developer shall not transfer or assign its rights or obligations under the PSA or any portion thereof prior to the Closing, except to a limited partnership of which Developer, or an entity controlled by Developer, is the general partner (a "Purchaser Assignee") so long as (i) Developer notifies LACMTA not less than five (5) business days prior to closing of such

assignment (including the name and signature block of the proposed transferee), and (ii) Developer and the Purchaser Assignee execute and deliver an assignment and assumption agreement in form reasonably satisfactory to LACMTA, pursuant to which Purchaser Assignee remakes all of Developer's representations and warranties set forth in the PSA and (iii) the transferor shall not be released from the obligations of "Purchaser" under the PSA. Transfers after the Closing shall be subject to the Permanent CCRs.

Key PSA Terms:

Purchaser: Developer shall be the purchaser.

Generally: At Closing, LACMTA, as seller, will convey a fee interest in the LACMTA Sale Property to Developer, as purchaser. Developer will pay the full Purchase Price to LACMTA in cash, together with the escrow fees, title insurance premiums, recording fees and documentary transfer taxes, so that the Purchase Price will be net to LACMTA. The Parties will record the Construction CCRs and the Permanent CCRs on the title to the LACMTA Sale Property, the LACMTA Retained Plaza and the Developer Property at the Closing, an outline of terms of which are stated below.

Purchase Price

Purchase Price:

Upon the Closing, Developer shall pay LACMTA a purchase price for the LACMTA Sale Property equal to Seven Million One Hundred and Forty Thousand Dollars (\$7,140,000). A portion of the Purchase Price, in the amount of Three Hundred Seventy-Five Thousand Dollars (\$375,000) (referred to herein as the "Environmental Escrow Amount"), shall be held in escrow with Title Company (the "Environmental Escrow") to pay for the environmental cleanup of the Property (the "Environmental Work") by Walton General Contractors ("Contractor"). After the Closing, Title Company shall release amounts from the Environmental Escrow to either (i) reimburse Developer for the actual out-of-pocket costs incurred by Developer to pay Contractor for performance of the Environmental Work, upon submission by Developer of invoices from Contractor together with receipts for payments of costs for the Environmental Work by Developer to Contractor, or (ii) to Contractor for payment for performance of the

Environmental Work, upon submission of a request for disbursement by Developer and a certification by Developer of the performance of the Environmental Work under the invoice from the Contractor attached to said certification. Developer shall submit a copy of each request for disbursement from the Environmental Escrow to both Title Company and to LACMTA. Any of the Environmental Escrow Amount remaining undisbursed after the earlier to occur of (i) completion of the Environmental Work, or (ii) twelve (12) months after Closing, shall be released by Title Company to LACMTA. LACMTA's agreement to provide the Environmental Escrow Amount constitutes LACMTA's sole obligation with respect to the Environmental Work, and LACMTA shall have no obligation whatsoever to contribute additional funds or perform additional work, regardless of whether the scope of the Environmental Work increases or otherwise changes after the date of the PSA.

Key CCR Provisions (including Retained Rights)

- CCRs, Generally: The CCRs shall be senior to any lien for a financing recorded on the title to the LACMTA Sale Property and the Developer Property so that any lender taking title to the Project through foreclosure or deed in lieu, and any subsequent owner of the Project, shall be bound by the CCRs. There shall be two (2) sets of CCRs recorded, one of which shall govern the construction of the Project (the "Construction CCRs"), while the other shall govern the ongoing operation and maintenance of the Project (the "Permanent CCRs") as an affordable housing project with ancillary retail (as described above). The Construction CCRs shall terminate upon completion of the Project. Both sets of CCRs shall be recorded against the LACMTA Sale Property, the LACMTA Retained Plaza and the Developer Property at the closing, shall bind each owner of the Project, and shall contain such provisions as are required by LACMTA in accordance with its policies and requirements for joint developments and adjacent property developments, including, without limitation, the Retained Rights (which shall be included in the Permanent CCRs) and the other provisions outlined below. The CCRs shall contain entry rights as are necessary for the development and operation of the Project.
- Construction Period: Construction of the Project (including demolition of existing improvements and grading/excavation of the Site) shall commence within forty-five (45) days after the Closing Date ("**Commencement Date**"). Completion of the Project (defined as Developer's completion of construction of the Project subject only to typical punch list items, free of all liens and encumbrances and

substantially in accordance with the Plans and Specifications approved by LACMTA, and the issuance of a temporary or permanent certificate of occupancy on the entire Project by the City) shall occur by the day preceding the third (3rd) anniversary of the Commencement Date, subject to extension for (a) force majeure delays or (b) a Developer Completion Delay (such period being the “**Construction Period**”). The Construction CCRs shall apply only during the Construction Period.

A “**Developer Completion Delay**” is delay in completion of the Project that does not qualify as a force majeure delay but that occurs despite Developer’s best efforts to complete the Project within the period stated in the preceding paragraph. Any extension of the Construction Period due to Developer Completion Delay shall extend only for so long as Developer continues to use best efforts to complete the Project and shall not exceed one (1) year.

Design Review:

During the Construction Period, LACMTA will have the right to review, inspect and approve any changes to the Project’s design; provided that LACMTA may only disapprove such a change if (a) it is a change to the design of building exterior visible from the Station that is not a Logical Evolution (as defined in the ENA) from the Schematic Design Drawings or if (b) it creates a material impact on the LACMTA Development-Related Concerns (either of (a) or (b) being a “**Material Design Change**”). In the event the Developer believes that a change to the Project design is not a Material Design Change, Developer shall provide notice to LACMTA of said Project design change, which notice shall provide a reasonable description of why said change is not a Material Design Change (the “**Change Notice**”). After receipt of a Change Notice, LACMTA will have three (3) Business Days to respond to indicate it either agrees with Developer that the change is not a Material Design Change or disagrees, in which event LACMTA shall then proceed to review inspect and approve such change. If LACMTA has not responded to a Developer’s Change Notice within 3 Business Days of said notice, then LACMTA shall have been deemed to consent to Developer’s determination that the Project design change shall not be subject to disapproval by LACMTA. After completion of the Construction Period, LACMTA will retain the same design approval rights for any substantive building improvements later sought to be added. Notwithstanding the above, if Developer’s submittal of changes to the design are in fact a Material Design Change, and such notice contains a Deemed Approval Notice and LACMTA has not responded to the request for approval within twenty (20) business days of receipt, then the change for which LACMTA approval is being sought shall be deemed approved by LACMTA.

Construction Contract

Requirements:

Any construction contract that Developer executes with one or more contractors for the Project shall include the following:

- (1) Subject to the provisions of California Civil Code Section 2782, obligations of the contractor to indemnify, reimburse, defend and hold harmless Developer and LACMTA against actions, proceedings, suits, demands, claim, liabilities, losses, damages, penalties, obligations, costs and expenses (including attorneys' and expert witness' fees and costs) arising from the acts and omissions of such contractor on the Site or in connection with performance of its obligations under the construction contract;
- (2) Obligations of the contractor to comply with all applicable laws and code restrictions, licenses, policies, permits and certificates required in connection with performance of its services; and
- (3) LACMTA being named as an additional insured under any applicable insurance policies carried by any contractor performing work that impacts any LACMTA Development-Related Concern.

Sustainability Standards:

The Project shall be built in a manner at least equivalent to the standards of the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) Silver standards.

Maintenance and Operations:

Developer shall maintain and operate the publicly-accessible areas of the Project, including the portion of the Public Plaza located in the Circulation Area, at its sole cost and expense in accordance with first class standards for maintenance and operation of comparable privately-owned public open space in the County of Los Angeles. (As of the date of this Term Sheet, examples of comparable public open spaces include the plazas at FIGat7th located at 735 S. Figueroa Street, the Bloc LA located at 700 S. Flower Street, California Plaza Watercourt located at 350 S. Grand Avenue, and City National Plaza located at 515 S. Flower Street, all in the City of Los Angeles.) Developer shall maintain and operate all portions of the Project at its sole cost and expense in accordance with first class standards for the maintenance and operation of comparable mixed use residential and commercial projects in the County of Los Angeles. Specific maintenance and operations standards may be set forth in an unrecorded operations and maintenance agreement by and between the Parties. Developer shall not be responsible for the cost or performance of any development, or maintenance to any improvements to the Project made by LACMTA in the exercise of

its Retained Rights except for maintenance, repair or mitigation arising from the Project or the negligent or willful misconduct of Developer, its tenants, contractors, agents, subcontractors or invitees.

Retained Rights: The “**Retained Rights**” defined on Attachment G shall be included in the CCRs.

Prevailing Wages
and
Project Labor Agreement:

During the entire period of construction of the Project, Developer shall comply with LACMTA’s adopted requirements with respect to project labor agreements for construction jobs and payment of prevailing wages for construction jobs, and the applicable policies related thereto. Notwithstanding the foregoing, Developer may negotiate an alternate form or forms of project labor agreement(s) directly with the applicable unions and upon finalizing such form(s) shall provide such form(s) to LACMTA for its review and approval. Upon such approval, Developer shall comply with the requirements in such approved form(s) of project labor agreement(s). Developer shall cause all contractors and other permittees performing any work of improvement on behalf of Developer to comply with any applicable requirements of California Labor Code Sections 1720-1780.

Affordable Housing
Covenants:

91 of the 185 affordable rental apartments units shall be reserved for occupancy by households with an adjusted income that does not exceed fifty percent (50%) of AMI, and 94 units shall be reserved for occupancy by households with an adjusted income that does not exceed thirty percent (30%) of AMI for no less than 55 years. For the remaining 99-year term of the CCRs, all 185 units shall be reserved for occupancy by households with an adjusted income that does not exceed sixty percent (60%) of AMI. Notwithstanding the foregoing, if rental assistance provided by the Housing Authority of the City of Los Angeles is terminated through no fault of Developer, alternative funding is not available, and certain other conditions are met, then Developer shall not be in default under the CCRs.

Developer shall encumber the Site with affordable housing and other covenants required by affordable housing funding sources and the City, as a condition to granting Project entitlements and

building permits, which covenants shall be subject to LACMTA's review and reasonable approval.

By not later than December 31 of each year, Developer shall provide LACMTA with a duly executed Annual Reporting Certificate certifying (a) the number of for-rent residential apartments in the Project and the affordability level of each such apartment, (b) that Developer either maintains workers' compensation and employers' liability insurance and has provided evidence therefor or that Developer has no employees and has elected not to obtain workers' compensation and employers' liability insurance, and (c) such other matters as LACMTA may reasonably require, from time to time, by giving reasonable advance written notice to Developer. LACMTA and its representatives shall have the right, at all reasonable times, upon reasonable advance notice to Developer, to audit and examine Developer's books of account and records for the purpose of determining (a) the accuracy of Developer's Annual Reporting Certificates, and (b) Developer's compliance with the terms of the CCRs and all Applicable Laws.

Federal Civil Rights
Covenants:

Developer and each subsequent owner of the Project shall comply with all applicable non-discrimination rules and regulations at the state, local and federal level, including, without limitation, applicable sections of Title 49 of the Code of Federal Regulations

Transfers:

Developer shall not transfer the Site, directly or indirectly, (each, a "**Transfer**"), except pursuant to a Permitted Transfer, as defined in Attachment G (Retained Rights). Additionally, the requirements set forth in Section 5 (Transfers) of Attachment G shall apply to any Transfer.

Use Restrictions:

Under no circumstance may any portion of the Site be used for (a) any industrial use, (b) any use that involves an "Adult Entertainment Business" (as defined in Section 12.70B of the Los Angeles Municipal Code as of the date hereof), (c) any use that involves the sale of firearms or ammunition, (d) any "off-site sign" (as defined in Section 14.4.2 of the Los Angeles Municipal Code as of the date hereof), or (e) any use that involves the sale or transfer of marijuana (whether or not such sale or transfer is permitted under the California Public Health and Safety Code or any other statute). Developer shall not utilize any street, sidewalk, bike path, or access route to the Transit Hub in a manner that interrupts the free flow of pedestrian or vehicular traffic. The "Transit Hub" means the Station and such future transportation

amenities as may be implemented in the vicinity of the Station from time to time, together with the following existing or planned public transportation-related amenities: (i) a major transfer point for transit buses; (ii) a future bus rapid transit line station; (iii) passenger pickup and drop off points; (iv) a Metro bike hub; (v) Metro bike share; and (vi) a future commuter shuttle stop for a major employer.

Remedies:

LACMTA shall have such remedies as are necessary and appropriate to enforce the CCRs, including, without limitation:

(a) injunctive relief for specific performance for, among other things, (i) completion of the Project, and (ii) actions or failures to act that pose a credible threat to the health, safety or security of LACMTA patrons or the LACMTA facilities; and

(b) If Developer fails to cause Completion of the Project to occur by the end of the Construction Period, then within 12 months after the end of the Construction Period, if Completion of the Project has still not occurred at such time, LACMTA shall have a right of reverter with respect to the LACMTA Sale Property. If LACMTA exercises such right of reverter by a notice to Developer ("**Reverter Notice**") within said 12 month period, LACMTA shall have the right to rescind the transfer of the LACMTA Sale Property to Developer, in return for which LACMTA shall refund the purchase price paid by Developer for the LACMTA Sale Property, without interest. Furthermore, if LACMTA delivers the Reverter Notice, LACMTA shall acquire the Developer Property from Developer for a price equal to the fair market value (as such term shall be defined in the PSA) of the Developer Property. Within thirty (30) days of receipt of the Reverter Notice, Developer shall give LACMTA written notice of Developer's good faith estimate of the fair market value for the Developer Property (the "**FMV Estimate Notice**"). LACMTA shall have ninety (90) days after receipt of the FMV Estimate Notice within which to accept or reject Developer's determination of the fair market value set forth in the FMV Estimate Notice. LACMTA's failure to respond within such 90-day period shall be deemed LACMTA's rejection of the fair market value set forth in the FMV Estimate Notice. In the event of LACMTA's rejection (or deemed rejection) of Developer's determination of the fair market value, Developer and LACMTA shall engage in good faith discussions for a period of 30 days to attempt to agree on the fair market value for the Developer Property; if the parties fail to agree within said 30 day period, then each party shall, on the 15th day after the expiration of said 30 day period, simultaneously submit to the other in writing its good faith estimate of the fair market value. If the higher of said estimates is not more than one hundred and five percent

(105%) of the lower of such estimates, the fair market value shall be deemed to be the average of the submitted rates. If otherwise, then the fair market value shall be determined by arbitration.

LACMTA shall provide notice and cure rights to Developer (or a future Owner of the Project) before exercising its remedies. The right of reverter shall apply only after all cure periods have been exhausted, including cure periods applicable to Developer's mortgagee. If Developer has given LACMTA written notice of the names and addresses of those holding at least a 25% interest in Developer (together with reasonable evidence of same, such as a copy of Developer's limited liability company agreement), then LACMTA shall give such designated investors the same notice and cure rights as Developer prior to LACMTA's exercise of the right of reverter.

Other Terms and Conditions:

Supersedure: This Term Sheet supersedes and replaces any and all term sheets or summaries of key terms and conditions relating to the Site, the Project or any joint development agreement, ground lease or disposition dated prior to July 24, 2020; provided that this Term Sheet does not supersede or replace the ENA.

Representations and Warranties:

The Parties shall make customary representations and warranties for a transaction of this size and type including (a) organization and good standing, (b) authority and enforceability, (c) non-contravention, (d) compliance with law, (e) status as a non-foreign person, (f) absence of litigation, and (g) brokers.

Other: Other customary provisions contained in recent LACMTA sales or ground leases will be included in the PSA, including, without limitation, provisions relating to (a) assumption of risk related to the Project's proximity to rail and other transit operations, (b) insurance, and (c) indemnity.

LACMTA Transaction Costs

During PSA Term: LACMTA has incurred and will incur certain costs related to any of the following: (a) the review of Developer's design, development and planning (including planning related to construction methods

and logistics) of the Project; (b) the protection of LACMTA Property, facilities and operations from Project impacts; (c) the avoidance and mitigation of such Project impacts; (d) oversight and support of geotechnical and hazardous substances investigations; (e) CEQA compliance; and (f) coordination and cooperation with Developer in connection with the Project entitlements. These costs will be known collectively as **“LACMTA Transaction Costs.”** LACMTA Transaction Costs may include, without limitation, the actual cost of in-house staff time (including LACMTA overhead and administrative costs) and third party consultation fees (including, but not limited to, consultants, engineers, architects, and advisors) for the performance of financial analyses, design review, development, planning, and engineering services, services related to construction safety, construction management, construction support, construction logistics and inspection, negotiations, appraisals, and other reasonable services related to the Project and the transactions contemplated under the PSA; but will exclude the cost of LACMTA Joint Development staff, and in-house and outside legal counsel to LACMTA.

Developer will provide Fifty Thousand Dollars (\$50,000) to LACMTA on the PSA Effective Date (the **“Deposit”**) for LACMTA to apply to LACMTA Transaction Costs (whether accruing prior to or after the PSA Effective Date). Any unspent funds provided by Developer under the ENA shall be carried over towards the Deposit. In the event the Deposit is not utilized by LACMTA in connection with the Project, any remaining balance will be credited towards LACMTA Transaction Costs incurred after the Closing in connection with the construction of the Project requiring LACMTA review/approval pursuant to the Construction CCRs. LACMTA staff will provide documentation of the LACTMA Transaction Costs to Developer upon written request.

Post-Closing:

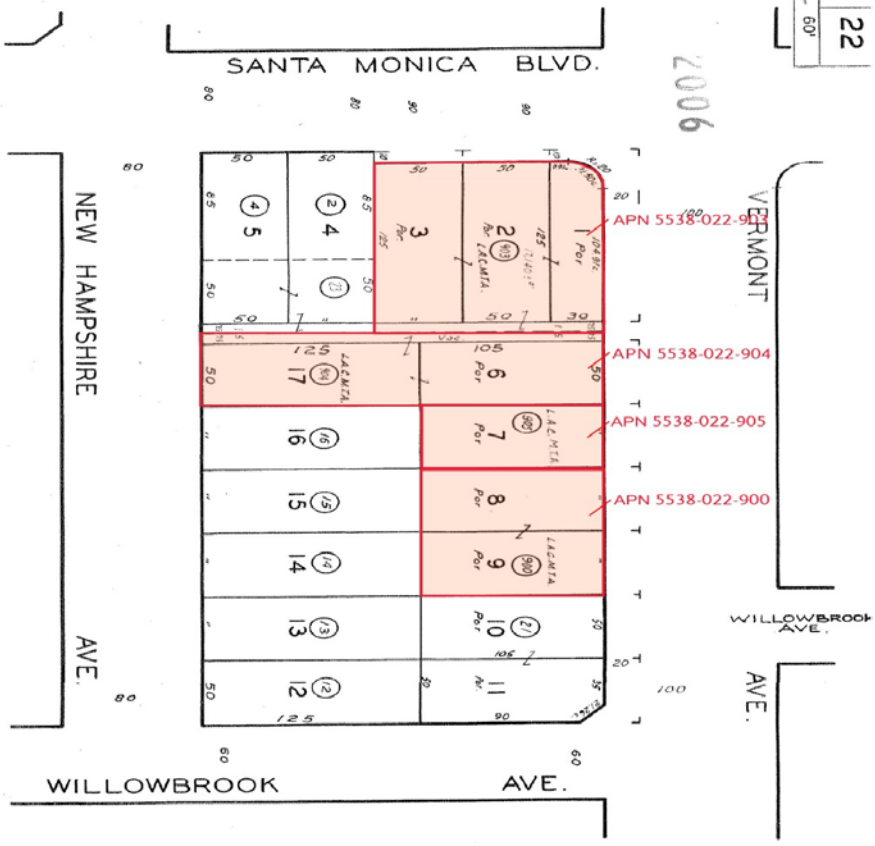
Developer will provide LACMTA with additional Deposit funds on the Closing, in the amount of Fifty Thousand Dollars (\$50,000), for LACMTA Transaction Costs after the Closing in connection with the construction of the Project requiring LACMTA review/approval. In the event that such Deposit is applied pursuant to the foregoing such that the amount of the Deposit is depleted to less than Twenty-Five Thousand Dollars (\$25,000), Developer shall, within five (5) days after written demand therefor, deposit cash with LACMTA in an amount sufficient to restore the Deposit to Twenty-Five Thousand Dollars (\$25,000), and Developer's failure to do so shall be a default under the PSA. In the event the Deposit funds are not utilized by LACMTA for the Project during the Construction Period, any remaining balance will be refunded to Developer.

LACMTA staff will provide documentation of the LACTMA
Transaction Costs to Developer upon Developer's written request.

Attachment A

5538 22
SCALE 1" = 60'

LACMTA Property



CODE
13
WESTMORELAND
PARK TRACT
M.B. 10-133

FOR PREP. ASSMT. SEE: 1698-22

REVISIO
12-28-64 10-28-63 P
640227 8-24-64
719330222
Kulic2407
91210222101-25
70222222222-25
70222222222-25
70222222222-25
2025/12/10/2024/10-15



LACMTA Property

Order No: 09194431-919-KRC-KRE

EXHIBIT "A"

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

PARCEL A:

LOTS 1, 2 AND 3 OF WESTMORELAND PARK TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 10 PAGE 133 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES AND ALL MINERALS, IN UNDER AND THAT MAY BE PRODUCED FROM DEPTH BELOW 500 FEET OF THE SURFACE OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT THE RIGHT OF ENTRY UPON THE SURFACE THEREOF, AS RESERVED BY PHILLIPS PETROLEUM COMPANY, A CORPORATION, IN THE DEED RECORDED DECEMBER 26, 1975 AS INSTRUMENT NO. 280, OFFICIAL RECORDS.

TOGETHER WITH THE NORTHERLY HALF OF THAT CERTAIN ALLEY, 15 FEET WIDE ADJOINING SAID LOTS 1, 2 AND 3, OF WESTMORELAND PARK TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 10 PAGE 133 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; BOUNDED WESTERLY BY THE SOUTHERLY PROLONGATION OF THE WESTERLY LINE OF LOT 3 AND BOUNDED EASTERLY BY THE SOUTHERLY PROLONGATION OF THE EASTERLY LINE OF LOT 1, AS VACATED BY THAT CERTAIN RESOLUTION TO VACATE NO. 00-1400450, RECORDED NOVEMBER 29, 2000 AS INSTRUMENT NO. 00-1858369 OF OFFICIAL RECORDS, WHICH WOULD PASS BY THE OPERATION OF LAW WITH THE FEE CONVEYANCE OF SAID LAND.

PARCEL B:

LOTS 6 AND 17 OF WESTMORELAND PARK TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 10 PAGE 133 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THE SOUTHERLY HALF OF THAT CERTAIN ALLEY, 15 FEET WIDE ADJOINING LOTS 6 AND 17, OF WESTMORELAND PARK TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 10 PAGE 133 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY; BOUNDED WESTERLY BY THE NORTHERLY PROLONGATION OF THE WESTERLY LINE OF LOT 17 AND BOUNDED EASTERLY BY THE NORTHERLY PROLONGATION OF THE EASTERLY LINE OF LOT 6, AS VACATED BY THAT CERTAIN RESOLUTION TO VACATE NO. 00-1400450, RECORDED NOVEMBER 29, 2000 AS INSTRUMENT NO. 00-1858369 OF OFFICIAL RECORDS, WHICH WOULD PASS BY THE OPERATION OF LAW WITH THE FEE CONVEYANCE OF SAID LAND.

PARCEL C:

PARCEL 1:

LOT 7 OF WESTMORELAND PARK TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 10 PAGE 133 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EAST 20 FEET THEREOF, CONDEMNED FOR WIDENING OF VERMONT STREET.

PARCEL 2:

AN EASEMENT OVER THE WESTERLY 12 FEET OF LOT 6 OF WESTMORELAND PARK TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 10 PAGE 133 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

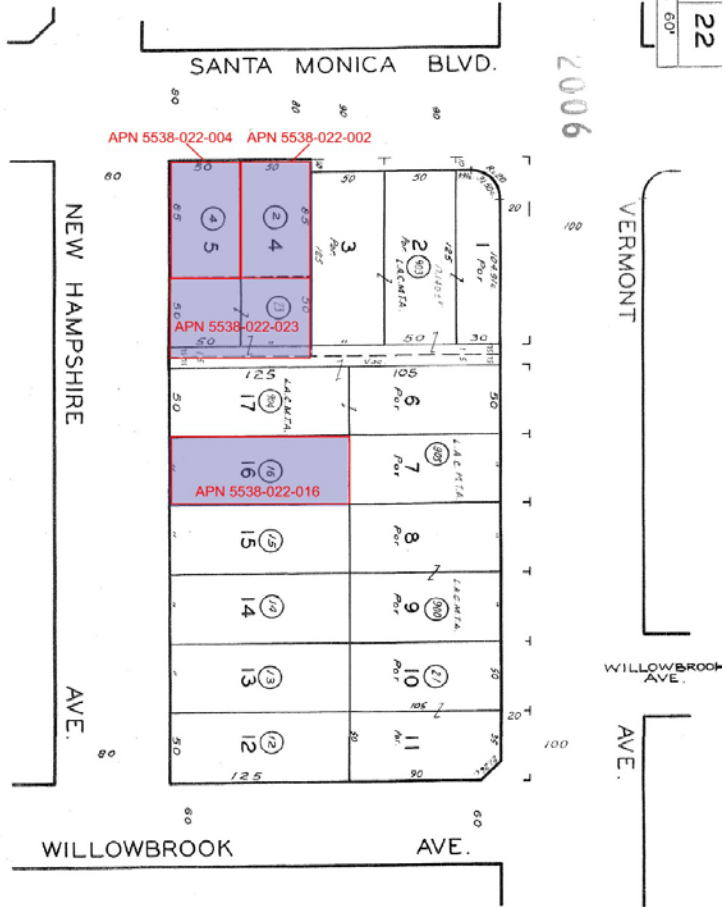
PARCEL D:

Attachment B

Developer Property

5538 22
SCALE 1" = 60'

2006



CODE 13

FOR MEV. ASMT. SEE: 1668 - 22

WESTMORELAND
PARK TRACT
M.B. 10-133

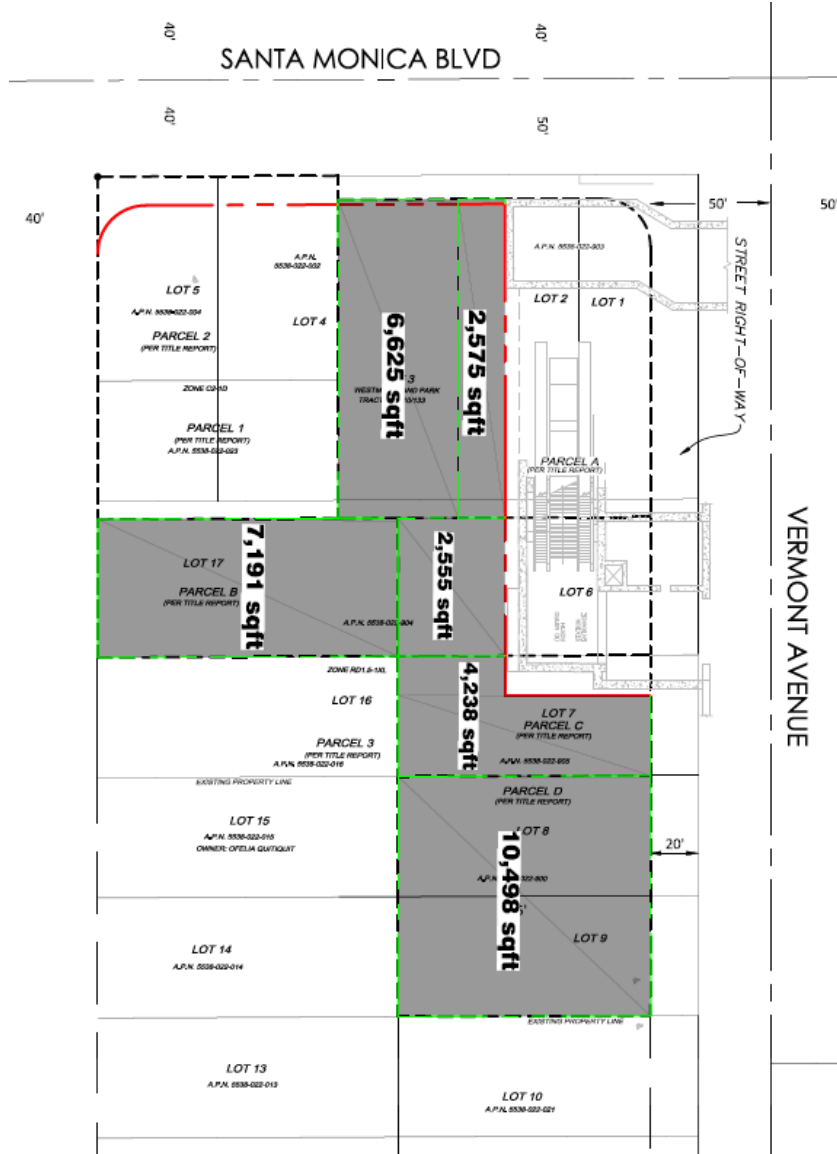
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8-24-64
2007/0609
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APN 02407
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9210705023071 42
9210705023071 42
9210705023071 42
9210705023071 42
2007/02/10/02407-15

 Developer Property

ASSASSIN'S MAP
COUNTY OF LOS ANGELES, CALIF.

Attachment C

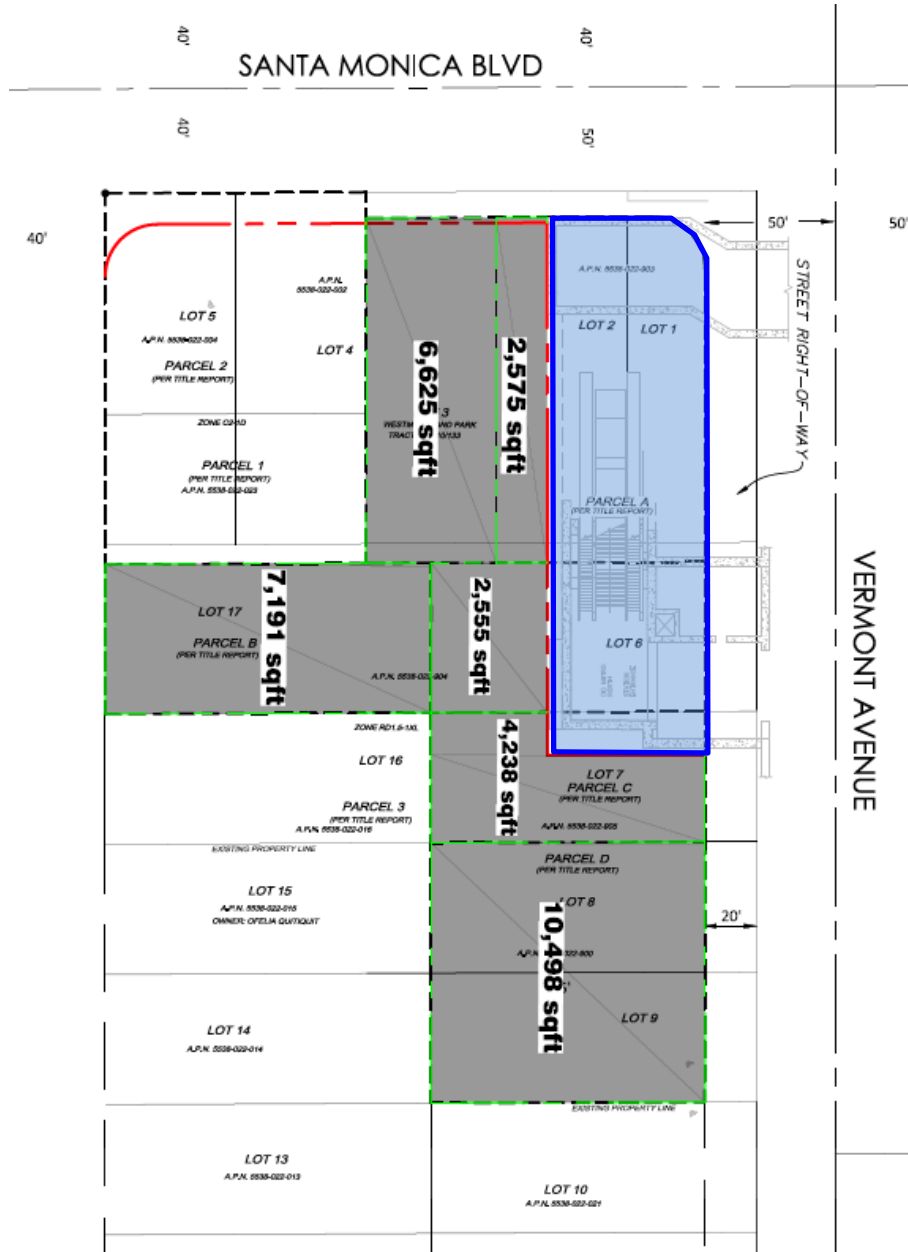
LACMTA Sale Property



- - - - - PROPOSED PROPERTY LINE
 - - - - - EXISTING PROPERTY LINE
 - _ _ _ _ _ ORIGINAL LOT LINE
 - METRO OWNED PROPERTY TO BE TRANSFERRED
- TOTAL AREA = 33,682 SQ.FT. ±
0.773 ACRES ±

Attachment D

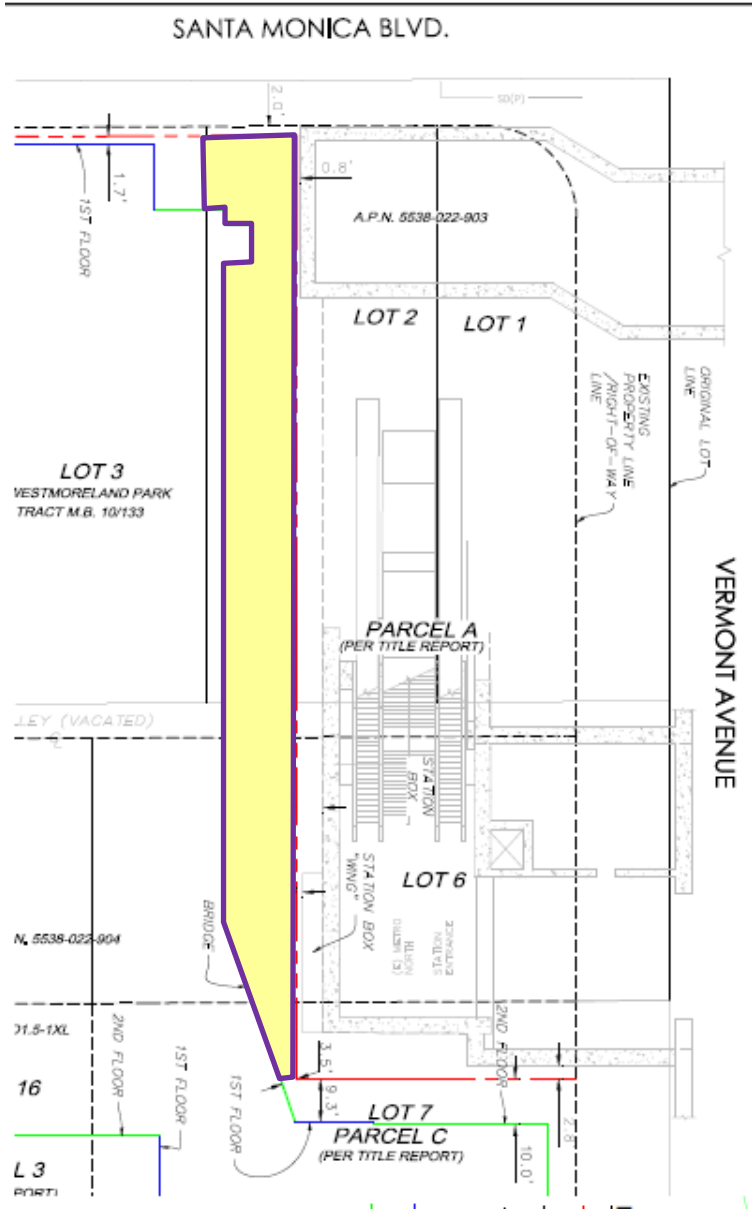
LACMTA Retained Plaza




 LACMTA Retained Plaza

Attachment E

Circulation Area



 Circulation Area

Attachment F

Site Plan and Renderings

Attachment G

Retained Rights

The Retained Rights are, collectively, the following rights, which LACMTA shall retain for its own benefit and for the benefit of the FTA, and which shall be contained in the CCRs:

1. LACMTA shall have (a) the right to access the Circulation Area to install, construct, inspect, operate, maintain, repair, expand and replace public transit facilities, LACMTA signage, and LACMTA equipment such as map cases, ticket machines, and seating as LACMTA may deem necessary, (b) the right to use sidewalk areas and the LACMTA Retained Plaza for any lawfully permissible purposes associated with the operation of public transit facilities, , (c) the right to enter the subterranean and ground-floor level portions of the Project at any time during normal business hours, with reasonable prior notice to the owner of the Project and subject to tenants' rights under California law, for purposes of conducting normal and periodic inspections of the Project and to confirm Developer's compliance with the terms and conditions of the CCRs, and (d) the right to attach LACMTA signage on the exterior portions of the Project and to maintain, repair and replace such signage with the consent of the Developer, which consent will not be unreasonably withheld.

2. Developer and each subsequent owner of the Project shall comply with non-discrimination rules and regulations at the state, local and federal level.

3. Developer and each subsequent owner of the Project, and each of their agents, contractors, subcontractors, managers, and subtenants shall not threaten, endanger, interrupt, impair, interfere with or unreasonably inconvenience in any way the maintenance or the safe and efficient operation of LACMTA's transit facilities and activities.

4. If any construction or other activity on the Site performed by, or on behalf of, Developer, the Project's owner or its tenants interrupts or threatens to impact operations of LACMTA's transit activities or facilities, as reasonably determined by LACMTA operations personnel, LACMTA will have the right to immediately enter the impacted portions of the Site to undertake remedial activity to the extent reasonably necessary to allow safe and efficient operation of LACMTA's transit activities or facilities, at such owner's cost. If such interference is non-critical in LACMTA's sole discretion, then LACMTA may notify the Project's owner and provide a reasonable opportunity to remediate the disturbance. LACMTA will be reimbursed by the Project's owner for all costs LACMTA incurs in remediating any such interference within thirty (30) days of written demand.

5. Transfers

(a) Developer shall not Transfer the Site except in the following ways (each, a "**Permitted Transfer**"):

(i) Prior to completion of the Project, a Transfer of the general partnership interest, except in the event of a removal by the equity limited partner.

(ii) After completion of the Project, to an affordable housing owner/operator in accordance with transfer criteria established by LACMTA in its reasonable discretion, which criteria shall include, without limitation, (A) satisfying LACMTA's minimum creditworthiness criteria, (B) at least five (5) years' experience in the business of owning and operating affordable housing projects and has developed at least 500 units of affordable housing in California (C) at least five (5) years' experience in the business of operating retail or mixed-use properties in California with at least 25,000 square feet of retail square footage under current management (provided, however, the requirements of this subsection (D) may be satisfied by retainer of a professional property manager with the requisite experience), (E) such proposed transferee is not currently, nor has it been in the prior ten (10) year period, an adverse party in any litigation with the County of Los Angeles, the City of Los Angeles, LACMTA or any other local municipality in the County of Los Angeles (F) is not, and is not owned or Controlled by, directly or indirectly by, any person or entity listed on, included within or associated with any of the persons or entities referred to in Executive Order 13324 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as the same may amended by the United States Department of the Treasury, Office of Foreign Assets Control, or any successor or replacement agency (a “**Permitted Transferee**”).

(iii) A Transfer to a lender pursuant to a judicial or non-judicial foreclosure or enforcement of remedies under an encumbrance that was approved by LACMTA.

(b) The following additional requirements shall apply to any Transfer:

(i) Except as permitted in Section 5(a) above, no partial transfers of the Site or Project shall be permitted.

(ii) Each transferee of the Project must certify that there is no organizational conflict of interest, including a certification that such transferee has not been debarred or suspended (except as authorized by certain U.S. DOT regulations and U.S. OMB “Guidelines to Agencies on Government Wide Debarment and Suspension (Nonprocurement)” and Executive Orders Nos 12549 and 12689 “Debarment and Suspension”).

(iii) Each transferee of the Project shall not, within the three (3) year period preceding the transfer, have been convicted of or had a civil judgment rendered against them for (A) commission of fraud or a criminal offense in connection with obtaining a contract (“**Public Transaction**”) with the federal government or any state or local government, (B) violation of any antitrust statutes, (C) committing any illegal payment of a commission or gratuity, embezzlement, theft, forgery, bribery, falsification or destruction of records, (D) making a false statement, or (E) receiving stolen property. Each transferee shall not be presently indicted or criminally charged by a government entity with commission of any of the foregoing offenses and shall not, within such three (3) year period, have had one or more Public Transactions terminated for cause or default.

(iv) Each transferee shall provide the Certification of Prospective Owner in the form that is to be attached to the CCRs.

(v) Any Transfer or assignment by Developer may be subject to FTA approval.

ATTACHMENT D

Los Angeles County Metropolitan Transportation Authority Board Resolution

Authorization to apply for grant funding from the Transit-Oriented Development Housing Program in connection with the Vermont/Santa Monica Station Joint Development Project

WHEREAS, the California Department of Housing and Community Development ("Department") has issued a Notice of Funding Availability ("NOFA") dated April 30, 2020, under the Transit-Oriented Development Housing Program ("TOD Program"); and

WHEREAS, the Los Angeles County Metropolitan Transportation Authority ("LACMTA") wishes to apply for and receive an allocation of funds through the TOD Program for the Santa Monica Vermont Apartments; and

WHEREAS, the LACMTA is an Eligible Applicant under the TOD Program and wishes to apply for a TOD Program Grant in an amount not to exceed \$5,000,000 ("TOD Grant") to develop transit station plaza improvements in support of affordable housing ("TOD Project") under the above described NOFA.

NOW, THEREFORE, BE IT RESOLVED: That the LACMTA is hereby authorized to apply for the Department's TOD Grant pursuant to the above-mentioned NOFA and to act in connection with such application.

NOW THEREFORE, BE IT FURTHER RESOLVED: That in connection with the LACMTA's TOD Grant, the LACMTA is authorized to enter into, execute, and deliver a State of California Standard Agreement, and any and all other documents required or deemed necessary or appropriate to carry into effect the full intent and purpose of the , in order to evidence the TOD Grant, the LACMTA's obligations related thereto, and the Department's security therefore; including, but not limited to, an affordable housing covenant, a performance deed of trust, a disbursement agreement, and certain other documents required by the Department as security for, evidence of or pertaining to the TOD Grant, and all amendments thereto (collectively, the "TOD Grant Documents").

NOW THEREFORE, BE IT FURTHER RESOLVED: That LACMTA is hereby authorized to execute the TOD Grant Documents, and any amendment or modifications thereto, on behalf of the LACMTA.

NOW THEREFORE, BE IT FURTHER RESOLVED: That LACMTA is hereby authorized to accept the TOD Grant funds and to utilize such funds to develop transit station plaza improvements at the Vermont/Santa Monica Station in support of the Santa Monica Vermont Apartments.

NOW THEREFORE, BE IT FURTHER RESOLVED: That this resolution shall take effect immediately upon its passage.

Passed and adopted, effective as of August 27, 2020 by the consent of the Board of Directors by the following vote:

___AYES

___NAYS

___ABSTAIN

___ABSENT

CERTIFICATE OF THE SECRETARY OF THE LACMTA

The undersigned, duly qualified and acting as the 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, August 27, 2020.

DATE: _____

Michelle Jackson
LACMTA Secretary

(SEAL)

Qualifying Criteria for CEQA Exemptions

SMV Housing, L.P. (Developer), an affiliate of LTSC Community Development Corporation, desires to proceed with the construction and operation of a mixed-use, affordable housing project (Project) on approximately 54,101 square feet located near the Vermont/Santa Monica B (Red) Line Station (Site). The Site is bounded by Santa Monica Boulevard to the north, N. New Hampshire Avenue to the west, N. Vermont Avenue to the east, and a commercial property to the south. The Project will include approximately 185 affordable apartments, two property manager apartments, approximately 22,000 square feet of commercial/community space and 69 parking spaces.

Metro staff have reviewed and considered the City of Los Angeles (City) Department of City Planning's Notice of Exemption (Case No. ENV-2019-5646-CE) and associated documents prepared by the Developer's environmental consultant, EcoTierra Consulting. Metro adopts the determinations made by the City of Los Angeles.

After considering the City's environmental documents and reaching its own conclusions, staff has determined that the Project is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to Section 15332/Class 32 (In-Fill Development Projects) of the CEQA Guidelines, as follows:

Section 15332/Class 32 (In-Fill Development Projects)

- (a) The Project is consistent with the City of Los Angeles applicable general plan designation and all applicable general plan policies, as well as with the applicable zoning designation and regulations.
- (b) The Project is within Los Angeles city limits and the Site is less than five acres and is surrounded by urban uses.
- (c) The Site has no value as habitat for endangered, rare or threatened species.
- (d) Approval of the Project will not result in any significant effects relating to traffic, noise, air quality or water quality.
- (e) The Site can be adequately served by all required utilities and public services.

Public Resources Code Section Code §21080.27(a)(3) and §21080.27(b)(2)

Exemption is also granted to projects in the City of Los Angeles that satisfy the definition of “supportive housing” as defined in Section 50675.14 of the Health and Safety Code, that meets the eligibility requirements of Article 11 (commencing with Section 65650) of Chapter 3 of Division 1 of Title 7 of the Government Code or the eligibility requirements for qualified supportive housing or qualified permanent supportive housing set forth in Los Angeles Ordinance No. 185,489 or 185,492, and is funded, in whole or in part, by any of the following:

(A) The No Place Like Home Program (Part 3.9 (commencing with Section 5849.1) of Division 5 of the Welfare and Institutions Code).

(B) The Building Homes and Jobs Trust Fund established pursuant to Section 50470 of the Health and Safety Code.

(C) Measure H sales tax proceeds approved by the voters on the March 7, 2017, special election in the County of Los Angeles.

(D) General bond obligations issued pursuant to Proposition HHH, approved by the voters of the City of Los Angeles at the November 8, 2016, statewide general election.

(E) The City of Los Angeles Housing Impact Trust Fund.

The Project is statutorily exempt pursuant to Public Resources Code §21080.27(b)(2) as it will have units reserved for formerly homeless/special needs residents along with supportive services for them (including dedicated office space to provide those services). The Project is partially funded with general bond obligations issued pursuant to Proposition HHH. Therefore, the Project is also statutorily exempt as a “supportive housing” project in the City of Los Angeles within the meaning of Public Resources Code §21080.27(a)(3).



Next stop: building communities.

Vermont/Santa Monica Joint Development

Planning and Programming Committee

August 19, 2020

Legistar File 2020-0279



Recommendations

CONSIDER:

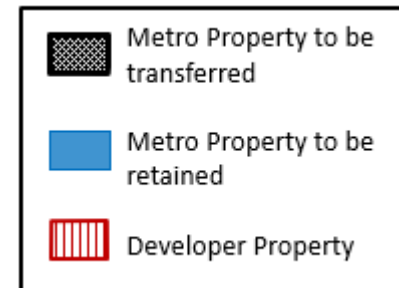
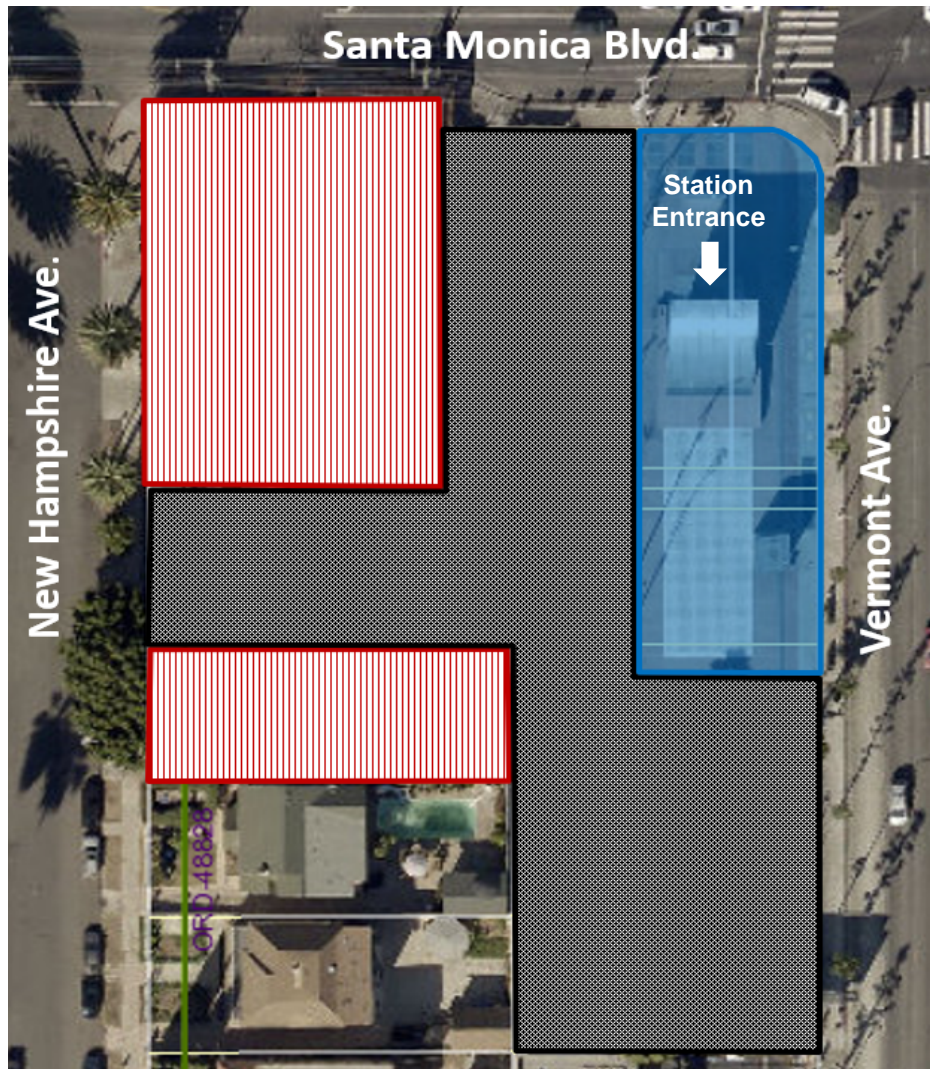
- A. AUTHORIZING the Chief Executive Officer (CEO) to execute a Purchase and Sale Agreement and agreements containing conditions, covenants, restrictions and easements with SMV Housing, L.P. (Developer), an affiliate of LTSC Community Development Corporation (LTSC), that provide for Developer's purchase from Metro of approximately 33,682 square feet of real property (Metro JD Property) next to the Vermont/Santa Monica B (Red) Line Station and the construction and operation of a mixed-use, affordable housing project (Project) on the Metro JD Property and adjacent Developer-owned property (collectively, Site), subject to Federal Transit Administration (FTA) and California Transportation Commission (CTC) concurrence;

Recommendations

- B. ADOPTING the attached resolution (Attachment D) authorizing the CEO or his designee to apply for, receive an allocation of funds, and to enter into, execute, and deliver a State of California Standard Agreement, and any and all other documents required or deemed necessary related to the California Department of Housing and Community Development Transit-Oriented Development (TOD) Housing Program in an amount not to exceed \$5,000,000 (TOD Grant) to fund station plaza improvements in support of the Project; and

- C. FINDING that the Project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15332/Class 32 (In-Fill Development Projects) of the CEQA Guidelines, and statutorily exempt pursuant to Public Resources Code Section §21080.27(a)(3) and Section §21080.27(b)(2) and to authorize the CEO to file a Notice of Exemption for the Project consistent with such exemptions.

Vermont/Santa Monica Site Overview



Project

- Extensive community engagement
- 185 affordable units
 - 91 units restricted to households earning 50% of Area Median Income (AMI) or less
 - 94 units designated for special needs tenants earning 30% of AMI or less
- 2 unrestricted managers units
- 69 parking spaces
- 22,000 square feet of ground floor commercial space
 - On-site supportive services, community space
 - Federally Qualified Health Clinic
 - Food court with opportunities for longtime area businesses

Project

- Transit-related infrastructure and pedestrian amenities
 - New landscaping
 - Metro bike storage
 - Street furniture
- Affordable Housing and Sustainable Communities (AHSC)



- California Department of Housing and Community Development Transit-Oriented Development Housing Program

Purchase and Sale Agreement Terms

- Fee simple sale with retained rights was deemed necessary due to project configuration across Metro/Developer parcels
- Appraised at \$10,200,000
- 30% discount for affordable housing = \$3,060,000
- Purchase price of \$7,140,000
- Covenants, Conditions, Restrictions and Easements (CCRs):
 - 99-year affordability restriction
 - Requirements for permitted transferees
 - Retained rights to operate, maintain repair, etc. public transit facilities
 - Access rights for plaza and pedestrian ingress and egress

Next Steps

- Late 2020: Project fully financed
- Early 2021: Secure final Metro and City of Los Angeles approvals
- Spring 2021: Construction commencement
- Mid-2023: Construction completion
- On-going: Stakeholder updates



File #: 2020-0549, File Type: Oral Report / Presentation

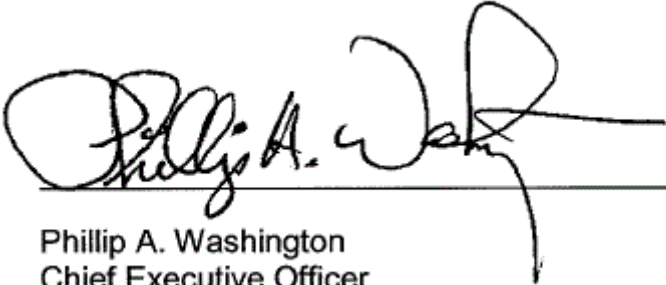
Agenda Number: 26.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
AUGUST 20, 2020**

SUBJECT: ORAL REPORT ON REGIONAL CONNECTOR SERVICE PLAN UPDATE

RECOMMENDATION

RECEIVE oral report on Regional Connector Service Plan Update.



Phillip A. Washington
Chief Executive Officer

Regional Connector Operating Plan

August 2020



Metro

Public Engagement and Outreach – Environmental Phase (2008-2014)

- Prior to the Board of Directors selection of the Locally Preferred Alternative (LPA):
 - Elected Official briefings
 - Over 100 Stakeholder Working Group briefings:
 - Little Tokyo, Arts District, Financial District, Grand Ave Cultural Institutions, Bunker Hill, Broadway, Historic Core, and Project area-wide groups
 - Community Update Meetings
 - Collateral materials
- Positive community and stakeholders support of the North-South, East-West service alignment



Public Engagement and Outreach – Construction Phase (2014-2020)

- Continued outreach following Board approval of the LPA:
 - Distribution of Final EIS/EIR
 - Elected Official briefings
 - Community Leadership Council (CLC)*
 - Monthly community meetings
 - Special events in downtown LA and Boyle Heights
 - Printed and online materials:
 - Project website, social media, agency blogs, e-newsletters
 - Little Tokyo Community Office
 - Title VI Program Update – Office of Civil Rights
- Community and stakeholders continue to support the North-South, East-West service alignment
- Minimal interest in maintaining north/south Gold Line connection

Purpose

- Purpose – Validate Locally Preferred Alternative (LPA) as continued to be supported by stakeholders and the community through the environmental and construction phases.
- Criteria for validating alternatives include:
 - Travel patterns to/from each segment
 - Network simplicity
 - Headway consistency
 - On Time Performance
 - Peak vehicle requirement
 - Revenue vehicle hours

Service Scenarios

Three primary service scenarios being evaluated:

Alt A: Long Beach – Azusa,
Santa Monica – Atlantic*

Alt B: Long Beach – Atlantic,
Santa Monica – Azusa

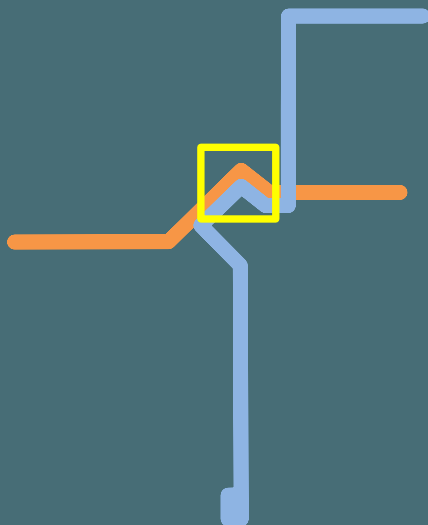
Alt C: Long Beach – Atlantic/Azusa
Expo – Atlantic/Azusa



* Locally Preferred Alternative



Travel Patterns: Alternative A



All Trips

East Flows

West Flows

| Origin (O) to Destination (D) | All Trips | Outside DTLA – Outside DTLA | Inside DTLA – Inside DTLA | Outside DTLA – Inside DTLA |
|--|-----------|-----------------------------------|---------------------------------|----------------------------------|
| O: Expo D: Gold Line East O: Blue D: Gold Line (US – APU) | 100% | 12% | 52% | 36% |
| O: Gold Line East D: Expo O: Gold Line (US – APU) D: Blue | 100% | 12% | 53% | 35% |

Transit Trips

East Flows

West Flows

| Origin (O) to Destination (D) | All Trips | Outside DTLA – Outside DTLA | Inside DTLA – Inside DTLA | Outside DTLA – Inside DTLA |
|--|-----------|-----------------------------------|---------------------------------|----------------------------------|
| O: Expo D: Gold Line East O: Blue D: Gold Line (US – APU) | 100% | 12% | 24% | 64% |
| O: Gold Line East D: Expo O: Gold Line (US – APU) D: Blue | 100% | 8% | 25% | 67% |

Travel Patterns: Alternative B



All Trips

East Flows

West Flows

| Origin (O) to Destination (D) | All Trips | Outside DTLA – Outside DTLA | Inside DTLA – Inside DTLA | Outside DTLA – Inside DTLA |
|--|-----------|-----------------------------------|---------------------------------|----------------------------------|
| O: Expo D: Gold Line (US – APU) O: Blue D: Gold Line East | 100% | 14% | 51% | 35% |
| O: Gold Line (US – APU) D: Expo O: Gold Line East D: Blue | 100% | 14% | 51% | 34% |

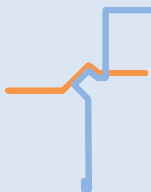
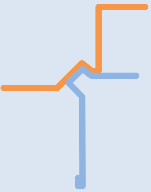

Transit Trips

East Flows

West Flows

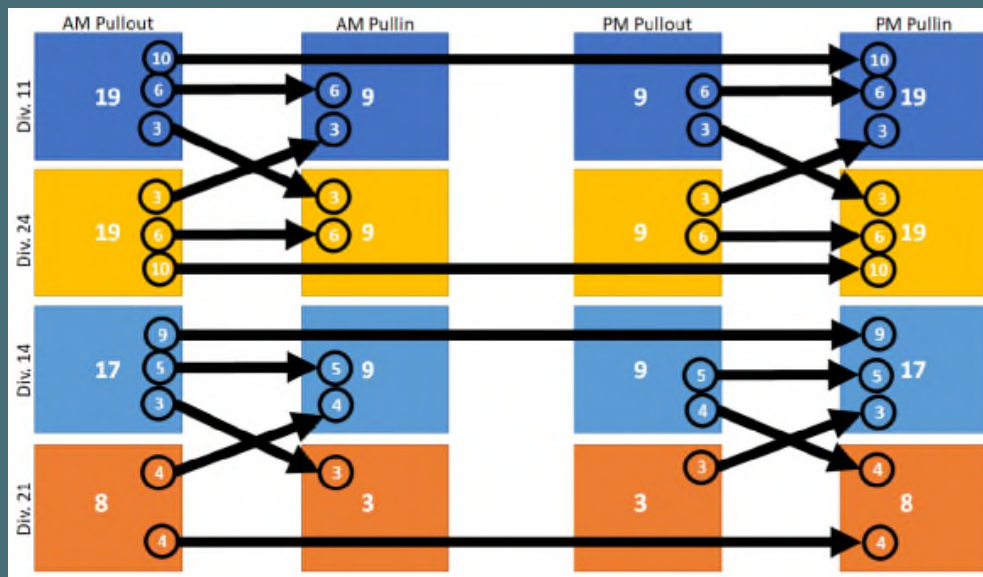
| Origin (O) to Destination (D) | All Trips | Outside DTLA – Outside DTLA | Inside DTLA – Inside DTLA | Outside DTLA – Inside DTLA |
|--|-----------|-----------------------------------|---------------------------------|----------------------------------|
| O: Expo D: Gold Line (US – APU) O: Blue D: Gold Line East | 100% | 14% | 24% | 62% |
| O: Gold Line (US – APU) D: Expo O: Gold Line East D: Blue | 100% | 9% | 25% | 66% |

Network Simplicity: Wait and Transfers

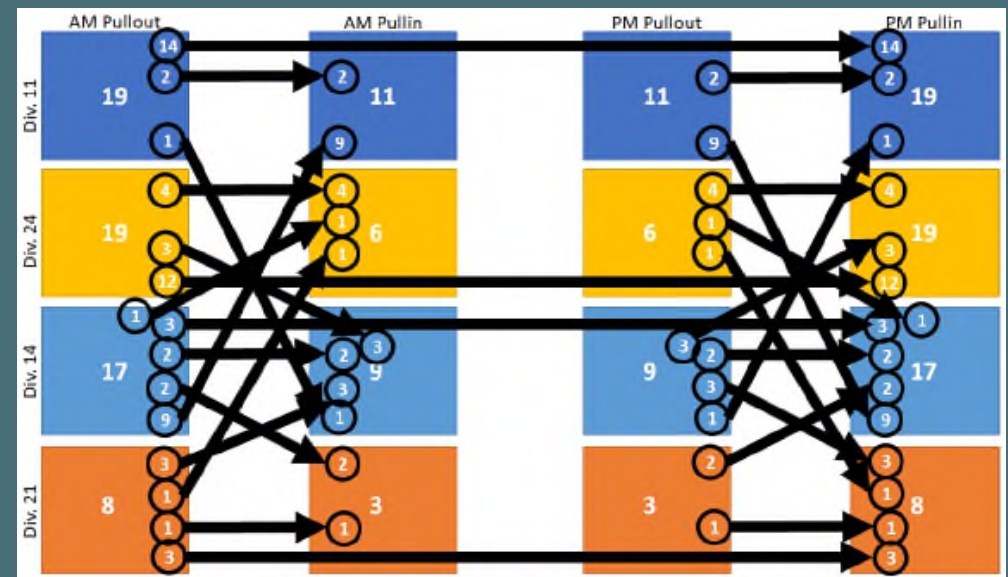
| Alternative | Route | Initial Wait | Transfer | Total |
|--|-------------------------|--------------|----------|-------|
|  <p>A</p> | Santa Monica - Atlantic | 3 | 0 | 3 |
| | Santa Monica - APU/CC | 3 | 3 | 6 |
| | Long Beach - Atlantic | 3 | 3 | 6 |
| | Long beach - APU/CC | 3 | 0 | 3 |
|  <p>B</p> | Santa Monica - Atlantic | 3 | 3 | 6 |
| | Santa Monica - APU/CC | 3 | 0 | 3 |
| | Long Beach - Atlantic | 3 | 0 | 3 |
| | Long beach - APU/CC | 3 | 3 | 6 |
|  <p>C</p> | Santa Monica - Atlantic | 6 | 0 | 6 |
| | Santa Monica - APU/CC | 6 | 0 | 6 |
| | Long Beach - Atlantic | 6 | 0 | 6 |
| | Long beach - APU/CC | 6 | 0 | 6 |

Network Simplicity: Train Cycling Plans

Alternative A and B



Alternative C



Headway Regularity

| Alternative | Percent of Scheduled Headway (NB/EB) | | | | | | |
|-------------|--------------------------------------|------|------|------|------|------|---------|
| | 100% | 110% | 120% | 130% | 140% | 150% | Greater |
| A | 55% | 73% | 82% | 87% | 90% | 92% | 8% |
| B | 57% | 71% | 78% | 82% | 85% | 87% | 13% |
| C | 53% | 67% | 75% | 81% | 85% | 88% | 12% |
| Current | 69% | 81% | 87% | 92% | 95% | 97% | 3% |

| Alternative | Percent of Scheduled Headway (SB/WB) | | | | | | |
|-------------|--------------------------------------|------|------|------|------|------|---------|
| | 100% | 110% | 120% | 130% | 140% | 150% | Greater |
| A | 60% | 75% | 83% | 87% | 90% | 92% | 8% |
| B | 59% | 73% | 79% | 83% | 86% | 88% | 12% |
| C | 57% | 71% | 79% | 84% | 87% | 89% | 11% |
| Current | 67% | 78% | 85% | 90% | 93% | 96% | 4% |

- Alternative A performs the best for regularity of headways
- No alternative performs as well as current because traffic signal delays on Blue and Expo will spread to Gold Line

Resource Requirement

| Alternative | Total Peak Vehicles | With 20% Spares | Weekday Revenue Car Hours | Annual Revenue Car Hours | Annual Operating Cost |
|-------------|---------------------|-----------------|---------------------------|--------------------------|-----------------------|
| A | 195 | 234 | 2,658 | 901,461 | \$433M |
| B | 192 | 231 | 2,621 | 889,027 | \$427M |
| C | 195 | 234 | 2,753 | 933,582 | \$448M |

Service Plan Recommendation

Alternative A (Long Beach – Azusa, Santa Monica – Atlantic)

- Approved as Locally Preferred Alternative
- Significant outreach and support for Alt A
- Simple to understand (and operate) network that minimizes wait and transfer times
- Performs best in headway regularity
- Second least costly operations
- Opportunities to improve upon Alternative A with train delay mitigations

Train Delay Mitigations

- Delays through the Regional Connector due to variability in run times can be mitigated through better signal priority/preemption along the current A (Blue) and E (Expo) Line street running territory and more consistent dwell times;
- Otherwise, in-line schedule recovery of up to 5 minutes approaching the junctions will need to be built into the schedules to ensure trains enter the Regional Connector on time.



Headway Regularity

| Alternative | Percent of Scheduled Headway (NB/EB) | | | | | | |
|-------------|--------------------------------------|------|------|------|------|------|---------|
| | 100% | 110% | 120% | 130% | 140% | 150% | Greater |
| A | 55% | 73% | 82% | 87% | 90% | 92% | 8% |
| B | 57% | 71% | 78% | 82% | 85% | 87% | 13% |
| C | 53% | 67% | 75% | 81% | 85% | 88% | 12% |
| Current | 69% | 81% | 87% | 92% | 95% | 97% | 3% |
| Recovery | 58% | 82% | 90% | 94% | 96% | 97% | 3% |

| Alternative | Percent of Scheduled Headway (SB/WB) | | | | | | |
|-------------|--------------------------------------|------|------|------|------|------|---------|
| | 100% | 110% | 120% | 130% | 140% | 150% | Greater |
| A | 60% | 75% | 83% | 87% | 90% | 92% | 8% |
| B | 59% | 73% | 79% | 83% | 86% | 88% | 12% |
| C | 57% | 71% | 79% | 84% | 87% | 89% | 11% |
| Current | 67% | 78% | 85% | 90% | 93% | 96% | 4% |
| Recovery | 60% | 84% | 92% | 96% | 98% | 99% | 1% |

- Scheduled holds improve headway regularity to current levels

Resource Requirement

With No In-Line Schedule Recovery

| Alternative | Total Peak Vehicles | With 20% Spares | Weekday Revenue Car Hours | Annual Revenue Car Hours | Annual Operating Cost |
|-------------|---------------------|-----------------|---------------------------|--------------------------|-----------------------|
| A | 195 | 234 | 2,658 | 901,461 | \$433M |
| B | 192 | 231 | 2,621 | 889,027 | \$427M |
| C | 195 | 234 | 2,753 | 933,582 | \$448M |

With In-Line Schedule Recovery

| Alternative | Total Peak Vehicles | With 20% Spares | Weekday Revenue Car Hours | Annual Revenue Car Hours | Annual Operating Cost |
|-------------|---------------------|-----------------|---------------------------|--------------------------|-----------------------|
| A | 208 | 250 | 2,835 | 961,558 | \$462M |
| B | 205 | 246 | 2,799 | 949,221 | \$456M |
| C | 208 | 250 | 2,936 | 995,820 | \$478M |

Implementation Recommendation

- Implement Alternative A (Long Beach – Azusa, Santa Monica – Atlantic) which is the Locally Preferred Alternative (LPA).
- Initially implement in-line schedule recovery before the junction to improve the headway regularity of service running through the Regional Connector.
- Continue to work with LADOT to reduce street signal delays on the Blue and Expo Lines near Downtown LA so that in-line schedule recovery can be minimized or eliminated.

Next Steps

- Board Staff briefing and oral report to OSCE Committee in August 2020
- Ongoing Construction Relations outreach for final phases of construction
- Board approval of recommendation in September 2020

Questions?



Board Report

File #: 2020-0050, **File Type:** Policy

Agenda Number: 36.

**EXECUTIVE MANAGEMENT COMMITTEE
AUGUST 20, 2020**

SUBJECT: METRO ADOPT-A-BIKE PILOT PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING a policy revision for unclaimed bicycles left on Metro property that establishes a Metro Adopt-A-Bike Pilot Program.
- B. APPROVING the administration of a mini-grant program for community-based organizations to perform tasks that support the distribution of unclaimed bicycles through the Adopt-A-Bike Pilot Program with a focus on equity.

ISSUE

Metro collects 400-500 bicycles per month left on the Metro system and on Metro property which are subsequently transported to Metro’s lost and found facilities. Seventy-five percent (75%) of these bicycles are never claimed by their owner. After the bicycles are stored for 90 days as required by state law, the current Metro procedure dictates that unclaimed bicycles are to be sold at auction. This process limits Metro’s opportunity to provide a benefit to Los Angeles County residents; does not provide increased mobility opportunities for those wishing to practice social distancing without the use of a personal automobile; does not provide economic relief to car-free residents looking for employment opportunities; and is not aligned with the Metro Vision 2028 Strategic Plan goal to reduce single occupancy vehicles in the next 10 years.

Board approval will authorize the establishment of the two-year Adopt-A-Bike Pilot Program (Program) allowing unclaimed bicycles to be offered to Los Angeles County residents and the unhoused community in need of a bicycle free of charge. Secondly, it will approve the administration of a two-year pilot mini-grant program for community-based organizations (CBOs) to support the distribution of these bicycles.

BACKGROUND

The Metro Adopt-A-Bike Pilot Program will provide the agency with the opportunity to offer a

transportation resource to Los Angeles County residents. With the ongoing COVID-19 pandemic, the distribution of unclaimed bicycles to members of the public who cannot afford a bicycle is more important than ever. Donated bicycles will provide an additional mobility option available to Los Angeles County residents who wish to maintain social distancing without the use of a personal automobile, and the cost-free resource will provide economic relief to individuals who need to access employment and other opportunities. In addition, administering the program through a mini-grant program will allow the implementation to be in partnership with community-based organizations and other entities that work directly with disadvantaged communities.

In order to establish this program, Metro must adhere to current legislature that governs the distribution and donation of public assets. California Civil Code 2080.6. (https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=CIV§ionNum=2080.6) requires that Metro follow a set of policies on managing bicycles and personal property left behind on the Metro system and on Metro property. Specifically, this state law mandates that all objects left behind, including bicycles, must be held by Metro for a minimum of 90 days. In addition, Chapter 497 of the California Public Utilities Code (PUC) § 30600 (http://media.metro.net/images/Introduction_to_LACMTA_Metro.pdf) indicates that Metro may donate or dispose of any real or personal property when it is in the best interest of Los Angeles County. The donation of any personal property that has value is permitted if it is determined that the assets will be used for a public transit related purpose within Metro's jurisdiction.

To ensure compliance, Metro's established procedure requires that a centralized lost and found location be maintained to provide patrons the opportunity to retrieve lost bicycles and other personal property found on Metro fleet vehicles or Metro properties. After the state-mandated 90-day storage period is completed, the current procedure directs Metro to dispose of unclaimed bicycles remaining in lost and found facilities by selling them through auction (see Attachment A). Metro expends all reasonable efforts in reuniting any lost bicycle with its rightful owner during the 90-day holding period and in ensuring compliance with state requirements for final disposition of any unclaimed property.

DISCUSSION

PROJECT DEVELOPMENT AND RESEARCH

During the development process of the Adopt-A-Bike Pilot Program, staff met and coordinated with several internal departments.

To better understand the current procedure for handling lost and found bicycles, staff met with the Metro Lost and Found Office of the Customer Service Department. In accordance with California Civil Code 2080.6, the department maintains centralized lost and found locations so that patrons can retrieve lost articles found on Metro buses, rail, or other Metro properties. Lost bicycles found on Metro vehicles or property are surrendered to their respective division or management, tagged and coded, and then transported by the Mail Services Department to Union Station. Bicycles are stored for 90 days from the date they are received by the Metro Lost and Found Office and during this time individual bikes are available for retrieval by their rightful owners.

After the 90-day period, all unclaimed property is transferred to Vendor/Contract Management (VCM).

VCM is responsible for the disposition of all unclaimed articles, such as personal items, electronic devices, and bicycles. Under the current procedure all unclaimed bicycles are picked up from the Metro Lost and Found Office and transferred to an auction house in Riverside, California, where they are auctioned off in lots to the highest bidder. VCM staff indicates that bicycles are some of the most cumbersome items for the auctioneers to transport and do not generate sufficient revenue to offset the cost of the auction and transport process.

Staff also consulted with County Counsel and Risk Management to determine if unclaimed bicycles were eligible for donation to the public. It was determined that California Civil Code 2080.6 requires only that lost and found bicycles be stored and available for the rightful owner to claim for a period of 90 days. Since the law does not specify the disposal process of the bicycles after the 90 days, Metro can make this determination. In addition, once the Program is established, eligible recipients will be required to sign a waiver and release Metro from all liabilities related to the donated bicycle.

Research examining other similar programs was also conducted. For example, staff found that the University of California Los Angeles (UCLA) currently administers a program for lost and found bicycles on their property and redistributes them to students after the state-mandated 90-day storage period ends. In addition, the University of Georgia, Athens (UGA) operates UGA (RE)CYCLE, a need-based bicycle recycling and redistribution program for the UGA campus community.

Both programs demonstrate that the concept of Adopt-A-Bike is a viable option for distributing resources in a way that addresses unmet transportation needs. To ensure that distribution of the bicycles will be focused on disadvantaged communities, staff will be working closely with CBOs in utilizing the CalEnviroScreen to make this determination. According to the California Office of Environmental Health Hazard Assessment (OEHHA), the CalEnviroScreen is a tool that ranks census tracts in California based on exposure to pollutants, environmental conditions, socioeconomic factors, and the presence of certain health conditions. The CalEnviroScreen is widely used to identify communities that face a variety of challenges. Working with CBOs that have a presence and an understanding of these communities will be key in ensuring that bicycles are distributed to those who have limited resources and are in need of mobility options. CBOs will have the opportunity to leverage their experience and utilize their networks to distribute bicycles at established events and other programming.

The Metro Adopt-A-Bike Pilot Program is focused on equity and providing an active transportation mobility option to disadvantaged residents of Los Angeles County. By distributing unclaimed bicycles using the CalEnviroScreen, the program provides opportunities for Metro and CBOs to increase mobility options directly to residents and unhoused folks in the communities where they live. In addition, the pilot program will provide a cost-free mobility alternative as well as a first and last mile option to connect with the Metro transit system, employment opportunities, and to the various communities throughout the region.

OUTREACH

Staff worked collaboratively with countywide stakeholders, active transportation advocacy groups and CBOs to determine the potential paths and needs of administering a program in Los Angeles County. On December 12, 2019, staff held a workshop where forty-two (42) CBOs and other various

stakeholders and agencies were invited. Sixteen (16) stakeholders and CBO representatives attended the Adopt-A-Bike Pilot Program Workshop and provided staff with valuable feedback which helped determine the resources and logistical needs of administering the program. Following the workshop, all stakeholders, including those who did not attend the workshop, were contacted via email to provide additional feedback to Metro.

In addition, in June 2020 staff contacted sixty-six (66) CBOs with experience working with the unhoused community in Los Angeles County. These CBOs have strong connections with this community and will assist in identifying a process for distributing bicycles to persons who are experiencing homelessness and in need of a transportation option. CBOs originally contacted in December 2019 were reached out to again reiterating the concept of the program. Upon review of all correspondence and feedback received, it was determined that administration of the Adopt-A-Bike Pilot Program by CBOs would be feasible with minimal financial and logistical assistance from Metro. Multiple CBOs from different areas of the region have responded with interest and intend to participate.

PILOT PROGRAM VISION

Staff is proposing a two-year Metro Adopt-A-Bike Pilot Program that will allow Metro to distribute unclaimed bicycles left on Metro property to residents in Los Angeles County communities in lieu of selling unclaimed bicycles at auction.

Staff is proposing the distribution of bicycles to be administered by non-profits and CBOs from different areas of the region. An amount of up to \$120,000 annually will be available to assist the selected organizations in the administration and logistic coordination of distributing bicycles. Staff will administer a competitive proposal-based mini-grant process for organizations disbursed throughout the regions of Los Angeles County interested in participating in the program. Additional Metro support will be available to selected organizations including storage, utilization of Metro facilities as venues, and space at Metro-sponsored events. Non-profits and CBOs will be selected based on, but not limited to, geographical criteria to ensure bicycles are distributed equitably throughout Los Angeles County, and their experience working with disadvantaged and unhoused communities. Staff anticipates inviting a variety of CBOs to participate in the program, including those that work with unhoused individuals. Additional scoring criteria will include capacity and number of bicycles that an organization is able to distribute over an allotted time period, safety training program approach and their proposal for outreach and program awareness. The program will be branded as a joint venture between Metro and CBOs selected to participate.

Under the pilot program, Metro Customer Services, General Services and Facilities Maintenance will maintain current duties and continue to be responsible for collecting lost bicycles found on Metro property and storing them in accordance with California Civil Code 2080.6. After the 90-day storage period, unclaimed bicycles will be made available to CBOs for safety inspection and distribution. They will be responsible for coordinating the transport of the bicycles from a Metro facility to perform their work. CBOs will also be responsible for performing comprehensive safety checks and certifications of the bicycles and providing safety training to recipients prior to the donation of the bicycles.

Organizations selected to administer the Metro Adopt-A-Bike Pilot Program will conduct bicycle distribution events at locations of their choosing and through their established community networks. Metro will also make available internal facilities and events to assist in this process, including: (1) existing and future Metro Bike Hubs; (2) Metro-funded Open Streets events; (3) Metro Bicycle Education and Safety Training (BEST) classes and rides; (4) Safe Routes to School events throughout Los Angeles County; and (5) other applicable events. Distributing bicycles through these locations and events will enable staff to further ensure that the program is regional and equitable.

EQUITY PLATFORM

The Adopt-A-Bike Pilot Program advances the Equity Platform Framework and addresses the needs of historically disadvantaged communities as defined by the CalEnviroScreen. Pillar II. Listen and Learn defines a community-driven conversation as essential. It encourages the engagement of CBOs in community outreach and problem solving. The Adopt-A-Bike Pilot Program has made a commitment to working in a collaborative manner with CBOs that will assist in reaching communities that will benefit from this program. Pillar III. Focus and Deliver recognizes that Metro has the responsibility to be a leader and avoid outcomes that aggravate disparities in opportunity. This program allows Metro to redirect its resources and provide free bicycles to a segment of the population in need of a transportation option.

DETERMINATION OF SAFETY IMPACT

Approving the recommendation will not have any adverse safety impacts on our employees and patrons. Prior to taking possession of a donated bicycle, recipients will be required to sign a waiver and release Metro and participating CBOs from all liabilities related to the donated bicycle. Metro will retain a copy of the signed waiver for its records.

FINANCIAL IMPACT

The approval of this recommendation will not impact the proposed FY21 budget. Staff will utilize existing resources and budget from current Active Transportation programs in Cost Center 4320 to administrate the mini-grant program and assist in the distribution of unclaimed bicycles. No immediate budget amendment or funding appropriation request is required. Due to administrative time and logistic coordination, staff anticipates the billable amount will not occur until FY21 Q3. The Cost Center manager and the Chief Planning Officer will be responsible for budgeting necessary funds in future years through the fiscal year budget process.

IMPACT TO BUDGET

The funding source for this action is Proposition C 25% Streets & Highway. These funds are not eligible for bus and rail operating and capital expenditures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Metro Adopt-A-Bike Pilot Program aligns with Strategic Plan Goal 3. By providing unclaimed bicycles to Los Angeles County residents, Metro is maximizing equitable access to a multi-modal

transit network, providing increased access to employment opportunities, and introducing local residents throughout Los Angeles County to the value of car-free and car-light mobility. The distribution of unclaimed bicycles increases Metro's ability to support the Strategic Plan outlined in Vision 2028 goal of doubling non-drive-alone mode-share trips (including bicycling) in the next 10 years.

ALTERNATIVES CONSIDERED

The Board has the option to not approve the recommendation. However, this alternative is not recommended as it is not consistent with the Board's goals to increase multi-mobility opportunities throughout Los Angeles County. If unclaimed bicycles continue to be auctioned, they will not contribute any value to the equity platform or to the present social distancing needs of Los Angeles County residents.

NEXT STEPS

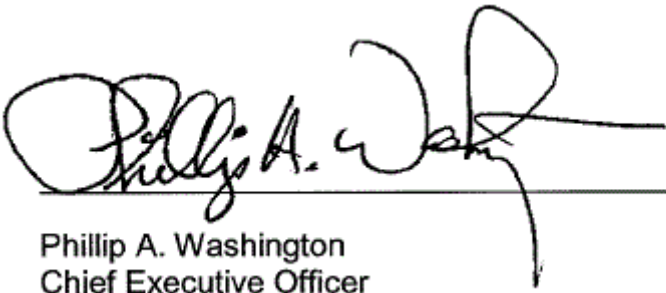
Upon Board approval, staff will coordinate internally to administer the Metro Adopt-A-Bike Pilot Program and conduct a proposal process to select organizations to assist in the distribution of bicycles to Los Angeles County residents. Staff will report back to the Board with an update in fall 2021.

ATTACHMENTS

Attachment A - Metro Lost and Found Policy & Procedures

Prepared by: Brett Atencio Thomas, Principal Transportation Planner, Countywide Planning & Development, (213) 922-7535
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Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington
Chief Executive Officer

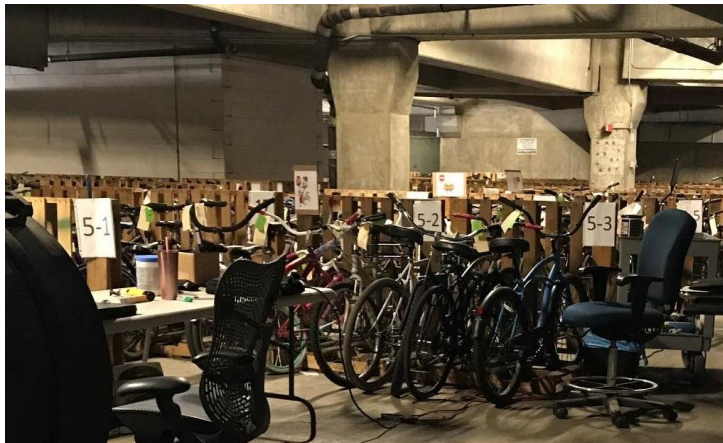


Metro Adopt-a-Bike Program

Metro Adopt-a-Bike Program

Recommendation: Authorize the Metro Adopt-a-Bike Pilot Program

- 75% of the 400-500 bikes transported to Metro's Lost and Found facilities go unclaimed.
- State law requires Metro to store these bikes for 90 days, after that time they become Metro's property. Currently they are being sold in batches at auction.
- Revenue from auction does not offset cost of current process.
- Current procedure does not benefit LA County constituents, is not aligned with Metro Vision 2028 Strategic Plan to double non drive-alone trips, and does not contribute value to active transportation awareness.



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Program Development

- Multiple Metro departments were consulted and it was determined that unclaimed bicycles are eligible for donation to the public after 90 days.
- The procedure for collecting lost and found bikes from Metro property and storing them would remain the same.
- Staff gathered feedback from stakeholders, active transportation advocacy groups, and other community-based organizations to understand potential paths and needs of administering a bicycle donation program in LA County.



Program Vision

- Two-year pilot program.
- Prioritize regional distribution; Equity focus.
- Remain compliant with state laws regarding lost and found property
- Retain lost and found bicycles for 90 days
- Mini-grant program for Community Based Organization participation.
- Up to \$120,000 annual budget for mini-grant program.
- Additional Metro support will be available to organizations selected



Mini-Grant Selection Process

- Organizations selection process based on geographic and equity focus.
- Additional scoring criteria will include capacity to distribute bicycles, safety and outreach approach, and experience working with disadvantaged or unhoused communities.
- Selected organizations are required to conduct bicycle distribution events at locations that they propose through their established community networks.
- Metro will also make our available facilities and special events for bicycle distribution, such as Open Streets and Bike Hubs.



Next Steps

- Upon Board approval, staff will kick-off administration of the Metro Adopt-A-Bike Pilot Program.
- Donation events are anticipated to kick-off in summer 2021
- Staff will report back to the Board with an update in fall 2021.





Metro

**GENERAL MANAGEMENT
Lost and Found Policy and Procedures**

(GEN 40)

POLICY STATEMENT

The Los Angeles County Metropolitan Transportation Authority (LACMTA) maintains a centralized lost and found location so patrons can retrieve lost articles found on any LACMTA bus or rail, Union Station, or other LACMTA property.

PURPOSE

The purpose of this policy is to outline the necessary procedures for lost and found services, with the objectives of: 1) reuniting any lost article with its rightful owner; and 2) ensuring compliance with state requirements for final disposition of any unclaimed property.

APPLICATION

This policy applies to all LACMTA employees, contractors, vendors and customers.

Cecilia G. Langston
APPROVED: County Counsel or N/A

[Signature]
Department Head

[Signature]
ADOPTED: CEO

Effective Date: 4/30/19

Date of Last Review: _____



Metro

GENERAL MANAGEMENT Lost and Found Policy and Procedures

(GEN 40)

1.0 GENERAL

LACMTA will maintain a uniform system to manage and control found articles; provide patrons with a navigable system for retrieving lost articles; and dispose of unclaimed articles according to California Civil Code 2080.6 requirements.

2.0 PROCEDURES

2.1 LACMTA Bus or Rail, Union Station and other LACMTA Facilities

With the exception of weapons, illegal drugs, and drug paraphernalia (see Section 2.2), the following apply to handling and reporting lost articles.

- 2.1.1 Lost articles found on LACMTA bus or rail should be surrendered to their respective bus division or rail operations management. Articles found at other LACMTA facilities should be surrendered to appropriate management at the facility. Any lost articles found in LACMTA-controlled areas of Union Station will be taken to LACMTA's General Services' front desk in the Gateway building.
- 2.1.2 Each article will be tagged with a Lost Article Tag (Attachment 1) that has a bar code placed on it; scanned and logged in the Lost and Found computerized system and properly secured with a security bag tie in the Lost Article Mail Bag prior to pick up by mailroom services staff; and submitted to the Metro Lost and Found Office.
- 2.1.3 Mail Services will pick up Lost Article Mail Bags, and tagged bikes or large tagged items that do not fit into lost article bags, during Mail Services' delivery routes to the bus and rail divisions, and delivered to the proper Lost and Found locations.

2.2 Handling and Reporting of Weapons, Illegal Drugs and Drug Paraphernalia

Weapons, illegal drugs (as well as any substance(s) in an unlabeled prescription bottle, and other prohibited substances), and drug paraphernalia are not considered lost articles. Should an employee find, or believe they have found such an item while unpacking and separating lost articles received from Operations, the employee is to do the following:

- Set the item aside in a secure area, handling it as little as possible; and
- Immediately notify management and contact the following:
 - LAPD Transit Services – (213) 922-1411



Metro

GENERAL MANAGEMENT
Lost and Found Policy and Procedures

(GEN 40)

The employee is to give a copy of the Property Receipt to the Officer picking the item up; and scan the Property Receipt, filing it electronically, as appropriate.

Note: it is *not* the employee's responsibility to determine exactly what the item may be. That is the responsibility of law enforcement.

2.3 Lost and Found

2.3.1 A computerized lost and found system will be maintained to manage, control and track the articles.

2.3.2 Lost articles will be held for 90 days from the date the article was received by the Lost and Found Office. Unclaimed articles are disposed of accordingly (see §2.4.2).

2.4 Online Inquiries for Retrieving a Lost Article

2.4.1 Lost and found articles may be retrieved at:
Metro Lost and Found Office
3571 Pasadena Avenue
Los Angeles, CA 90031
Telephone No.: (323) 937-8920

Hours of Operation:

Walk-in services: Monday through Saturday (except holidays),
9:00AM – 5:00PM.

- The office is closed for lunch from 1:00-2:00PM, daily.

All bicycle retrievals are arranged through the Lost and Found Office. Bicycles may be picked up on non-holidays, Monday – Friday from 8:00AM – 3:30PM at:

Customer Relations
One Gateway Plaza
Los Angeles, CA 90012

Inquiries may also be filed online at:

http://lostandfound.metro.net/public/claims_inquiry.aspx.

2.4.2 An inquiring claimant must provide the following: the date the article was lost; a detailed description of the lost article; where the article was lost, such as the line number of the bus or the rail service used; and time of day when the loss possibly occurred.



Metro

GENERAL MANAGEMENT

Lost and Found Policy and Procedures

(GEN 40)

Claimant must present photo identification before recovered articles are released.

2.4.3 Claimants retrieving money in amounts of less than \$5.00 will be able to retrieve their item and money immediately from Lost and Found upon proper verification.

2.4.4 Claimants retrieving money in amounts greater than \$5.00 will be able to retrieve the money via a refund request process. Once the refund request is submitted by the Lost and Found Customer Service Agent, a check will be mailed to the Claimant within 30 days or less.

2.5 Disposition of Unclaimed Property

2.5.1 LACMTA complies with California Civil Code Section 2080.6, which defines appropriate actions a public agency may adopt with respect to the disposition of unclaimed personal property as follows: LACMTA will hold unclaimed property for 90 days from date the article was received by the Lost and Found Office during which time it may be claimed through the Lost & Found Office.

2.5.2 Property not recovered after 90 days will be sold at public auction to the highest bidder.

- State law precludes the giving of unclaimed property or cash to employees of a public agency.

2.6 Non-LACMTA Controlled Property

Customers should contact the applicable business if items are lost in/on non-LACMTA controlled property, such as:

- Amtrak and Metrolink trains, platforms, ramps and other property;
- Non-Metro buses and other vehicles;
- Retail vendor stores and kiosks.

3.0 DEFINITION OF TERMS

Claimant – Person who states to be the owner of a lost article.

Illegal Drugs – Any controlled substance that is illegal in the State of California to possess, use, and/or sell, including, but not limited to the following: cocaine, methamphetamine, heroin, LSD, “shrooms,” PCP, etc., or prescription drugs not obtained with a valid prescription. Illegality of marijuana possession is based on its weight, and the age of the possessor; so all marijuana will be turned over to the LAPD.



Metro

GENERAL MANAGEMENT Lost and Found Policy and Procedures

(GEN 40)

Lost and Found Delivery Bag (Lost Article Bag) – A mail bag with a security bag tie is used to hold and transport lost articles from bus and rail divisions and Metro General Services to Metro Lost & Found Office.

Lost Article Tag - A 3-part serialized tag, which includes forms 32-51, 32-23 and 32-33; form 32-51 documents article description, including when, where and who found the article; forms 32-23 and 32-33 state the claimant's information, (i.e., name, address and claim date).

Lost and Found System – A computer system that documents and tracks items by category type, date, location found, status, and disposition; it facilitates customer inquiries and generates tracking reports..

Non-LACMTA Controlled Property – Any area of LACMTA property which is directly controlled by a third-party business. At Union Station, this includes restaurants, kiosks, Amtrak and Metrolink (and their ramps, lounges, etc.), other organizations, and similar.

Unclaimed articles – Articles that have not been claimed by the owner within a 90 day period from the date the article was received by the Lost and Found Office. Perishable food/drink items are discarded upon receipt.

Weapons – Firearms, imitation firearms, knives, explosives, dangerous chemicals, or other objects intended for use in harming anyone or damaging property.

4.0 RESPONSIBILITIES

Customer Programs and Services Department is responsible for communicating and administering this policy to all LACMTA employees and contractors/vendors who find lost articles that do not belong to them.

Director/Manager (or Designee) ensures that all policies regarding the disposition of lost articles in the possession of the agency are handled in accordance with established procedures to avoid any conflicts of interest and protect the agency against any unnecessary claims due to inappropriate handling of lost and recovered personal property.

Employees/Contractors must surrender any lost articles to the division or rail supervisors/managers for delivery to Metro Lost & Found for proper disposition. Employees/vendors may not retain or try to gain possession of any unclaimed property.

Lost and Found Customer Service Agent is responsible for receiving, filing, delivering, monitoring and disposing of all articles submitted to Metro Lost & Found. He/she is responsible for responding to telephone and over-the-counter inquiries.



Metro

GENERAL MANAGEMENT

Lost and Found Policy and Procedures

(GEN 40)

LACMTA Supervisors/Managers are responsible for making a good faith effort to maintain the integrity of all lost articles delivered to them and secure the lost and found articles that have been discovered aboard buses, trains or any LACMTA property until transferred to Metro Lost & Found.

5.0 FLOWCHART

Not Applicable

6.0 REFERENCES

- California Civil Code 2080.6
- Operator Rulebook

7.0 ATTACHMENTS

1. Lost Article Tag, forms 32-51, 32-23, 32-33

8.0 PROCEDURE HISTORY

- | | |
|----------|--|
| 10/01/89 | Former RTD procedures |
| 07/15/06 | Revised to reflect current practices. GEN 40 supersedes HR5.60 |
| 09/17/10 | Updated Metro Lost & Found hours of operation |
| 10/20/10 | Policy was revised to clarify that in addition to precluding LACMTA employees from being given unclaimed articles that do not belong to them, the same also applies to members of the public. |
| 04/02/13 | Retracted an additional sentence in §2.4.3, stating that any individual who turned in a lost/found property could not receive the item/cash that they turned into LACMTA personnel. |
| 04/21/15 | Biennial review: increased holding period from 30 to 90 days in compliance w/law; clarified Mail Services' procedures; updated Metro Lost & Found location; defined Metro responsibilities in non-Metro locations. |
| 02/28/19 | No changes at this time. |
| 03/20/19 | Added language about the proper handling and reporting of weapons, illegal drugs, and drug paraphernalia, in response to an OIG Audit. |



Metro

GENERAL MANAGEMENT Lost and Found Policy and Procedures

(GEN 40)

ATTACHMENT 1

Form 2-9
PREMIER BUSINESS PRINTING RESOURCE (867) 297-9699

MKTG - 8
Lost Article **403928** 20

Found on Vehicle No. _____ Line _____
Div. No. _____ Time _____
Description _____
Found by _____
Passenger _____
Address _____
Turned in by _____
Employee _____
City _____

Lost Article No. **L.A.C.M.T.A. 403928**
Turned in by _____
Name _____
Div. No. _____
LOST ARTICLE DEPT.

L.A.C.M.T.A. DELIVERED TO

Date _____
Name _____
Address _____
Telephone No. _____

L.A.C.M.T.A.

Date _____ 20 _____
Claimed by: _____
Name _____
Address _____



Board Report

File #: 2020-0481, File Type: Federal Legislation / State Legislation (Position)

Agenda Number: 38.

**EXECUTIVE MANAGEMENT COMMITTEE
AUGUST 20, 2020**

SUBJECT: FEDERAL LEGISLATION

ACTION: ADOPT STAFF RECOMMENDED POSITION

RECOMMENDATION

ADOPT staff recommended positions:

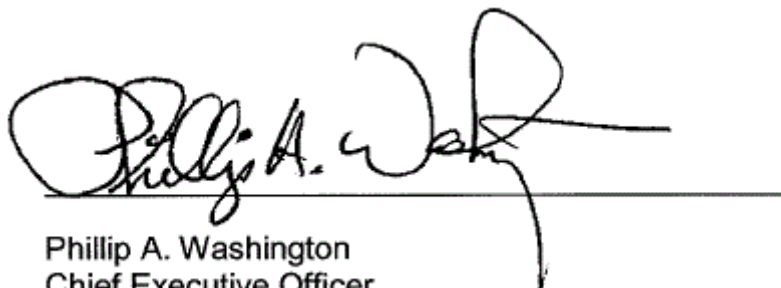
- A. House Resolution 7389 (Pressley) - A bill to institute a federal grant program to support efforts to provide fare-free transit service. **SUPPORT**

ATTACHMENT

Attachment A - H.R. 7389 (Pressley) Legislative Analysis

Prepared by: Raffi Hamparian, Senior Director, Government Relations
(213) 922-3769

Reviewed by: Yvette Rapose, Chief Communications Officer, (213) 418-3154



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

BILL: H.R. 7389

AUTHOR: CONGRESSWOMAN AYANNA PRESSLEY (D-MA)

SUBJECT: FREEDOM TO MOVE ACT

STATUS: REFERRED TO THE HOUSE COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE
ON HIGHWAYS AND TRANSIT

ACTION: SUPPORT

RECOMMENDATION

Staff recommends that the Board of Directors adopt a SUPPORT position on House Resolution 7389, The Freedom To Move Act.

ISSUE

House Resolution 7389, which was introduced on June 26, 2020 by Congresswoman Ayanna Pressley (D-MA), would establish a \$5 billion competitive grant program to offset fare revenues for transit agencies across the United States in order to promote fare-free public transit systems.

DISCUSSION

Metro has one of the lowest transit fares among major transit agencies across the United States. Metro's fares are lower than New York's MTA, Chicago's CTA, Philadelphia's SEPTA, San Francisco's MUNI, Portland's TRIMET and Atlanta's MARTA. According to the American Public Transportation Association's 2019 Fact Book, the average Bus fare across the United States is \$1.67, the average Light Rail fare is \$2.09, and the average Heavy Rail fare is \$2.25. At present, the fare to ride a Metro bus or on Metro's rail network is set at \$1.75 – which generates approximately \$285 million in annual revenue or approximately 4% of our agency's annual budget.

Given the fact that 57% of Metro's bus riders (according to recent customer surveys) live below the poverty line and have a median income of \$17,975, any federal program that would provide financial relief would be of great interest to our agency. Likewise, 38% of Metro's rail riders (according to recent customer surveys) live below the poverty line and have a median income of \$27,723. Given these facts, our agency naturally has a high level of interest in The Freedom To Move Act.

The Freedom To Move Act's main policy aim would be to establish a \$5 billion competitive grant program to offset fare revenues for transit agencies across the United States that choose to implement a fare-free transit system. The grants, which would be referred to as Freedom to Move Grants, could be used to cover operational costs, improve the safety and accessibility of bus stops, pedestrian and bike shelters, used to redesign bus routes, modernize signal priority systems, among other eligible costs. The bill also stipulates that "grantees would be required to work in partnership with community advocates and stakeholders to report on how resources will be used to improve the reliability of transit service for low-income and historically underserved communities including ways the grantee will improve connectivity to critical services and reduce commute times."

Should The Freedom To Move Act become law, our agency would be well positioned to secure the competitive Freedom to Move Grants to offset fare revenue we might potentially forgo if our agency were to adopt, in whole or in part, a free-fare program. In addition, the provisions in this bill could also inform and potentially support the future findings of the Comprehensive Pricing Study (CPS) that our agency has launched to explore how Metro prices its services, including transit fares.

DETERMINATION OF SAFETY IMPACT

The enactment of the proposed legislation would not have a safety impact.

FINANCIAL IMPACT

This legislation could potentially dramatically increase the level of federal grant funding received by our agency through Freedom to Move Grants authorized under this bill.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Staff recommendation supports strategic plan goal # 4.2: Metro will help drive mobility agendas, discussions and policies at the state, regional and national levels.

ALTERNATIVES CONSIDERED

Staff has considered not adopting a position on this bill. Adopting a SUPPORT position on this bill would be beneficial to our agency – provided we compete for the competitive Freedom to Move Grants authorized by this legislation.

NEXT STEPS

Should the Board adopt a SUPPORT position on this measure, staff will communicate the Board's position to the author and work with Congress to ensure its adoption into law. Staff will continue to keep the Board informed as this issue is addressed throughout the 116th Congress.

**Board Report**

File #: 2020-0540, **File Type:** Motion / Motion Response**Agenda Number:** 41.

**EXECUTIVE MANAGEMENT COMMITTEE
AUGUST 20, 2020****SUBJECT: RESPONSE TO BOARD MOTION REGARDING CEO CALL TO ACTION TO
CONTROL COSTS****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE the response to Board Motion Item 34.2 (Attachment A) at the May 28, 2020 Board Meeting (Directors Hahn, Garcetti, Butts, Solis) related to Cost Control Pertaining to COVID-19 Board Box.

ISSUE

On May 26, 2020 the Chief Executive Officer issued a Board Box report outlining his “CEO’s Call to Action to Control Costs” in response to financial shortfalls besetting the agency as a result of the COVID-19 pandemic (Attachment B). In this plan, all projects and programs were grouped into two buckets. Bucket 1 was defined as “Work to Continue” where existing funds would be prioritized for COVID-19 high priority tasks such as PPE and cleaning, bus and rail operations and maintenance, major infrastructure projects and projects under executed contracts, legally required payments as contractually obligated, ad federal and state regulatory required activities.

All other projects and programs not listed under Bucket 1 were considered to be part of Bucket 2, where they would be evaluated to be deferred three to six months with the objective of staying on the original Measure M schedule.

At the May 28, 2020 Board Meeting there was discussion involving ways to avoid a hard stop for the four Pillar Projects and ways that all projects could be advanced to bring them to shovel-ready status in accordance with Measure M schedules. The following motion was passed:

- A) Advance Bucket 2 projects towards shovel-ready, consistent with the Measure M expenditure plan, and within the parameters of the FY21 Budget Continuing Resolution;
- B) Report to the Executive Management Committee in August 2020 with an update on Metro’s project acceleration program, including how Metro will ensure projects will be able to compete for any federal infrastructure funding; and

- C) Projects listed in Bucket 2 shall be included in the proposed FY21 Budget to be presented to the Board in September. Any request for further deferral or recommendations on the acceleration of Bucket 2 projects will require justification as part of the Budget.

DISCUSSION

Status of Advancing Pillar Projects and Other Major Capital Projects to Shovel Readiness in accordance with Measure M schedules

The Bucket 2 list identified in the CEO's Call to Action includes all projects in the planning/pre-construction environmental phase including, among others, the following major capital rail projects:

- Pillar Projects
West Santa Ana Branch
Green Line to Torrance
Eastside Extension
Sepulveda Transit Corridor

- Other Rail
East San Fernando Valley LRT
Crenshaw Northern Extension
Centinela Grade Separation

- Other Projects
Vermont Transit Corridor
No-Ho to Pasadena BRT
North San Fernando Valley BRT
I-5 North Capacity Enhancements
LA River Path Central Gap
Orange Line BRT Improvements
Silver Line Electrification

In accordance with the Board Motion, staff have been working with the Office of Management and Budget on the allocation of reduced funding resources available to the Bucket 2 list of projects after the requirements for funding of the Bucket 1 list of essential projects have been met.

The FY21 Budget that is being prepared for presentation to the Board at its September meeting will include allocations for all of the Bucket 2 projects with a commitment to maintain work without hard stops by reprioritizing and proceeding with the most critical tasks during the initial 3-6 month period of anticipated maximum funding shortfalls in FY21, while allowing for acceleration of efforts following this period to minimize impacts to the overall project delivery and Measure M schedules. Funding reductions have had a short term impact of 3-6 months on project schedules, however, as stated above - prioritization of activities with available funding provided for Bucket 2 projects are being

directed toward completion of scheduled environmental clearances and overall revenue service goals.

Current schedules for the Pillar Projects as well as the East San Fernando Valley LRT Project will deliver environmental clearance in the period between FY21 and FY24 (Attachment C). This would provide the level of shovel readiness necessary to compete for state and federal stimulus and other funding sources. The FY21 Budget will keep these projects on this shovel-readiness schedule, subject to anticipated improvements in local revenue generation as we move out of the COVID period of financial constraint.

Anticipated key actions in the 3 to 6 month period of reduced FY21 budget spending regarding the above projects include:

- August 2020
Sepulveda Transit Corridor Environmental Contract Award
Sepulveda Transit Corridor Receipt of PDA proposals
Crenshaw Northern Extension Environmental Contract Award
- September 2020
Long Range Transportation Plan adoption
Arts District/6th Street Station Environmental Task Order
- October 2020
East San Fernando Valley LRT Final EIS/EIR Certification (*pending FTA approval*)

Update on Project Delivery Acceleration and Opportunities for Securing Federal Funds

Project delivery acceleration is contingent on several factors, mainly statutory, regulatory and financial, including anticipated revenue due to impacts of COVID-19 and our agency's overall financial capacity. Relevant to these factors are also project cost, readiness, and evaluation criteria that have an impact on our eligibility and competitiveness for securing funds from federal and state discretionary and formula grant programs. While some of these factors are beyond Metro's control, others depend on our agency's processes, procedures, and timely actions.

In accordance with Board direction we are working on several strategies that may accelerate project delivery and ensure competing for any federal or other infrastructure recovery funding, including: i) state and federal environmental streamlining; ii) public-private partnerships; iii) engagement with the Federal Transit Administration (FTA) and other grantor agencies focused on positioning our projects for funding from existing and proposed competitive grant programs; iv) regulatory and statutory changes through state and federal legislation; v) assessment of projects eligibility and competitiveness for FTA's Capital Investment Grants (CIG) and Expedited Project Delivery (EPD) programs; and vi) identification of funding opportunities and constraints through the analysis of proposed legislation, including supplemental/emergency funding for transportation projects and programs to support economic recovery from the impacts of COVID-19 and multi-year reauthorization of the Fixing America's Surface Transportation (FAST) Act. The following sections summarize our efforts on several of these key strategies.

State and Federal Environmental Streamlining

The State Legislature is currently considering two bills that would modify the California Environmental Quality Act (CEQA) and could help our projects. SB 757 (Allen) would establish a limited timeframe in which a CEQA lawsuit relating to transit projects would need to be resolved by the courts. This bill is sponsored by Metro and as of the writing of this report is still being negotiated with the committee. The bill would apply to only large projects such as Metro's Pillar Projects and would result in significant savings in legal costs. SB 288 (Weiner) would exempt larger active transportation projects, bus rapid transit projects, limited transit improvements and certain high occupancy toll projects from CEQA. This bill would result in significant time and cost savings to many of Metro's projects which are currently required to complete a full Environmental Impact Report.

Identification of Funding Opportunities and Constraints

As directed by our Chief Executive Officer and consistent with our Board-approved federal and state legislative agendas, our agency has been aggressively engaged in identifying additional sources of funding for our projects. Working closely with the Los Angeles County Congressional Delegation, Metro was able to ensure that the CARES Act delivered much-needed and substantial funding to assist our agency during the COVID-19 pandemic. Likewise, we have and are continuing to work closely with both the House and Senate to ensure that an expected new COVID-19 relief package delivers adequate funds to our agency -- over and above the amount of funding provided to our agency through the CARES Act.

As noted in the Board Motion 34.2, "Congress may consider an ambitious infrastructure package to stimulate and uplift the economy and help address the unprecedented unemployment level". Consistent with this reference to an "ambitious infrastructure package", Metro has been at the forefront nationally in advocating for a major infrastructure package and actively worked with the Chairman of the House Committee on Transportation and Infrastructure to ensure that policies favorable to our agency were embedded in H.R. 2 - the INVEST in America Act. A few highlights in the INVEST in America Act that reflect Metro's Rebuilding America Initiative include the return of the Projects of National and Regional Significance (PNRS) grant program - authorized at \$9 billion for goods movement and transit projects, the return of the successful Local Hire Pilot Program, reforms to Buy America that will incentivize domestic manufacturing of buses and railcars, streamlining reforms and a doubling of funding for the CIG Program (which funds New Starts projects, among other types of projects), a five-fold increase in investments for zero-emission bus programs, positive provisions regarding workforce development programs, and many other policy reforms and provisions that will benefit our agency. Should the INVEST in America Act be adopted into law, it would increase the flow of federal funds to our agency - both formula and discretionary funds - by hundreds of millions of dollars annually.

While the prospect of Congress adopting the INVEST in America Act is far from certain, Metro has -- in a parallel effort -- successfully worked with both House and Senate appropriators to ensure that the FY21 transportation spending bill includes roughly \$300 million for our New Starts Purple Line Westside Extension projects.

The State Legislature is also considering various economic stimulus proposals. These proposals largely rely on borrowing of future funds and therefore create no new revenues. These proposals are not expected to advance during the last month of the 2020 Legislative Session but may receive further consideration if the Legislature convenes in a Special Session later this year.

Staff is also developing an agency-wide survey of projects, with input from all Metro departments, to assess funding opportunities and constraints from the proposed federal and state legislation should they become law. Staff is targeting a presentation to the Board in September on the results of this survey along with a detailed update on the prospective federal funding opportunities.

Regulatory and Statutory Changes

Staff is actively working with national transit partners including the Capital Investment Grants Working Group, which comprises existing and potential CIG/EPD project sponsors and representatives of major consulting firms from the private sector, to support regulatory and statutory changes to better position Metro projects for federal funding. This includes the development of a “*Surface Transportation Reauthorization Paper*” that was submitted to Congress for consideration. This document supports the reauthorization of the CIG/EPD programs in the next surface transportation authorization bill and advocates for legislative and regulatory changes that benefit Metro’s strategy for securing CIG/EPD funds for Metro’s Pillar Projects and other potential projects (such as bus rapid transit), including streamlining the project application and selection process, increasing the funding authorized and appropriated for the programs, and increasing the CIG/EPD and overall federal funding share.

CIG/EPD Project Eligibility and Competitiveness Assessment

Staff is currently assessing the eligibility and competitiveness of the Pillar Projects and other Metro projects for grants from the CIG and/or EPD programs by following the FTA’s justification criteria, estimating each project’s rating, and evaluating how well each project may compete with other projects that have already been submitted to the FTA requesting for funding. This assessment takes into consideration project readiness and local financial commitment for each project, as well as our agency’s assumed financial capacity. As part of this assessment staff is synthesizing the status of projects and timelines for completing the planning process, including selection of the locally preferred alternative and completion of the environmental process, to develop a timeline and strategy for the Board to authorize staff to engage FTA and start the CIG/EPD grant application process for the project(s) it approves. This strategy is targeted for presentation to the Board in September.

NEXT STEPS

Staff will continue to refine the scopes of service for technical and outreach services in accordance with the FY21 Budget, as it is approved by the Board at its September 2020 meeting. Work shall be prioritized in accordance with Measure M schedules for environmental clearance and shovel readiness and staff will report back to the Board on its ongoing efforts to advanced shovel-ready projects into construction. We will continue to pursue additional funding to support timely delivery of these projects in accordance with the Measure M schedules and timelines. We will also present the outcome of our CIG/EPD Project Eligibility and Competitiveness Assessment to the Board at its

September 2020 meeting and seek approval of the funding strategy and authorization to engage the FTA to secure CIG/EPD grants and other federal and state funds.

ATTACHMENTS

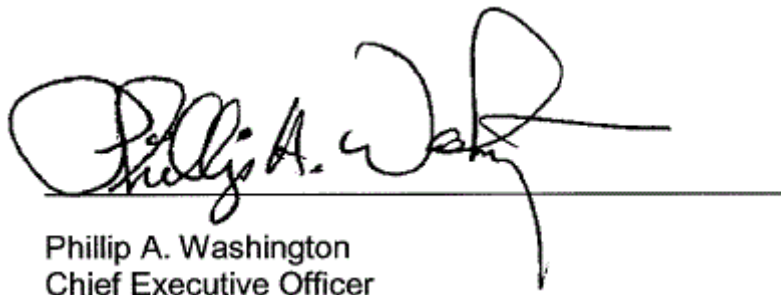
Attachment A - Metro Board Motion Item 34.2 (Legistar File 2020-0391)

Attachment B - Metro Board Box; CEO's Call to Action to Control Costs

Attachment C - Pillar Projects and ESFV Schedules

Prepared by: David Mieger, SEO, Countywide Planning & Development, (213) 922-3040
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Ashad Hamideh, Sr. Director, Countywide Planning & Development, (213) 922-5539
Raffi Hamparian, Sr. Director, Government Relations, (213) 922-3769

Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920
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Phillip A. Washington
Chief Executive Officer

**Board Report**

File #: 2020-0391, **File Type:** Motion / Motion Response**Agenda Number:** 34.2.

**REGULAR BOARD MEETING
MAY 28, 2020****Amending Motion by:****DIRECTORS HAHN, GARCETTI, BUTTS, SOLIS, and GARCIA**

Related to Item 34.1: Cost Control Pertaining to COVID-19 Board Box

The unprecedented COVID-19 outbreak required the implementation of the Los Angeles County Safer at Home Health Officer Order to help slow down the spread of the virus and protect the most vulnerable members of our community. As a result, all non-essential businesses and activities, including travel, were temporarily closed and/or discouraged for the last two months. Los Angeles County is now in Phase 2 of its five-stage COVID-19 Roadmap to Recovery Plan. Without a vaccine or proven treatment options, the recovery process will be gradual and will continue to have impacts on Metro's traditional sources of revenue such as local and state sales taxes and system generated revenues.

In an effort to help Metro financially manage through COVID-19, the Chief Executive Officer issued a Board Box report outlining his "CEO's Call to Action Plan." In this plan, all projects and programs are grouped into two buckets. Bucket 1 is defined as "Work to Continue" where existing funds would be prioritized for COVID-19 high priority tasks such as PPE and cleaning, bus and rail operations and maintenance, major infrastructure projects and projects under executed contracts, legally required payments as contractually obligated, and federal and state regulatory required activities.

All other projects and programs not listed under Bucket 1 are considered to be part of Bucket 2, where they will be evaluated to be deferred three to six months with the objective of staying on the original Measure M schedule.

While the Board recognizes the need to control costs, the division of projects could better recognize previously Board-approved and prioritized goals. For example, in 2017 the Board approved the Twenty-Eight by '28 Initiative to highlight projects for completion by the 2028 Olympic and Paralympic Games. Additionally, in 2019 the Board approved prioritizing four Pillar Projects for acceleration: the Gold Line Eastside Extension Phase 2, the Green Line Extension to Torrance, the Sepulveda Transit Corridor, and the West Santa Ana Branch. The four Pillar Projects are all in different stages of the required environmental processes and are currently placed in Bucket 2 of the CEO's proposed plan.

In the case of the four Pillar Projects, placement in Bucket 2 does not mean a hard stop. In fact, at

the Executive Management Committee the CEO recognized that halting work on these projects would do more harm than good to the projects' planning and Public-Private Partnership processes. Additionally, staff have indicated that the four Pillar Projects have enough funding to prevent any significant delays over the next three to six months. However, Bucket 2 as defined pre-concludes that the Board is no longer interested in pursuing the acceleration of projects.

Additionally, there are several Measure M projects that are nearly shovel-ready. Any significant delay or deferral of bringing these projects to shovel-ready status could prevent Metro from being able to maintain Measure M timelines. As much as is possible, Metro must continue to bring Measure M projects to shovel-ready status. It is important to reassure the public and project stakeholders that the Board still supports projects in Bucket 2, and that any decisions on deferral may be discussed and decided by the Board at a later date.

Furthermore, to address nationwide economic impacts, Congress may consider an ambitious infrastructure package to stimulate and uplift the economy and help address the unprecedented unemployment level. Metro must position itself to take advantage of any federal infrastructure stimulus, or else funds will go to other, better-prepared regions. As such, it is prudent to continue planning and Public-Private Partnership activities to make projects shovel-ready. Should such an opportunity arise, additional funding could be leveraged to advance these long-awaited public transit infrastructure investments through an FTA expedited project delivery process.

The Measure M ordinance contains strict conditions that prevent projects from being leapfrogged or defunded. While Metro continues advancing projects towards shovel-ready status, the promises made to voters must be honored, and Measure M project timelines and sequence must be maintained as much as is possible.

SUBJECT: COST CONTROL PERTAINING TO COVID-19 BOARD BOX

RECOMMENDATION

APPROVE the CEO's Call to Action, with the following provisions:

- A. Advance Bucket 2 projects towards shovel-ready, consistent with the Measure M expenditure plan, and within the parameters of the FY 21 Budget Continuing Resolution;
- B. Report to the Executive Management Committee in August 2020 with an update on Metro's project acceleration program, including how Metro will ensure projects will be able to compete for any federal infrastructure recovery funding; and
- C. Projects listed in Bucket 2 shall be included in the proposed FY 21 Budget to be presented to the Board in September. Any request for further deferral or recommendations on the acceleration of Bucket 2 projects will require justification as part of the Budget.



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

May 26, 2020

TO: BOARD OF DIRECTORS

FROM: PHILLIP A. WASHINGTON *PAW*
CHIEF EXECUTIVE OFFICER

SUBJECT: CEO'S CALL TO ACTION TO CONTROL COSTS

ISSUE

This memo outlines the CEO's Call to Action to immediately reduce costs as one of the mitigation strategies to help the agency financially manage through COVID-19. This is intended to be informational and will not require a Board Action, however, staff will consider any feedback as provided thereafter.

BACKGROUND

With the implementation of the "Safer at Home" order in March, nonessential businesses closed, and all residents were directed to leave their homes only for essential activities. Consumer spending has plummeted. The revenues received from local and state derived sales tax measures, majority of Metro's resources, are estimated to decline by a total of \$1.060 billion over FY20 adopted budget and FY21 pre-COVID levels.

Transit ridership, fare revenues, tolls, advertising and other system generated revenues have dropped dramatically while Metro has incurred increased costs in response to the coronavirus. Combined with sales tax, this results in an estimated \$1.8 billion total loss affecting each one of Metro's programs.

While the CARES Act will provide relief funding it is not enough to offset the total losses. The timing of the reimbursement is also uncertain and in the coming months, presents a risk to cashflow.

DISCUSSION

More than ever, Metro is enforcing strong fiscal discipline in order to maintain financial stability through the COVID-19 crisis and specifically to ensure we retain enough cash

to keep operating, hence the saying, “cash is king.” As a result, I have ordered a Call to Action to conserve resources and to immediately reduce expenses.

All projects and programs are grouped into two buckets. Bucket 1 is defined as “work to continue” and includes the following types of items:

- COVID-19 high priority tasks such as PPE and cleaning
- Operating and maintaining bus and rail service per Transit Operations Plan
- Major infrastructure projects and projects under executed contracts
- Legally required payments as contractually obligated
- Federal and State regulatory required activities

Bucket 2 is defined as all other projects and programs not listed under Bucket 1 and are being evaluated to be deferred three to six months with the objective of staying on the original Measure M schedule. This bucket includes projects that may have partial grant funding, projects in various phases of Planning, Construction and Operating, Measure M, Non-Measure M and Pillar projects. Attachment A provides a selective list of such projects for reference.

This project list is ever-changing and does not imply a permanent deferral of projects. Metro will be regularly assessing projects that have been temporarily deferred and continue to move projects expeditiously as the opportunities arise and as state or federal stimulus funds become available. There are many variables at play as we monitor the circumstances surrounding the revenue losses and the timing of reimbursement from the CARES Act. Over the next few months, staff will also be developing the FY21 Budget which will incorporate a thorough review and twelve-month outlook across all projects.

The projects that are proceeding also need to identify potential cost reductions to reduce cash needs and free up funds for other important needs at Metro. Consultants are an important part of our projects and a significant element of project costs.

Therefore, Metro has requested the following contributions from our consultants:

- A freeze on pay raises;
- An evaluation by Metro as to whether consultant staffing levels can be reduced;
- A voluntary reduction of 2% in the fee (profit)

Metro will be flexible in its approach and will only apply these measures temporarily until the financial outlook improves. We recognize that this is an extraordinary request, however, these are extraordinary times and we are looking at all opportunities.

In addition to these measures, I have also instructed a freeze on all hiring of Metro employees at this time. Any changes will be managed on an individual basis in order to ensure proper cost savings from a labor perspective.

NEXT STEPS

Staff will be monitoring the agency's expenditures and report to the board regularly between now and September leading up to the FY21 budget proposal.

ATTACHMENTS

Attachment A – Bucket Project List

Bucket Project List

Bucket 1: Work to Continue

| |
|---|
| <i>Health and safety for customers and employees</i> |
| <ul style="list-style-type: none"> ▪ PPE ▪ Cleaning services ▪ Additional expenses directly related to COVID-19 |
| <i>Operating and maintaining bus and rail services per Transit Operations Plan</i> |
| <i>Federal and State regulatory required activities</i> |
| <i>Legally required payments (contractual obligations)</i> |
| <ul style="list-style-type: none"> ▪ Debt service ▪ Subsidies ▪ Licenses, utilities, rental, etc. |
| <i>Major infrastructure and projects under executed contracts</i> |
| <ul style="list-style-type: none"> ▪ Airport Metro Connector ⁽¹⁾ ▪ Crenshaw/LAX ⁽¹⁾ ▪ Division 20 Portal Widening and Turnback ▪ Gold Line Foothill Extension ⁽¹⁾ ▪ I-5 North HOV (along SR-134 to Buena Vista area) ⁽¹⁾ ▪ I-5 South HOV (I-605 to Orange County line) ⁽¹⁾ ▪ Light Rail Vehicle Acquisition Program ▪ Link US (Phase 1 only) ▪ Metro Bus Fleet Replacement (incl. electrification for buses and infrastructure for Orange Line) ▪ Patsaouras Bus Station ▪ Purple Line Extension ⁽¹⁾ ▪ Regional Connector ⁽¹⁾ ▪ Soundwall Package 11 ⁽¹⁾ ▪ SR-138 Corridor project in construction ⁽¹⁾ ▪ Willowbrook/Rosa Parks Station Upgrade & Mezzanine |

Bucket Project List

Bucket 2: Work Evaluated to Defer with the Objective of Staying on the Original Measure M Schedule (*selective list*)

| |
|---|
| <p><i>Metro Transit Expansion</i></p> <ul style="list-style-type: none"> ▪ Arts District / 6th Street Station ▪ Center Street Facility / ESOC ▪ Countywide BRT Program (incl NSFV BRT, NoHo to Pasadena BRT) ⁽¹⁾ ▪ Crenshaw Northern Extension ⁽¹⁾ ▪ East San Fernando Valley LRT ⁽¹⁾ ▪ Eastside Extension Phase 2 ^{(1) (2)} ▪ Green Line to Torrance ^{(1) (2)} ▪ San Gabriel Valley Transit Feasibility Study ⁽¹⁾ ▪ Sepulveda Transit Corridor ^{(1) (2)} ▪ Vermont South Bay Feasibility Study ⁽¹⁾ ▪ West Santa Ana Branch ^{(1) (2)} |
| <p><i>Metro Transit Capital Improvement</i></p> <ul style="list-style-type: none"> ▪ Bus and Rail Facilities SGR program - stations, vertical transportations, roofs, pavements, etc. ▪ Electrification of buses including infrastructure - Silver Line ▪ Enterprise Asset Management System ▪ Heavy rail vehicle acquisitions ▪ Light and heavy railcar modernization and overhaul programs ▪ Orange Line grade separation ⁽¹⁾ ▪ Rail and Bus Operations Center ▪ Rail system improvements, yards, cars ▪ Rio Hondo Confluence Station ▪ Rolling stock midlife and non-revenue equipment programs ▪ Wayside SGR program underway on Red and Green Lines - radio, signals, communications, track, special work, OCS, power and the like |
| <p><i>Regional Transit</i></p> <ul style="list-style-type: none"> ▪ Antelope Valley Line Enhancements ▪ Doran Street ATP ▪ LAUS Esplanade / Forecourt ▪ McGinley to Roxford Double Track ▪ Union Station Master Plan (Phase 2) |
| <p><i>Highway / Street Improvements</i></p> <ul style="list-style-type: none"> ▪ Adams Flyover ▪ Alameda Corridor East grade separation phase 2 ⁽¹⁾ ▪ Centinela grade separation ▪ Countywide Soundwall Noise Studies ⁽¹⁾ ▪ Eastside Light Rail Access ⁽¹⁾ ▪ First / Last Mile (PLE and others) ⁽¹⁾ ▪ I-105 ExpressLanes ⁽¹⁾ ▪ I-210 Barriers |

Bucket 2: Work Evaluated to Defer with the Objective of Staying on the Original Measure M Schedule *cont. (selective list)*

- I-5 Capacity Enhancements (SR14 to Parker Road) ⁽¹⁾
- I-5 Corridor Improvement I-605 to I-710 ⁽¹⁾
- I-605 Hotspots (incl SR-91 interchange) ⁽¹⁾
- I-710 South Corridor Project ⁽¹⁾
- L.A. River (Bike) Path ⁽¹⁾
- La Canada Soundwalls
- Rail to Rail ATP
- Rail to River ATP
- Rosecrans/Marquardt Grade Separation ⁽¹⁾
- Soundwall Packages 12, 13, and 14 ⁽¹⁾
- South Bay Highway Operational Improvements ⁽¹⁾
- SR-138 new project initiation documents ⁽¹⁾
- SR-57 / SR-60 Interchange Improvements ⁽¹⁾
- SR-71 GAP - Mission Blvd to San Bernardino County Line ⁽¹⁾

⁽¹⁾ Measure R/M Project

⁽²⁾ Pillar Project

ESFV + Pillar Projects Measure M Baseline Schedules

| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | Measure M Opening Dates 3-Year Window |
|----------------------------------|------|------|------|------|------|------|------|------|------|--|
| East San Fernando Valley | | | | | | | | | | FY 2027 - 2029 |
| | | | | | | | | | | |
| West Santa Ana Branch | | | | | | | | | | FY 2028 - 2030 (Initial Segment Board Selected LPA) |
| | | | | | | | | | | FY 2041 - 2043 (Second Segment) |
| Green Line Extension to Torrance | | | | | | | | | | FY 2030 - 2032 |
| | | | | | | | | | | |
| Eastside 2 LRT Extension | | | | | | | | | | FY 2035 - 2037 |
| | | | | | | | | | | |
| Sepulveda Transit Corridor | | | | | | | | | | FY 2033 - 2035 (Initial Segment) |
| | | | | | | | | | | FY 2057 - 2059 (Second Segment) |

Note: Schedules are subject to change based on funding and environmental review

**Board Report**

File #: 2020-0456, **File Type:** Informational Report

Agenda Number: 43.

**EXECUTIVE MANAGEMENT COMMITTEE
AUGUST 20, 2020**

SUBJECT: ADVERTISING, COMMERCIAL SPONSORSHIPS, AND OTHER REVENUE OPPORTUNITIES

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE staff update on commercial sponsorship efforts and expanded advertising options for the purpose of generating additional revenues. This is intended to be informational and will not require a Board Action. However, staff are seeking feedback in order to present actionable items for the Board at a later date.

ISSUE

This report serves as Marketing's response to the Office of Inspector General's report on *Metro's Asset Valuation for Advertising, Sponsorship, and Other Revenue Opportunities* and CEO's *COVID 19 Call to Action to Control Costs*.

In order to explore further revenue generating opportunities, Marketing staff have been coordinating internally to:

- compose the agency asset / program list for sponsorship opportunities;
- develop a new policy to responsibly execute sponsorship opportunities;
- develop a program to support and manage sponsorship opportunities;
- and identify additional advertising techniques to employ.

BACKGROUND

In the June 2020 Executive Management Committee, the Office of Inspector General presented the informational report, *Metro's Asset Valuation for Advertising, Sponsorship, and Other Revenue Opportunities*. The report provided an estimated valuation of \$665M revenue opportunity if Metro wishes to explore commercial sponsorship as a business model to generate additional revenues. Activities include assigning title sponsorship to rail and bus lines, rail stations, parking facilities, and programs such as Freeway Service Patrol, Bike Share, and Dodgers Express.

In the May 2020 Board meeting, Metro CEO presented the *Call to Action to Control Costs Pertaining*

to COVID-19. The Call to Action detailed the agency's financial crisis due to COVID-19 pandemic and loss of critical agency funding from state and local sales tax, transit ridership, fare revenues, tolls, advertising and other system generated revenues. The Call to Action called for strong fiscal discipline along with exploring additional activities the agency may conduct to diversify and grow additional agency-generated revenues.

DISCUSSION

Agency Assets to Consider (Asset List)

Based on OIG's report, *Metro's Asset Valuation for Advertising, Sponsorship, and Other Revenue Opportunities*, staff have compiled a list of agency assets for sponsorship opportunities. Essentially, all Metro assets / programs are eligible for sponsorship, however, each sponsorship proposal will be reviewed individually for appropriateness of the asset and agency costs. Marketing staff are soliciting comments from Asset owners, and stakeholder departments and staff.

An overall summary of assets includes:

- All rail and bus lines are eligible
 - Including Dodger Stadium Express and future stadium shuttle(s)
- All rail stations, transit hubs, bus stops are eligible
 - Union Station will execute sponsorship and expanded revenue program through Morlin Management due to historic landmark designation
 - Top tier stations include:
 - 7th Street / Metro Center
 - Union Station
 - Wilshire / Vermont
 - Pershing Square
 - Downtown Santa Monica
 - Pico
 - Hollywood / Highland
 - Civic Center / Grand Park
 - Universal / Studio City
 - Hollywood / Vine
- Freeway Service Patrol (will need careful coordination with program partners CHP and Caltrans due to existing program restriction).
- Bike Share (Intersection will also apply standard advertising to Bike Share assets where applicable).

Commercial Sponsorship Policy

Staff have drafted a new Commercial Sponsorship Policy providing guidelines and structure to manage a responsible sponsorship program. It will be a separate policy but work in concert with Metro's Property Naming Policy and System Advertising Policy.

The draft policy is receiving comments and revisions through a collaborative effort by stakeholder departments including Civil Rights, Communications, Countywide Planning, Customer Experience, Equity & Race, Highway Programs, Operations, Vendor/Contract Management, and Office of Finance & Budget. Key aspects of the policy include:

- defining eligible agency assets (facilities, transit service, programs, and events) eligible for sponsorship;
- defining sponsorship terms (temporary, short-term, and long-term);
- eligibility and criteria (business and financial standings);
- proposal evaluation criteria (proposals, agency alignments, missions and values);
- responsibilities (financial costs and social/community inclusion);
- guidelines for system integration (system legibility and customer ease of use);
- and business/contract process.

Staff are collecting issues and conflicts in the areas of policy, implementation, and administration - staff is seeking to resolve all open issues before presenting a policy recommendation to the Board for review. At such time, a full overview of the new policy will be provided.

Commercial Sponsorship Program

Staff envision the sponsorship program to operate similar to the filming liaison services where a specialist acts as an agent or liaison on behalf of Metro. The specialist will *hand-hold* the "sponsoring party" throughout the process of working with Metro to accomplish an approved sponsorship contract.

Proposal Process

Sponsorship specialist may create and prepare long-term and larger value proposals (\$500,000 and greater) on behalf of interested parties. The proposals will be submitted to the *Review Committee* for vetting, at which time the Committee may respond with inquiries, concerns, and recommendations. After the proposal has been finalized and approved by the *Review Committee*, the proposal will be presented to Metro Board for final review and consideration. Board approvals equate to new license / sponsorship contract with Metro and sponsor.

Proposal Review Committee

A commercial sponsorship proposal Review Committee will be established to review and vet each proposal submitted to the agency - a similar committee reviews all commercial advertising content as part of the advertising process. The Committee will be managed by Marketing and will be composed of stakeholder departments to provide feedback on proposal concerns, and recommend pass-through for Board review and approval.

All long-term sponsorships and/or sponsorships valuing greater than \$500,000 must be reviewed and approved by the Board. All sponsorships affecting facility/station names - regardless of contract value

- must be reviewed and approved by the Board. Temporary, short-term, and sponsorships valuing \$500,000 or less will be recommended to and approved by the Chief Executive Officer and may be considered advertising packages. However, staff will inform the Board of all sponsorship activity using routine board box memos.

Committee members may include:

- Civil Rights
- Communications (Arts & Design, Community Relations, Marketing, Public Relations)
- Countywide Planning
- Customer Experience
- Equity & Race
- Ethics
- Office of Management and Budget
- Operations / Respective Program / Asset Owner
- Vendor & Contract Management
- *3rd Party (consider a non-Metro entity)*

Contract Support

Staff anticipates outsourcing sponsorship specialist to achieve long-term revenue objectives. Specialists will concentrate on long-term and larger revenue sponsorships. Staff have been coordinating with Vendor/Contract Management for contract options - vetting whether current contracts may be modified or whether new contract services may need to be procured.

Similar to revenue advertising and filming services, sponsorship consultants will operate on a cost neutral financial model - consultants will earn commission with each approved and operational sponsorship contract.

Labor Support

The commercial sponsorship program will be managed by the Revenue Generation group within Marketing, this group currently manages Communications' other revenue programs including revenue advertising and commercial filming.

Two additional FTEs will be necessary to begin a sponsorship program, the FTEs will coordinate internally to vet concerns and approvals; and will shepherd the proposal process to completion. Staff will also finalize licenses and contracts with Legal Counsel for each sponsorship, manage the contracts, and continue to manage relationships as sponsorships are formed. Additionally, staff will also create and execute smaller sponsorship packages (\$250,000 and less) to offset current departmental and event costs. Anticipated FTEs needed to support program are:

- Communications Manager
- Senior Communications and Marketing Officer

Additional Advertising Options

Alcohol and Cannabis

Staff reached out to the agency's current advertising contractors, Outfront and Intersection, to explore additional techniques to increase revenues. Both contractors are employing all advertising techniques feasible within our system (exterior ads, vehicle wraps, take-overs, activations, going digital). However, the allowance of prohibited content such as alcohol and cannabis may provide additional revenues to the current advertising program.

Allowing alcohol advertising may generate an additional \$1,450,000 - \$2,100,000 on both bus and rail, allowing cannabis advertising may generate an additional \$600,000 - 700,000 on both bus and rail, for a grand total of \$2,050,000 - \$2,500,000 annually (total annual sales before revenue share). Metro may potentially see additional payments of \$1,127,500 - \$1,375,000 annually by allowing these contents on our system.

Estimated annual earns:

| | Alcohol |
|-------------|---------------------------|
| Bus | \$1,000,000 - \$1,500,000 |
| Rail | \$450,000 - \$600,000 |
| | Cannabis |
| Bus | \$300,000 |
| Rail | \$300,000 - \$400,000 |
| Grand Total | \$2,050,000 - \$2,500,000 |

Metro Payments \$1,127,500 - \$1,375,000
55% revenue share

Nationally, these transit agencies already permit alcohol advertising - NY MTA, CTA, DART, NJT, MARTA, MBTA, Metro Transit Minneapolis, Miami-Dade, SEPTA, and WMATA; SFMTA allows drink responsible messaging only. MARTA also permits cannabis advertising.

Both of these items are prohibited under the current System Advertising Policy (COM 6) and would require revisions for this allowance. Marketing staff are seeking the Board's feedback on the allowance of alcohol and cannabis. Staff will return with industry regulation, restrictions, and Metro policy information if so directed.

Digital Exterior King Ads on Buses

Outfront, Metro's bus advertising partner would like to perform a pilot, testing 1 king-size digital screen on a Metro bus. The pilot will demonstrate equipment feasibility and serve as proof of concept for the advertising market. Upon conclusion of the pilot, Outfront and Metro may consider installing 100 large-format digital screens on 100 buses for digital exterior king sales. In coordination with Bus Operations, Outfront will bare the cost of installation, maintenance, and management of the digital equipment.

Metro buses currently carry static advertising (exterior king ads, vehicle wraps, and interior posters)

where each bus earns Metro approximately \$15,000 annually. Migrating to digital advertising may generate an additional 6x-9x per bus, thus, one digital bus may generate \$90,000 - \$135,000 annually. 100 digital buses may generate an additional \$9,000,000 - \$13,500,000 annually for Metro (revenue payments).

Estimated annual earns:

| | Static | Digital |
|-----------|-------------|---|
| Bus x 1 | \$15,000 | \$90,000 - \$135,000 (6x - 9x of static earn) |
| Bus x 100 | \$1,500,000 | \$9,000,000 - \$13,500,000 |

Metro Payments \$9,000,000 - \$13,500,000
(55% revenue share)

Marketing staff are seeking the Board's feedback on this pilot option. It is not necessary to revise Metro policies or contracts to implement this and the current advertising contract(s) already provide affordance of digital and other exploratory techniques. However, staff will return with state regulation, restrictions, and policy if so directed.

FINANCIAL IMPACT

Receipt and file of this report will have no financial impact.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Implementation of revenue programs support Metro's strategic goals of good governance and fiscal responsibility - Goal 5.2.

NEXT STEPS

Upon Board feedback, staff will return with necessary programs, policies, and contract modifications for Board review and consideration.

ATTACHMENTS

Attachment A - LACMTA Asset Valuation Study (Legistar File # 2020-0387)
Attachment B - Asset List for Commercial Sponsorship Consideration
Attachment C - Revenue Generation Presentation

Prepared by: Lan-Chi Lam, Director of Communications, (213) 922-2349
Glen Becerra, Executive Officer of Marketing, (213) 418-3264

Reviewed by: Yvette Rapose, Chief Communications Officer, (213) 418-3154
James T. Gallagher, Chief Operations Officer, (213) 418-3108



Phillip A. Washington
Chief Executive Officer



Board Report

File #: 2020-0387, File Type: Informational Report

Agenda Number: 30.

EXECUTIVE MANAGEMENT COMMITTEE JUNE 18, 2020

SUBJECT: OFFICE OF THE INSPECTOR GENERAL REPORT ON ASSET VALUATION FOR ADVERTISING, SPONSORSHIP, AND OTHER REVENUE OPPORTUNITIES

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Report by the Office of Inspector General of Metro's Asset Valuation for Advertising, Sponsorship, and Other Revenue Opportunities

ISSUE

The LACTMA (Metro) Office of the Inspector General (OIG) prepared through its consultant the Superlative Group, an assessment 1) of the potential use of Metro resources to obtain revenue through sponsorship and advertising, on fare media TAP cards; and 2) an asset inventory and valuation of LACTMA-controlled lines, facilities and other assets that could be made available to generate revenue through naming rights, corporate sponsorships or other methods for the Board's consideration. The Study is attached to this report. The estimated values in the Study are based on pre-Covid 19 era circumstances.

BACKGROUND

The OIG conducted an Opportunity Assessment / Audit Universe Program in FY 2019. This is a Program where we consider "opportunities" to carry out Board objectives and positive, pro-active, creative methods to carry out our duties to identify fraud, waste or abuse. This includes identification of any waste by nonuse of a resource at its highest and best use for the public benefit. During that Program we identified a review of our assets for advertising, station sponsorship, and other potential revenue opportunities as a Project.

Metro is unique among the nation's transportation agencies. It serves as transportation planner, coordinator, designer, builder and operator for one of the country's largest, most populous counties, Los Angeles. More than 10 million people - nearly one-third of California's residents - live, work, and play within its 1,433-square-mile service area. This diversity and Metro's extraordinary real estate holdings and other assets presents a wealth of alternative opportunities for naming rights and advertising methods. Metro does have an advertising program already for its bus and rail system but it is limited in scope and might benefit from having a current assessment of the value of each

segment of the system, or consideration of the value of unexploited segments that don't currently exist like public restrooms if placed on our property along our system.

TAP CARDS

Metro uses a plastic Transit Access Pass (TAP) card for patrons/riders to ride its transit system as fare media. Patrons pay \$2 for a new TAP card and the card can be reloaded/reused. Each TAP card is uniquely identified by a serial number.

Metro has broached advertising on its cards, such as in a partnership with the Los Angeles Football Club (LAFC, a professional soccer team), when it issued a limited-edition LAFC-branded TAP card. Metro also periodically issues commemorative and special event TAP cards on a limited basis, in addition to regular TAP cards. Currently Metro does not have an ongoing program to sell advertisements on the TAP cards or its card vending machines.

The OIG engaged in discussions and received assistance from the Metro TAP and Communications Departments to receive their input and conduct preliminary research. We found that the New York City Metropolitan Transportation Authority sells advertising on their Metro Cards. They first sold space on the back of the cards and then began offering space on both sides of the cards in 2012. Companies can purchase advertising on the back only or on both sides, printed in a 4-color process. The advertisers may target up to 10 stations for sale at station booths, vending machines and retail outlets, either by location or by lines. The OIG consultant also conducted research and found that the advertisers may advertise on 50,000 up to 2 million cards on each run for the back only, and up to 5 million cards for both sides; the larger the run, the lower the cost per card. The rates are \$.21 to \$.51 per card for the back, and \$.25 to \$.45 per card for both sides.

The useful life of a TAP card is generally a maximum of 10 years, so advertising a short term product (like a coupon only good for 90 days on a card) is not the most viable option, however an option like a discount from a county wide retail chain continuing until the program ends at participating stores, is a common parameter that could be more viable.

STATIONS AND OTHER ASSETS

With the construction and opening of new service lines anticipated in the future, now appeared to be an appropriate time to re-review and re-strategize concerning advertising and sponsorship opportunities, with an eye towards consistency, modernization, effective information distribution, and equitable monetization across the system as it is evolving and as warranted by the specifics of the location and its circumstances. To ensure there is no waste of an agency asset we determined to assemble for the Board's consideration an assessment of the Metro system for potential advertising, sponsorship and other options for revenue from a holistic agency wide perspective. We think the Covid 19 circumstances makes this analysis even more critical and relevant to Metro needs, though the estimated values are likely affected in the short term.

We recognize that some advertising can undermine our branding, be unattractive in appearance, or be off-putting to riders and that Board Members are concerned about these and other factors. However, the Board has consistently instructed staff not to fail to bring forward information and ideas for its consideration based on an assumption that the Board will not be interested in a

particular proposal. That deprives the Board of the opportunity to discuss matters in changing times and make those decisions.

DISCUSSION

The OIG hired the Superlative Group, a company with experience in advertising and branding, to perform a study of the potential value of Metro assets for advertising, sponsorship, and other revenue and document the results in the attached report, in two parts: advertising on and sponsorship of (1) TAP cards, and (2) Metro's facilities and other assets.

Part I

Part I of the Study presents the feasibility and potential revenue from selling advertisements and sponsorships on LA Metro TAP cards and/or personalization on the TAP card for a fee to generate revenue for Metro.

The results of the Study indicate that sponsorship of Metro assets can provide additional revenue and in-kind support for Metro. If TAP card sponsorship is sold at the high end of the possible ranges, it is estimated to generate more than \$22.5 million over the a long term (10 years for Primary Sponsors, four weeks for advertisers), assuming a 2.6% Consumer Price Index (CPI) escalator. The consultant believes that Primary Sponsorship of the TAP Card program, rather than short term advertising, is a simpler and more valuable approach to monetization of the asset. The OIG believes that both options can be used with exclusive advertising for a sponsorship possibly selling at a higher rate than sponsorship with shared advertising.

Part II

Part II of the Study, is an evaluation of the feasibility and potential revenue from corporate sponsorships on Metro's expansive transit system. The consultant identified the likely revenue from sponsorships from specific Metro assets. The Study focuses on naming rights potential revenue for Metro rail system, Metro bus system, rail and bus stations, Freeway Service Patrol, Metro Bike Share, the passageways at Union Station, and Metro parking structures.

The Study shows that if rights are sold at the high end of the ranges, naming rights and corporate sponsorships for Metro assets could generate more than \$665 million over the long term, assuming inclusion of a 2.6% CPI escalator for each deal. Long terms are 25 years for rail and bus lines, and 10 years for rail/bus stations, and other assets. These estimates may be impacted in the short term based on the magnitude of Covid 19 circumstances that were unanticipated at the time of the Study.

FINANCIAL IMPACT

Receipt and file this report will have no financial impact. Adoption of the programs as suggested by the Study could generate significant revenue for the agency after recovery from the Covid 19 era.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The information in this Report supports Metro's strategic goals of good governance and fiscal responsibility (goal # 5)

NEXT STEPS

The OIG recommends that Metro management:

- Review the OIG Report;
- Listen to the comments and concerns of the Board relative to any advertising or sponsorship programs that might be adopted in response to the Report: and
- Consider moving forward to implement new robust and innovative advertising programs that maximize revenue opportunities tempered by the Board's concerns and direction to staff.

ATTACHMENTS

Attachment A - OIG Asset Valuation for Advertising, Sponsorship, and Other Revenue Opportunities

Prepared by: John Metcalf, Retired Sr. Auditor
Yvonne Zheng, Sr. Manager, Audit, (213) 244-7301
George Maycott, Acting Sr. Director, I.G. Audits, (213) 244-7310

Reviewed by: Karen Gorman, Inspector General, (213) 922-2975

**Los Angeles County
Metropolitan Transportation Authority
Office of the Inspector General**

**Metro Asset Valuation Study
Advertising, Sponsorship, and Other
Revenue Opportunities**

Report No. 20-AUD-10

June 9, 2020





Metro

DATE: June 9, 2020

TO: Metro Board of Directors

FROM: Karen Gorman, Inspector General, Office of the Inspector General

SUBJECT: Final Report on Metro Asset Valuation Study for Advertising, Sponsorships and Other Revenue Opportunities (Report No. 20-AUD-10)

The Office of the Inspector General (OIG) commissioned a consultant, The Superlative Group, to perform a study and assessment of (1) potential use of Metro resources to obtain revenue through sponsorship and advertising on fare media TAP cards; and (2) an asset inventory and valuation of Metro controlled lines, facilities and other assets that could be made available to generate revenue through naming rights, corporate sponsorships or other methods for the Board's consideration. The estimated values in the study are based on pre Covid-19 pandemic circumstances.

The study Consultants made recommendations such as:

1. Metro should consider a holistic sponsorship program for TAP Card assets in lieu of individual advertising campaigns.
2. An advertising and sponsorship program should bundle assets. Benefits could include recognition on:
 - TAP cards;
 - physical ticket vending machines and assets (e.g., digital screens, readers);
 - Metro website, social media accounts and mobile app (once launched),
 - maps and schedules, bus and rail vehicles, Freeway Service Patrol vehicles, stations, bikeshare vehicles, and parking lots; and
 - public toilets, open real estate holdings, and fare media wear.
3. TAP Card personalization could be offered for a fee. TAP Cards are already personalized for a fee but revenue is captured by third parties.
4. Metro Board should consider if it wishes to monetize system assets via naming rights and/or corporate sponsorships. Due to the number of potential opportunities, there will be a need to prioritize opportunities, based on the estimated revenue potential and most saleable opportunities. The Consultant recommends that Metro prioritize opportunities as follows:

Priority Opportunities:

- 1) Metro rail lines;
- 2) Metro bus lines;
- 3) Freeway Service Patrol;
- 4) Metro stations; and
- 5) Metro Bike Share.

Second Tier Opportunities:

- 6) Passageway at Union Station;
- 7) Public restrooms; and
- 8) Parking garages.

A Program to monetize through advertising and naming sponsorships could generate as much as \$665 million over 25 years for Metro (based on pre Covid-19 era economy and assumed post Covid-19 era recovery).

Any proposed Program from Metro management should temper monetization with the concerns of the Board about such a program such as appearance, confusion on branding, and negative customer responses as well as risks including costs, reputation, and legal impacts.

We appreciate the assistance provided by Metro staff during this review. I am available to answer any questions the Board Directors may have regarding this report.

CC: P. Washington, Metro Chief Executive Officer



Metro

Interoffice Memo

| | |
|---------|--|
| Date | June 4, 2020 |
| To | Karen Gorman, Inspector General |
| From | Yvette Rapose, Chief Communications Officer |
| Subject | LACMTA Asset Valuation Study – Communications Response |

This memo serves as Communication's response to the Office of Inspector Generals' report: *LACMTA Asset Valuation Study, section C Schedule of Report Findings and Recommendations, Recommendation #6:*

Draft asset list that Metro and its leadership would be willing to monetize via Naming Rights and/or Corporate Partnerships. Assets could include:

- *Metro Rail*
 - *Metro Bus*
 - *Stations*
 - *Freeway Service Patrol*
 - *Metro Bike Share*
 - *Passageway at Union Station*
 - *Public restrooms*
 - *Parking garages*
1. Marketing will reach out to stakeholder departments and executive management for each asset type to gauge interest, feasibility and provide a comprehensive asset list.
 2. Staff will also provide an overview of the administrative process and needs in order for the agency to execute a corporate sponsorship program, including but not excluding – a new or revised agency policy, evaluate business models and contract options, program timeline and staff support.
 3. Marketing will report to the Board in August 2020 with asset report and program update.

From: Sutton, David <SuttonD@metro.net>

Sent: Friday, June 5, 2020 3:50 PM

To: Rapose, Yvette <RAPOSEY@metro.net>; Zheng, Yvonne <ZhengY@metro.net>; Lee, Nadine <LeeN@metro.net>; Ahuja, Nalini <AhujaN@metro.net>

Cc: Washington, Phillip <WashingtonP@metro.net>; Schank, Joshua <SchankJ@metro.net>; Gallagher, Jim <GallagherJ@metro.net>; Becerra, Glen <BecerraG@metro.net>; Lam, Lan-Chi <LAML@metro.net>; Dimaculangan, Asuncion <DimaculanganA@metro.net>; Maycott, George II <MAYCOTTG@metro.net>; Dimaculangan, Asuncion <DimaculanganA@metro.net>; OHara, Robin <OHARAR@metro.net>

Subject: Re: Correction of Report Number: Report on LACMTA Asset Valuation Study 05.28.2020

Hi Yvonne, here are the comments from Finance:

Response to Audit Report on Advertising at Metro:

- There are many opportunities to consider in this audit. To move forward with the recommendations, Metro should conduct a cost/benefit analysis that include internal costs and program management.
- Since the TAP card is good for 10 years all ads should be evergreen. Topical ads with promotional dates are not appropriate.
- The TAP card is regional and the 25 Municipal Operators must be included in advertising policies, approvals and revenue opportunities.
- TAP has a vendor network of about 1400 stores that sell TAP, including, many large grocery, drug and chain stores. Advertising by sponsors that are rivals to these stores is problematic.
- TAP has already planned for sponsorship within the TAP app. It is a joint sponsorship agreement at no cost to Metro that was built into our contract with the mobile app vendor.
- TAP produces commemorative cards that have a 100% sell-out. The audit compared this favorable sales history to advertising sales, however, these commemorative cards are not commercially-branded and typically celebrate holidays or other public events that Metro supports.
- Several times the audit states that there is no current benchmark for a program like this. In TAP's dialog with sister transit agencies, the reason is because the costs exceed the benefits.

THE SUPERLATIVE GROUP



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Los Angeles County Metropolitan Transit Authority (LACMTA)

Asset Valuation Study Advertising and Sponsorships

TAP CARDS, STATIONS AND OTHER REVENUE OPPORTUNITIES

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1 Executive Summary

1.1 Introduction

In December 2019, the Office of the Inspector General (“OIG”) for the Los Angeles County Metropolitan Transit Authority (“LACMTA” or “LA Metro”) commissioned The Superlative Group (“Superlative”) to conduct an LA Metro assets valuation study that would comprehensively assess the potential revenue to be realized through sponsorship, advertising and card personalization campaigns related to its Transit Access Pass (“TAP”) program, in addition to a full asset inventory and valuation of LACMTA-controlled lines, facilities and other assets that could be made available to generate revenue through Naming Rights and Corporate Sponsorships. This report, subject to review and approval by LACMTA personnel, OIG and the agency’s Board of Directors, presents the detailed results from Parts I and II of Superlative’s assignment:

- I. To determine the feasibility of a TAP Card advertising and personalization program, including relevant industry benchmarks, further modified following Superlative’s initial site visit(s) to include sponsorship or underwriting program revenue potential at the direction of OIG; and
- II. To evaluate LA Metro’s expansive transit system and develop a monetary valuation and strategy for sponsorship revenue generation.

Superlative’s assets valuation study determined that Naming Rights and sponsorship opportunities for LACMTA assets have the potential to generate up to \$687.5 million in total revenue over a period of 25 years (individual contract terms range between 10 and 25 years depending on the asset), assuming all assets are sold at the high end of the Fair Market Value ranges presented in this report.

1.2 Strategic Objectives of this Study

The following report satisfies Superlative’s agreement to evaluate the feasibility and potential revenue from selling advertisements on LA Metro TAP Cards and/or personalization on the TAP Card for a fee to generate revenue for LACMTA. Specifically, the objectives of Part I are to:

- A. Determine the feasibility of selling advertisements on TAP Cards and/or personalization of TAP Cards for a fee. TAP cards have specific information on the back of the cards for information and serial numbers.
- B. Research industry best practices, both in the United States and internationally, for selling advertisements or personalization on TAP Cards for a fee, including but not limited to best practices for transit card advertising and payment options (e.g., mobile applications, “pay wallets”, etc.).
- C. Estimate the revenue potential through the sale of TAP Card advertisements and/or card personalization for a fee.
- D. Determine next steps needed to implement the sale of advertisements and/or personalization on LA Metro TAP Cards.
- E. Research industry best practices for selling advertising on LA Metro Tap Card vending machine screens.
- F. Research best practices for selling advertising on the LA Metro mobile application for use with TAP Cards.
- G. Provide guidance on whether LA Metro would likely encounter dissatisfaction from customers, create confusion or experience other negative aspects of selling advertising on TAP cards, and how Metro might mitigate these circumstances.

This report also satisfies Superlative’s agreement to evaluate the feasibility and potential revenue from corporate sponsorships on LA Metro’s expansive transit system. Specifically, the objectives of Part II are to conduct asset reviews and develop monetary valuations of potential sponsorship revenue. This report focuses on the potential Naming Rights revenue for the assets on the following page:

1. Metro bus system;
2. Metro rail system;
3. Metro bike system;
4. Property; and
5. Microtransit and other non-revenue vehicles.

1.3 Background & Methodology

Sports and entertainment venues have traditionally attracted the highest value Naming Rights and sponsorship agreements, because they allow corporate partners to reach substantial markets beyond venue attendees. However, the revenue-generating benefits of Naming Rights and corporate sponsorships have become increasingly prevalent in a wide range of sectors:

- Public transit systems;
- Bike share programs;
- Roadside assistance programs; and
- Adopt-a-highway programs.

Naming Rights and other corporate partners can benefit from greater awareness, wider reach and better engagement through sponsorship marketing as compared to traditional advertising; Naming Rights in particular provides the opportunity for the partner's name to be featured anywhere and everywhere that the venue and its activities are mentioned (e.g., on exterior signage and within the venue, but also through newspapers, posters, schedules, magazines and websites). Activation of Naming Rights and corporate partnership programs serves a dual purpose by merging private and public funds to create new revenue streams while building private and public sector brands in a manner that reflects the stability and values of the community, its people and its goals for the future.

The Superlative Group Valuation Methodology has been developed over time and through our experience of securing revenue-generating opportunities for clients across the United States and Europe. Superlative uses a combination of impressions-based valuation of media exposure and benchmarking to generate valuations that will form the opening negotiating position with target companies during the sales process.

1.4 Revenue Potential

A wide range of factors impact the revenue potential from a sponsorship agreement, including:

- Signage size and design;
- Signage location and visibility;
- Demand and competition for advertising space;
- Population and demographics; and
- Restrictions placed on signage by City, County and/or State Ordinances.

These factors are discussed in further detail in Section 3. This section also provides an overview of the proposed quantitative benefits and valuation assumptions for consideration by the LACMTA project team.

TAP Card Revenue Potential

Table 1.4.1 on the following page provides an overview of the key findings from the TAP Card sponsorship and advertising valuation:

Table 1.4.1

| Asset | TAP Card Program |
|--------------------------------------|--|
| Annual Value | Option A (Recommended): Primary Sponsor: \$1.5 million - \$2.0 million Option B: Advertising Program: \$400,000 - \$750,000 |
| Terms | 10 years for Primary Sponsor Four weeks for advertisers |
| Total Revenue Potential ¹ | Primary Sponsor: \$22.5 million Advertising Program: \$7.5 million |
| Target Categories | All categories: identified by size and marketing budget |

Option A: Sponsorship Revenue Potential (Recommendation 1)

The Superlative Group proposes a value range of \$1.5 million to \$2.0 million per annum for Primary Sponsorship of the TAP Card program. Superlative recommends LACMTA pursue this option and target entities at the top of this value range, over a proposed term of 10 years. Assuming inclusion of a CPI escalator of 2.6%, this opportunity could generate between \$16.9 million and \$22.5 million over the life of the term. **(Recommendation 5)**

Option B: Advertising Revenue Potential

Alternatively, The Superlative Group estimates a four-week TAP advertising campaign could generate \$100,000 to \$125,000 for LACMTA. Assuming an estimated four to six campaigns per year, this opportunity could generate between \$400,000 and \$750,000 per annum, or maximum revenues of \$7.5 million over a period of 10 years.

Please refer to Section 1.5 below for more details on Superlative's recommended course of action.

Naming Rights and Sponsorship Revenue Potential

Table 1.4.2 below and on the following page provides an overview of the key findings of the transit valuations, all including a 2.6% CPI escalator over the life of the term²:

Table 1.4.2

| Rail and Bus Lines | Value Per Annum | | Total Over Term (25 years) | |
|------------------------|--------------------|---------------------|----------------------------|----------------------|
| | Low | High | Low | High |
| A Line | \$750,000 | \$1,250,000 | \$25,952,758 | \$43,254,597 |
| B Line | \$1,000,000 | \$1,750,000 | \$34,603,677 | \$60,556,435 |
| C Line | \$2,000,000 | \$2,750,000 | \$69,207,355 | \$95,160,113 |
| L Line | \$1,000,000 | \$1,750,000 | \$34,603,677 | \$60,556,435 |
| D Line | \$500,000 | \$1,000,000 | \$17,301,839 | \$34,603,677 |
| E Line | \$750,000 | \$1,250,000 | \$25,952,758 | \$43,254,597 |
| G Line | \$500,000 | \$1,000,000 | \$17,301,839 | \$34,603,677 |
| J Line | \$500,000 | \$1,000,000 | \$17,301,839 | \$34,603,677 |
| Dodger Stadium Express | \$250,000 | \$500,000 | \$8,650,919 | \$17,301,839 |
| LAX FlyAway | \$150,000 | \$300,000 | \$5,190,552 | \$10,381,103 |
| TOTALS | \$7,400,000 | \$12,550,000 | \$256,067,213 | \$434,276,150 |

¹ Revenue potential shows the top of each value range over the proposed term, assuming an annual CPI escalator of 2.6%

² For rail and bus lines the suggested term is 25 years. For stations and other assets, the suggested term is 10 years. In regard to Los Angeles hosting the 2028 Summer Olympics, a potential sponsorship agreement would include that year in its term. The Los Angeles area will see a large increase in visitors, and it is safe to assume LACMTA ridership will rise accordingly. However, when looking at a 10 to 25-year term, the approximately one-month spike in impressions is not a major factor when developing the value over that length of time.

| Rail and Bus Stations | Value Per Annum | | Total Over Term (10 years) | |
|-------------------------|--------------------|--------------------|----------------------------|---------------------|
| Metro Station | Low | High | Low | High |
| Civic Center/Grand Park | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| Pershing Square | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| 7th Street/Metro Center | \$1,500,000 | \$2,000,000 | \$16,882,393 | \$22,509,857 |
| Pico | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| TOTALS | \$2,250,000 | \$3,500,000 | \$25,323,589 | \$39,392,249 |

| Additional Stations | Value Per Annum | Value Over Term (10 years) | Quantity | Grand Total Potential |
|---|------------------|----------------------------|------------|-----------------------|
| Tier 1: Highway Stations | \$250,000 | \$2,813,732 | 21 | \$59,088,372 |
| Tier 2: Gold (Stations near Major Roadways) | \$100,000 | \$1,125,493 | 24 | \$27,011,832 |
| Tier 3: Silver (Stations near Smaller Roadways) | \$50,000 | \$562,746 | 70 | \$39,392,220 |
| TOTALS | \$400,000 | \$4,501,971 | 115 | \$125,492,424 |

| Other Metro Assets | Value Per Annum | | Total Over Term (10 years) | |
|------------------------------|--------------------|--------------------|----------------------------|---------------------|
| Metro Asset | Low | High | Low | High |
| Freeway Service Patrol | \$2,000,000 | \$3,000,000 | \$22,509,857 | \$33,764,786 |
| Metro Bike Share | \$500,000 | \$1,000,000 | \$5,627,464 | \$11,254,929 |
| Passageway at Union Station | \$200,000 | \$300,000 | \$2,250,986 | \$3,376,479 |
| Public Restrooms | \$150,000 | \$250,000 | \$1,688,239 | \$2,813,732 |
| Sierra Madre Villa Parking | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| Atlantic Parking | \$75,000 | \$125,000 | \$844,120 | \$1,406,866 |
| Irwindale Parking | \$75,000 | \$125,000 | \$844,120 | \$1,406,866 |
| APU/Citrus Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Arcadia Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| La Cienega/Jefferson Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Monrovia Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Willow Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Expo/Sepulveda Parking | \$25,000 | \$50,000 | \$281,373 | \$562,746 |
| TOTALS | \$3,525,000 | \$5,850,000 | \$39,673,621 | \$65,841,333 |

1.5 Conclusions and Recommendations

TAP Card Program

Transit ticketing technology is evolving rapidly on an industry-wide scale. As such, Superlative was able to find current benchmarks that demonstrate advertising on physical transit passes, but which are not a significant source of revenue for any transit agency, and therefore not a viable means of generating substantial revenue from corporate partners for LACMTA.

More importantly, LACMTA's TAP Operations Department, operations and other personnel have expressed concern about the perception of over-branding or corporatizing LACMTA assets from the general public. Therefore, a TAP Card advertising program is not the recommended solution. One of Superlative's best practices for transit pass advertising revenue generation, which can be found in Section 5 of the following report, states that in order to achieve financial success from an advertising program, LACMTA would need to launch multiple campaigns per year with various partners.

The limited revenue potential, complicated logistics and risk of negative public perception justify our recommendation that Primary Sponsorship of the TAP Card program is a simpler and more valuable approach to monetization of the asset (**Recommendation 1**).

Naming Rights and Sponsorship

Due to the number of potential opportunities, should LACMTA decide to pursue Naming Rights and corporate sponsorship to transit assets, there will be a need to prioritize opportunities, based on the estimated revenue potential and most saleable opportunities. Superlative recommends that LACMTA prioritize opportunities as follows (**Recommendation 6**):

Priority Opportunities

- i. Metro Rail Lines;
- ii. Metro Bus Lines;
- iii. Freeway Service Patrol;
- iv. Metro Stations; and
- v. Metro Bike Share.

Second Tier Opportunities

- vi. Passageway at Union Station;
- vii. Public Restrooms; and
- viii. Parking Garages.

2 Introduction

2.1 LACMTA³

General Overview

Founded in 1993, the Los Angeles County Metropolitan Transit Authority (“LACMTA”, “LA Metro”) serves as the transportation planner and coordinator, designer, builder and operator for Los Angeles County. LACMTA’s service area encompasses more than 1,433 square miles and more than 9.6 million residents, nearly one-third the entire population for the State of California. LA Metro’s annual operating budget exceeded \$6.6 billion in FY2019; agency staff included nearly 10,000 full-time employees. System-wide, LACMTA served more than 29 million riders in 2019.

Mission, Vision and Values

LACMTA’s mission is “to provide a world-class transportation system that enhances quality of life for all who live, work and play within LA County”. LACMTA’s vision is comprised of three main elements:

- Increased prosperity for all by removing mobility barriers;
- Swift and easy mobility throughout LA County, anytime; and
- Accommodating more trips through a variety of high-quality mobility options.

Values identified by LA Metro include the following:

- **Safety.** LA Metro commits to ensure that its employees, passengers and the general public’s safety is always its first consideration.
- **Service Excellence.** The agency commits to provide safe, clean, reliable, on-time, courteous service for its clients and customers.
- **Workforce Development.** LA Metro commits to making the agency a learning organization that attracts, develops, motivates and retains a world-class workforce.
- **Fiscal Responsibility.** LA Metro commits to manage every taxpayer and customer-generated dollar as if it were coming from its own pocket.
- **Innovation and Technology.** The agency actively participates in identifying best practices for continuous improvement.
- **Sustainability.** LA Metro commits to reduce, re-use and recycle all internal resources and reduce greenhouse gas emissions.
- **Integrity.** LACMTA commits to rely on the professional ethics and honesty of every employee.
- **Teamwork.** LA Metro commits to actively blend individual talents to achieve world-class performance and service.

Transit Infrastructure

The following tables provide an overview of LA Metro’s bus, rail, vehicle and other service assets, including relevant metrics for each, where available.

Figure 2.1.1: Bus Service

| Feature/Asset | Amount |
|---|--------|
| Bus Stops | 13,978 |
| Square Miles in Service Area | 1,479 |
| Number of Bus Routes (Directly Operated and Contracted) | 165 |
| Total Metro Bus Fleet | 2,308 |

³ Source: www.metro.net. Retrieved February 7, 2020. This data may have changed since the publishing of this report.

Figure 2.1.2: Rail Service

| Feature/Asset | Amount |
|------------------|------------------------|
| Stations | 93 |
| Miles of Service | 98 |
| Service Lines | 4 Light Rail, 2 Subway |

Figure 2.1.3: Bicycle Assets (Miles)

| Feature/Asset | Amount |
|---------------------|-------------|
| Bike Routes/Signage | 609 miles |
| Bike Lanes | 1,053 miles |
| Bike Paths | 346 miles |

Figure 2.1.4: Car Service

| Feature/Asset | Amount |
|--|-----------------------|
| High Occupancy Vehicles - Carpool Lanes | |
| Length in miles | 219 |
| Lane miles in both directions | 539 |
| Metro Freeway Service Patrol | |
| Number of Tow Truck Beats | 43 |
| Number of Tow Trucks on Patrol | 149 |
| Number of Freeway Miles Served | 475 |
| Number of Motorists Assisted Monthly (Average) | 25,000 |
| Number of Motorists Assisted Annually | 300,000 |
| Motorists hours saved annually from sitting in traffic | 9.4 million |
| Gallons of fuel savings annually | 16.2 million |
| Emissions reductions annually | 150 million kilograms |
| Annual Budget | \$33 million |

2.2 Los Angeles County

Introduction

Established in 1850, Los Angeles County is one of California's original 27 counties. It is one of the largest counties in the United States, covering a geographic area of 4,084 square miles, and has the largest population of any U.S. county in the nation: more than 10 million residents who account for approximately 27 percent of California's population. As a subdivision of the state, the County is charged with providing numerous services that affect the lives of all residents, including law enforcement, tax collection, public health protection, public social services, elections and flood control.

Contextual Relevance to Rail Transportation

Historically, Los Angeles County played an important role in coast-to-coast railroad development. The Southern Pacific completed its Los Angeles route in 1880, followed by the Santa Fe Railroad in 1886. The railroads' long-term growth plan included acquiring sizeable Los Angeles land holdings and subsequently promoting tourism and city development to attract investment, raise land values and increase the value of railroad shipments in the wake of the "Go West" campaign collapse toward the end of 19th century, during which many landowners went broke and fled the area at a rate of nearly 3,000 people per day. As a result, the population of Los Angeles increased fivefold from about 11,000 in 1880 to around 60,000 in 1890.

Demographic Information

In 2020, more than 10.4 million people live in Los Angeles County, residing in 88 cities and approximately 140 unincorporated areas. The County maintains its reputation as an industrial and financial giant and is one of the most cultural and ethnically diverse communities in the world.

Los Angeles County demographics are based on 2018 U.S. Census Bureau statistics:

Sex:

| | |
|---------|-------|
| Male: | 49.3% |
| Female: | 50.7% |

Age by Year:

| | |
|-----------|-------|
| Under 15: | 18.0% |
| 15 – 19: | 6.2% |
| 20 – 24: | 6.9% |
| 25 – 34: | 16.3% |
| 35 – 44: | 13.6% |
| 45 – 54: | 13.3% |
| 55 – 64: | 12.0% |
| 65+: | 13.6% |

Annual Household Income:

| | |
|---------------------|-------|
| Below \$10,000: | 6.1% |
| \$10,000 – 24,999: | 15.1% |
| \$25,000 – 49,999: | 20.9% |
| \$50,000 – 74,999: | 16.4% |
| \$75,000 – 99,999: | 11.8% |
| \$100,000 or above: | 29.7% |

Ethnic Background:

| | |
|----------------------------|-------|
| Caucasian/White: | 25.9% |
| Af. American/Black: | 7.8% |
| Hispanic/Latino: | 48.6% |
| Am. Indian/Alaska Native: | 0.2% |
| Asian: | 14.6% |
| Hawaiian/Pacific Islander: | 0.3% |
| Other: | 0.3% |
| Two or more races: | 2.4% |

2.3 Key Statistics⁴

- Los Angeles County Population: 10.4 million
- Metro.net Total Page Views (SimilarWeb): 14.3 million
- LACMTA Social Media Followers: 279,098
 - Twitter: 105,400
 - Facebook: 85,894
 - Instagram: 50,700
 - YouTube: 19,200
 - LinkedIn: 17,904
- GoMetro Monthly App Users: 37,300
 - iOS: 28,000
 - Android: 9,300
- Number of Metro Employees: 10,000
- Number of LACMTA TAP Cards produced annually: 1,000,000
- Number of Ticket Vending Machines (entire system): 487
 - A Line: 73
 - B Line: 91
 - C Line: 58
 - E Line: 74
 - G Line: 69
 - J Line: 18
 - L Line: 98
 - Customer Centers: 4
 - Regional Ticket Vending Machines: 2
- LACMTA Annual Ridership (2019, Bus and Rail): 370,480,743
 - Major Service Lines:
 - A Line: 8,905,140
 - B Line: 41,775,490
 - C Line: 9,131,806
 - G Line: 15,090,394
 - E Line: 18,269,068
 - G Line: 6,714,108
 - J Line: 5,209,169
 - Dodger Stadium Express: 377,180
- LACMTA Internal Email List: 11,000
- LACMTA External Emails sent in 2019: 4,000,000
- Metro Bus
 - Bus Stops: 13,978
 - Service Area: 1,479 square miles
 - Number of Bus Routes: 165
 - Total Fleet: 2,308
- Metro Rail
 - Stations: 93
 - Miles of Service: 98
 - Number of Lines: 6
 - Annual Service Miles: 8,601,897
- Freeway Service Patrol
 - Number of Tow Truck Beats: 43
 - Number of Tow Trucks on Patrol: 149
 - Number of Freeway Miles Served: 475
 - Number of Motorists Assisted (monthly): 25,000

⁴ Circa May 2020. Obtained through information provided by LACMTA, public LACMTA-owned assets (e.g., www.metro.net) and through original research. A full list of these sources, including dates and other information, can be found in Appendix A.

- Metro Bike Share
 - Ridership: 2,500,000
 - Members: 20,000
 - Stations: 274
 - Bicycles: 4,000

3 Background & Methodology

3.1 Introduction

History of Naming Rights

Sports and entertainment venues and organizations have historically attracted the highest values for sponsorship agreements because of the potential for Corporate Partners (see “Definitions” in Appendix A) to reach millions of people over and above venue attendees. In recent years, Superlative has been working to expand the traditional scope of Naming Rights and Corporate Sponsorships to include a large number of new industries and organizations. Transit agencies, convention centers, theatres and municipalities are increasingly turning to the private sector to help fund public services and overcome shrinking budgets via Naming Rights sales.

Naming Rights and Sponsorship in the Transport Sector

As Corporate Partners have realized that they are able to reach millions of people through naming transit stations and lines, the concept for Naming Rights in a transit context has become increasingly common. Transit Authorities routinely turn to Naming Rights of either stations or entire transit systems as a means of maximizing non-fare revenue opportunities.

In 2008, the Greater Cleveland Regional Transit Authority (GCRTA), through The Superlative Group, secured a 25-year Naming Rights agreement with two local hospitals for the Bus Rapid Transit Line (Euclid Corridor). Subsequently, in 2014, GCRTA secured a 28-year Naming Rights agreement with Cleveland State University for a new Bus Rapid Transit Line that opened in the fall of 2014, and in 2017, secured a 25-year Naming Rights agreement with Metro Health for another new BRT line. Streetcar systems in Tampa, Seattle and Portland have all benefitted from Naming Rights sales. In 2009, Barclays Bank agreed to purchase the Naming Rights to a Brooklyn subway station for \$4 million over 20 years in conjunction with a sporting arena development. Transit authorities in Los Angeles, Chicago, Oakland, Dallas, Buffalo, San Diego, Sacramento and Richmond have all commissioned Superlative to produce Naming Rights valuation reports with the intent to begin actively marketing the opportunities.

3.2 Valuation Measurement Strategies

Despite the growth of title sponsorship and Naming Rights agreements in both sporting and non-sporting contexts, establishing an objective method to value sponsorships is difficult due to the fact that many of the benefits associated with sponsorships, such as public image, do not have a physical presence and are therefore intangible. Sponsorship and Naming Rights agreements frequently differ in terms of duration, breadth of benefits available, reach and value. This is largely due to the bespoke nature of each contract and the need to predict present and future benefits, quantified in present-day dollar terms.

The most common—but insufficient—methods used to calculate Naming Rights and sponsorship valuations are:

- The Cost Method;
- The Income Method; and
- The Market Method

These are explained in further detail below.

The **Cost Method** is a time-sensitive calculation of the amount of money that must be spent to replicate the exact bundle of benefits available through a Title Sponsorship Naming Rights agreement by some other means. This approach suggests that Naming Rights can be divided into specific and separate benefits and that a quantification of their cost of purchase, external to the Naming Rights Agreement, will help both buyer and seller arrive at a mutually acceptable valuation. However, there are four issues with this method:

- i. Many of the replicated benefits will occur in the future, but individual forecasts about the present-day value of future costs or revenue cash flows are subjective and can vary widely.
- ii. No allowance or dispensation is made for the uncertainty of the future.
- iii. The Cost Method always treats the impact of impressions in the same way, regardless of their source. It does not address the variable impact of impressions from different media. To overcome this problem, conversion ratios are used, but a significant number of variables often remain.
- iv. Accounting for duplication of impressions can create variability in the valuation. The number of impressions generated is almost always higher than the total number of people reached because a percentage of individuals will receive multiple impressions, such as word of mouth impressions.

The **Income Method** compares the projected nominal income (present and future) expected to be earned from Naming Rights with the economic life or length of time that the intangible assets can expect to command a given price. An internal rate of return is then calculated to analyze the impact of alternative future scenarios upon the level and value of benefits accrued by the buyer. Hence, the income method deals more accurately with the uncertainty of the future but remains just as susceptible as the Cost Method to the subjectivity of forecasting and duplication of impressions.

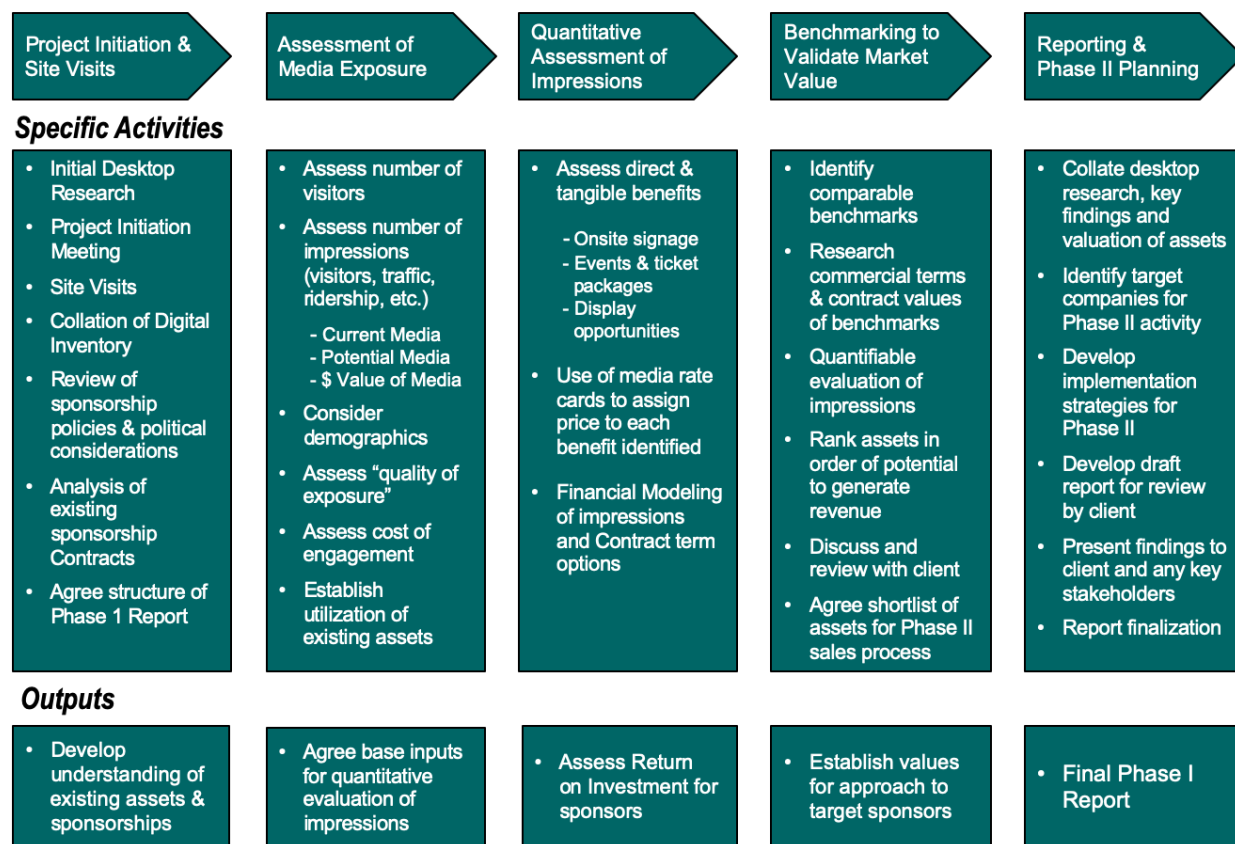
The **Market Method** assumes that a Naming Rights proposition can be valued by reference to similar transactions of Naming Rights bundles within equivalent sets of local area demographic characteristics, comparable points in time and equivalent features. This is described as the most common approach to Naming Rights valuations as the nature of Naming Rights agreements immediately calls into question the search for similar transactions. It is also considered to be a less subjective means of valuing Naming Rights agreements as it makes fewer assumptions than the Cost or the Income Method. Academic study also advocates making adjustments to valuations in order to account for comparative analysis against current market rates.

3.3 The Superlative Valuation Methodology

Due to the lack of a universally accepted valuation methodology for Naming Rights and Sponsorship valuation, The Superlative Group developed the following valuation methodology – a combination of facets of the three methods described above – based on its experience in negotiating Naming Rights Agreements.

The valuation of Naming Rights and Sponsorship opportunities is one step in The Superlative Group's marketing strategy. The diagram on the following page shows the key stages, specific activities and outputs during development of this marketing strategy:

Figure 3.3.1

Valuation Report – Key Activities**Project Initiation & Desktop Research**

The Superlative Group carried out its initial desktop research to review relevant documentation, such as financial statements and strategic plans, to gather contextual information such as major capital projects in the locality, specifics of the existing facilities, and key statistics, such as visitor numbers, drive-by traffic, media publications and hits on websites/communication channels. Our research team maintains a database that is used to compile key pricing and contractual data for all relevant Naming Rights initiatives.

Site visits were undertaken where relevant to view the assets being valued. A digital inventory of photographs and renderings is compiled for each location that is used during the valuation process and, subsequently, during development of promotional materials during the sales process. The Superlative Group gathered site maps to document key details such as number of existing signage and facility specifications. This information was used to identify commercial opportunities as part of the Phase I valuation process.

In order to understand existing sponsorship partnerships, The Superlative Group also undertook a review of all major sponsorship contracts to consider the term of existing agreements, gain an understanding of the key commercial terms and identify opportunities where existing arrangements could be improved.

Assessment of Media Exposure

Assessment of media exposure requires an understanding of the number of impressions (see “Definitions” in Appendix A) that a Corporate Sponsorship would deliver. This involves gathering traffic statistics for specific venues and consideration of impressions from roadside signage, aerial views and naming on radio

traffic updates or other media channels. Local rates were gathered in order to establish accurate local benchmarks.

With the gathered data, The Superlative Group generated an initial model of impressions. Superlative takes the following factors into account when determining the appropriate amount of impressions a piece of signage or collateral would receive:

Valuation Factors

- **Size** – Has a direct impact on visibility. Within a given market, advertising space carries a different value depending upon the number of impressions, which are used to calculate advertising rates. An impression indicates the number of times an advertisement is seen by pedestrians, motorists and transit riders.
- **Location** – Rates are higher in high demand areas. Billboards in New York City will carry some of the highest rates in the nation. Location also dictates the demographics of the audience. Airport advertising rates are high due to the premium demographics of air travelers.
- **Rotation** – In the case of digital advertising inventory, rates are based on the length of each advertisement. Rotations can range from 8 seconds to 30 seconds (depending on average wait time in a given location) with out-of-home advertising agencies aiming to maximize the number of advertisers on each digital ad board.
- **Demand** – Premium units and high-traffic transit stations in the heart of cities may have a long list of advertisers waiting to display their message. The proximity of certain ads to airports, shopping centers and other attractions also increases demand and price. Further, other events and timing make outdoor inventory more "precious" and can impact rates, such as large sporting events or beach adjacent inventory in the summer months.
- **Population** – Audience size will influence your cost.

Sponsorship Rates

A Naming Rights buyer will typically invest in a naming opportunity based on a cost per thousand (CPM) basis (see "Definitions" in Appendix A). CPMs for Naming Rights or advertising programs vary due to location, type of media exposure and position of sponsorship space. While an average CPM for a national television advertisement may be \$28, a 30-second advertisement during the Super Bowl typically costs more than \$5 million, with CPMs in the range of \$60 - \$80. CPM values can vary considerably across the nation. As a result, The Superlative Group applies local media rates to each project.

The CPM value includes assessment of the demographics of the target audience and the quality of exposure to that audience. For example, sporting venues tend to be patronized by 18-34-year-old males, which is a "premium audience" in terms of the potential revenue for sponsors generated by this audience. Accordingly, sponsors wishing to gain exposure to this audience would target sports venues. The target demographic for other venues may be considerably different and hence, this must be taken into consideration as part of the valuation.

Unlike traditional advertising, the quality of sponsorship exposure is determined by how prevalent the sponsor's branding is during the exposure period and the impact that this placement will have on the target demographic. The Superlative Group weighs the strength of a sponsor's exposure against these CPMs when assigning values and applies reasonable discounts because most sponsorship branding contains a sponsor's name or logo, but not straight advertising messages.

Quantitative Evaluation of Impressions

The Superlative Group uses financial modeling to assess the dollar value of impressions from the Sponsorship and Naming Rights opportunities offered by LACMTA (e.g. signs at facilities, vehicles, and collateral). Superlative assigns a CPM-based value to each saleable asset available for naming rights or sponsorship, based on the strength and reach of exposure for a possible sponsor associated with each branding opportunity.

In developing these values, The Superlative Group uses a template financial model it has developed over time and adjusted the model to fit the saleable components. Superlative's values assume alternative contract terms and incorporate assumptions that the payments for Naming Rights would escalate annually in proportion to changes in the Consumer Price Index (CPI), which is assumed to rise at 2.6% in the state of California; these values are presented in Section 5 of this report. After calculating the media value as described above, Superlative is able to build a profile of the sponsorship value for each site.

Benchmarking to Validate Market Value

In order to negate the short falls identified above in academic commentary with regard to Naming Rights valuation, The Superlative Group identifies sector benchmarks (or comparables) for each opportunity, researching commercial and contract values.

In order to confirm that an impression-based valuation is appropriate and accurate, The Superlative Group investigated the prices paid for Naming Rights for similar properties and assets in similar markets. When evaluating benchmark comparisons, Superlative considers the prestige of each asset, likely sponsor interest, and geographic reach of each sponsorable asset. Superlative takes into account the geographic reach of a sponsorship opportunity as a whole, on a local, regional and/or national basis, but also the geographic reach of each individual asset. For example, an individual piece of signage within the interior of a property would have a local reach, while recognition on publications and/or signage within a vehicle would reach a far broader audience. Assets are then ranked in order of potential to generate revenue to establish priorities for the Phase II sales process.

4 Asset Overview

4.1 Introduction

This section of the Advertising and Feasibility Study will provide a brief overview of the LACMTA transit system and TAP Card program, in order to identify the main assets that should be considered for Naming Rights, sponsorship and advertising revenue potential. Please refer to Sections 5.2 and 8 - 12 for the Asset Database, which provides detail of the value and proposed sponsorship terms.

4.2 TAP Card Program

Overview

In February 2008, the LACMTA began to implement its contactless fare system, known as the Transit Access Pass (TAP), a plastic card imbedded with smart-chip technology that would completely replace tokens by December 2019. Both the card and the fare collection systems are manufactured by Cubic Transportation Systems, and currently account for 24 million monthly transactions (288 million annually) from more than 1.5 million passholders as of September 2018, making it one of the largest smart card systems in the United States.

In 2019, TAP Cards were sold at more than 450 retail locations across Los Angeles County and will surpass more than 2,000 locations by the end of 2020 through a partnership with InComm, a payments technology company, according to press release obtained by Superlative. TAP Cards can be used to purchase fares on LACMTA bus, rail and Metro Bike Share transportation, with plans to expand to Microtransit, Scooters, Ride-Hailing, E-Bikes, Parking and Electric Vehicle services as part of a system-wide program roll-out.

TAP Cards are accepted on 25 public transit systems in LA County, including LACMTA, the largest transportation agency in Los Angeles. This includes 99 light rail stations and 3,800 buses. A complete list of these systems can be found below.

- Angels Flight Railway
- Antelope Valley Transit Authority (AVTA)
- Baldwin Park Transit
- Beach Cities Transit
- Burbank Bus
- Carson Circuit
- Compton Renaissance Transit System
- Culver CityBus
- Foothill Transit
- Gardena GTRANS
- Glendale Beeline
- Huntington Park Transit Unlimited
- LA County Department of Public Works
- LADOT Transit
- Los Angeles World Airports (LAWA)
- Long Beach Transit
- **LACMTA**
- Montebello Bus Lines
- Monterey Park Spirit Bus
- Norwalk Transit
- Palos Verdes Peninsula Transit Authority
- Pasadena Transit
- Santa Clarita Transit
- Santa Monica Big Blue Bus
- Torrance Transit

Fees

Purchase of each TAP Card includes a \$2 new card acquisition for riders. The program offers daily, weekly and monthly passes as well as the option for stored value to consumers that ride infrequently. TAP Card balances are protected for a \$5 administrative fee if they are lost or stolen, and value can be added at TAP vendor locations, ticket vending machines (TVMs), stations, online, by phone or set to auto-load if the value drops below a certain threshold. LACMTA offers TAP cards at a reduced rate to seniors above the age of 62, people with disabilities, college/vocational students and secondary education students. Each TAP Card has a useful life and expiration date of 10 years.

Exposure Opportunities

Corporate partners will seek to maximize their return on investment through exposure opportunities and promotion of their brand in conjunction with the TAP Card program. In addition to print recognition and other traditional media, signage exposure will be an important component of the TAP Card sponsorship valuation. This section provides Superlative's recommendations for the main sponsor recognition opportunities both within and around LACMTA lines and stations identified by the project team through the discovery process.

Ticket Vending Machines

TAP Cards are currently sold onsite in LACMTA stations, customer care centers and other LACMTA-owned facilities (Note: This list does not include retail and other non-owned TAP Card vendors) through Ticket Vending Machines (TVMs). Typically, and as expected, TVMs are placed in convenient locations, and often in groups of five, as pictured below in Figure 4.2.1. Grouped configurations, as observed by Superlative, are freestanding or embedded in walls. Most stations include standalone kiosks, pictured in Figure 4.2.2 on the following page. Static signage opportunities exist in the forms of temporary banners, freestanding signs or wrapped/branded kiosks (e.g., standalone kiosks).

Figure 4.2.1 Freestanding Group TVMs



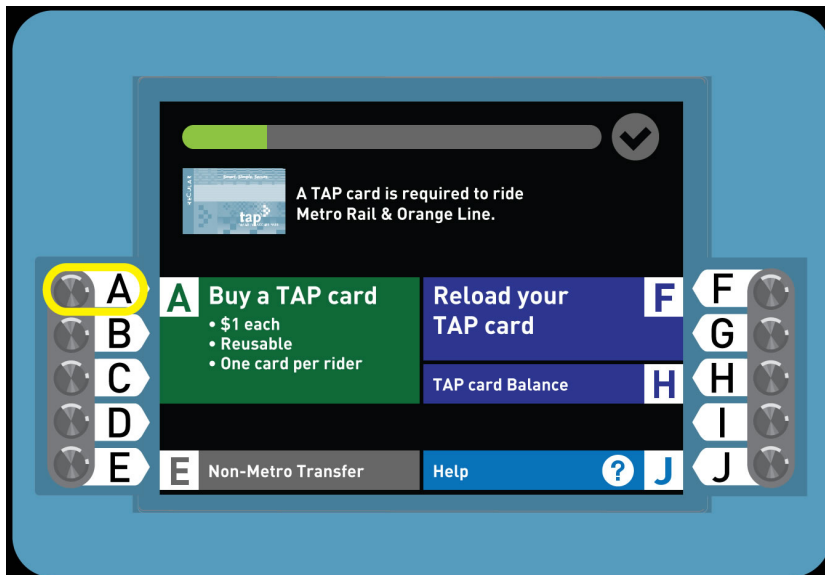
Figure 4.2.2



Pre-roll Ads on TVM Digital Displays

As described in detail below in Section 5.2, the Southeastern Pennsylvania Transit Authority (SEPTA) experimented with running pre-roll advertisements on its subway ticket kiosks. While that program proved unsuccessful, most criticism pertained to the length of the ad and lack of proper functionality. Assuming LACMTA TVMs can be properly programmed and ad length reduced to a minimum of one to two seconds maximum (more than sufficient exposure for a partner avail), their digital screens, seen below in Figure 4.2.3, present a valuable opportunity for sponsor visibility.

Figure 4.2.3 TAP TVM Digital Screen (Purchase Portal)



Locations

Based on information provided by the TAP Operations Department, Superlative was able to identify the exact location of TVMs across the LACMTA system and included the potential pool of impressions from daily riders. These impressions are weighted in Section 5.3 in order to determine the potential revenue for these assets as part of the main sponsorship opportunity for the TAP Card program. Please refer to Figure 4.2.4 below and on the following pages for a complete list of TVMs considered by this study.

Figure 4.2.4 TAP TVM Locations

| Station | # of TVMs | Weekly Ridership | Annual | Potential Impressions ⁵ |
|--------------------------------------|-----------|------------------|------------|------------------------------------|
| B Line | | | | |
| Union Station | 10 | 164,780 | 8,568,560 | 85,685,600 |
| Civic Center | 6 | 42,795 | 2,225,340 | 13,352,040 |
| Pershing Square | 6 | 77,483 | 4,029,116 | 24,174,696 |
| 7th/Metro Center | 16 | 233,064 | 12,119,328 | 193,909,248 |
| Westlake/MacArthur Park | 7 | 67,234 | 3,496,168 | 24,473,176 |
| Wilshire/Vermont | 4 | 80,415 | 4,181,580 | 16,726,320 |
| Vermont/Beverly | 4 | 39,341 | 2,045,732 | 8,182,928 |
| Vermont/Santa Monica | 4 | 50,548 | 2,628,496 | 10,513,984 |
| Vermont/Sunset | 4 | 47,677 | 2,479,204 | 9,916,816 |
| Hollywood/Western | 3 | 48,964 | 2,546,128 | 7,638,384 |
| Hollywood/Vine | 5 | 67,626 | 3,516,552 | 17,582,760 |
| Hollywood/Highland | 7 | 87,212 | 4,535,024 | 31,745,168 |
| Universal City | 5 | 73,756 | 3,835,312 | 19,176,560 |
| North Hollywood | 10 | 174,338 | 9,065,576 | 90,655,760 |
| C Line | | | | |
| Norwalk | 6 | 41,017 | 2,132,884 | 12,797,304 |
| Lakewood | 4 | 23,711 | 1,232,972 | 4,931,888 |
| Long Beach Blvd. | 4 | 23,905 | 1,243,060 | 4,972,240 |
| Imperial Wilmington - MGL Portion | 3 | 67,443 | 3,507,036 | 10,521,108 |
| Avalon | 4 | 20,355 | 1,058,460 | 4,233,840 |
| I-110/Harbor | 3 | 26,608 | 1,383,616 | 4,150,848 |
| Vermont | 4 | 22,921 | 1,191,892 | 4,767,568 |
| Crenshaw | 4 | 24,723 | 1,285,596 | 5,142,384 |
| Hawthorne Blvd. | 4 | 38,319 | 1,992,588 | 7,970,352 |
| Aviation | 5 | 43,305 | 2,251,860 | 11,259,300 |
| Mariposa | 4 | 13,198 | 686,296 | 2,745,184 |
| El Segundo | 5 | 10,023 | 521,196 | 2,605,980 |
| Douglas | 4 | 8,365 | 434,980 | 1,739,920 |
| Marine/Redondo | 4 | 11,150 | 579,800 | 2,319,200 |
| A Line | | | | |
| Pico | 6 | 46,926 | 2,440,152 | 14,640,912 |
| Grand | 5 | 39,448 | 2,051,296 | 10,256,480 |
| San Pedro | 2 | 25,783 | 1,340,716 | 2,681,432 |
| Washington | 2 | 15,382 | 799,864 | 1,599,728 |
| Vernon | 3 | 28,039 | 1,458,028 | 4,374,084 |
| Slauson | 2 | 24,085 | 1,252,420 | 2,504,840 |
| Florence | 3 | 44,343 | 2,305,836 | 6,917,508 |
| Firestone | 3 | 29,941 | 1,556,932 | 4,670,796 |
| 103rd | 3 | 32,253 | 1,677,156 | 5,031,468 |
| Imperial/Wilmington - A Line Portion | 4 | 107,120 | 5,570,240 | 22,280,960 |
| Compton | 4 | 39,166 | 2,036,632 | 8,146,528 |
| Artesia | 3 | 34,037 | 1,769,924 | 5,309,772 |
| Del Amo | 4 | 34,341 | 1,785,732 | 7,142,928 |

⁵ This reflects the potential number of impressions from riders, were every rider able to see every TVM at each station. As this is not the case, this "universe" of potential impressions has been weighted by Superlative's proprietary methodology (described above in Section 3) and factored into our analysis in Section 5.

| | | | | |
|--------------------------------------|---|---------|-----------|------------|
| Wardlow | 4 | 16,649 | 865,748 | 3,462,992 |
| Willow | 3 | 37,420 | 1,945,840 | 5,837,520 |
| PCH | 3 | 24,973 | 1,298,596 | 3,895,788 |
| Anaheim | 4 | 25,899 | 1,346,748 | 5,386,992 |
| 5th St. | 4 | 12,545 | 652,340 | 2,609,360 |
| 1st St. | 4 | 10,094 | 524,888 | 2,099,552 |
| Downtown Long Beach (Transit Mall) | 3 | 7,547 | 392,444 | 1,177,332 |
| Pacific | 4 | 33,312 | 1,732,224 | 6,928,896 |
| L Line | | | | |
| Azusa/Citrus | 2 | 22,095 | 1,148,940 | 2,297,880 |
| Azusa/Alameda | 4 | 24,643 | 1,281,436 | 5,125,744 |
| Irwindale | 4 | 8,810 | 458,120 | 1,832,480 |
| Duarte | 4 | 10,496 | 545,792 | 2,183,168 |
| Monrovia | 4 | 14,176 | 737,152 | 2,948,608 |
| Arcadia | 2 | 17,308 | 900,016 | 1,800,032 |
| Sierra Madre Villa | 4 | 24,310 | 1,264,120 | 5,056,480 |
| Allen | 2 | 18,245 | 948,740 | 1,897,480 |
| Lake Ave. | 4 | 22,576 | 1,173,952 | 4,695,808 |
| Memorial Park | 4 | 32,249 | 1,676,948 | 6,707,792 |
| Del Mar | 4 | 20,516 | 1,066,832 | 4,267,328 |
| Fillmore | 2 | 17,506 | 910,312 | 1,820,624 |
| South Pasadena | 8 | 19,327 | 1,005,004 | 8,040,032 |
| Highland Park | 4 | 26,854 | 1,396,408 | 5,585,632 |
| Southwest Museum | 2 | 9,193 | 478,036 | 956,072 |
| Heritage Square | 4 | 9,244 | 480,688 | 1,922,752 |
| Lincoln/Cypress | 4 | 14,974 | 778,648 | 3,114,592 |
| Chinatown | 6 | 20,826 | 1,082,952 | 6,497,712 |
| Union Station - PGL Entrance | 4 | 154,763 | 8,047,676 | 32,190,704 |
| Little Tokyo | 4 | 33,695 | 1,752,140 | 7,008,560 |
| Pico Aliso | 2 | 12,045 | 626,340 | 1,252,680 |
| Mariachi Plaza | 2 | 11,036 | 573,872 | 1,147,744 |
| Soto | 2 | 20,462 | 1,064,024 | 2,128,048 |
| Indiana | 4 | 17,680 | 919,360 | 3,677,440 |
| Maravilla | 4 | 5,330 | 277,160 | 1,108,640 |
| East LA Civic Ctr | 4 | 8,235 | 428,220 | 1,712,880 |
| Atlantic | 4 | 25,475 | 1,324,700 | 5,298,800 |
| E Line | | | | |
| 23rd St. | 4 | 27,348 | 1,422,096 | 5,688,384 |
| Jefferson | 4 | 22,098 | 1,149,096 | 4,596,384 |
| USC/Expo | 4 | 27,596 | 1,434,992 | 5,739,968 |
| Vermont | 8 | 45,051 | 2,342,652 | 18,741,216 |
| Western | 4 | 40,779 | 2,120,508 | 8,482,032 |
| Crenshaw | 4 | 37,071 | 1,927,692 | 7,710,768 |
| Farmdale | 4 | 12,750 | 663,000 | 2,652,000 |
| La Brea | 4 | 29,688 | 1,543,776 | 6,175,104 |
| La Cienega | 4 | 30,874 | 1,605,448 | 6,421,792 |
| Culver City | 5 | 34,622 | 1,800,344 | 9,001,720 |
| National/Palms | 2 | 21,403 | 1,112,956 | 2,225,912 |
| Expo/Westwood | 2 | 20,250 | 1,053,000 | 2,106,000 |
| Expo/Sepulveda | 4 | 25,761 | 1,339,572 | 5,358,288 |
| Expo/Bundy | 4 | 27,055 | 1,406,860 | 5,627,440 |
| Olympic/26th | 6 | 20,906 | 1,087,112 | 6,522,672 |
| Colorado/17th | 4 | 32,000 | 1,664,000 | 6,656,000 |
| Downtown Santa Monica (Colorado/4th) | 7 | 94,626 | 4,920,552 | 34,443,864 |
| G Line | | | | |
| North Hollywood | 2 | 76,272 | 3,966,144 | 7,932,288 |
| Laurel Canyon | 4 | 11,836 | 615,472 | 2,461,888 |

| | | | | |
|---|---|------------------|------------|------------|
| Valley College | 4 | 9,362 | 486,824 | 1,947,296 |
| Woodman Ave. | 4 | 7,696 | 400,192 | 1,600,768 |
| Van Nuys Blvd. | 4 | 30,691 | 1,595,932 | 6,383,728 |
| Sepulveda | 4 | 17,112 | 889,824 | 3,559,296 |
| Woodley | 4 | 6,833 | 355,316 | 1,421,264 |
| Balboa | 4 | 13,961 | 725,972 | 2,903,888 |
| Reseda | 4 | 22,592 | 1,174,784 | 4,699,136 |
| Tampa | 4 | 5,282 | 274,664 | 1,098,656 |
| Pierce College | 4 | 9,547 | 496,444 | 1,985,776 |
| DeSoto Ave. | 4 | 5,253 | 273,156 | 1,092,624 |
| Canoga Ave | 7 | 18,320 | 952,640 | 6,668,480 |
| Warner Center (EB) | 2 | Data Unavailable | | |
| Sherman Way - SB Platform | 4 | 12,393 | 644,436 | 2,577,744 |
| Roscoe | 4 | 9,125 | 474,500 | 1,898,000 |
| Nordhoff | 4 | 5,643 | 293,436 | 1,173,744 |
| Chatsworth | 2 | 9,936 | 516,672 | 1,033,344 |
| J Line | | | | |
| El Monte Transit Center | 6 | 26,943 | 1,401,036 | 8,406,216 |
| CSULA - Pedestrian Overcrossing | 1 | 12,864 | 668,928 | 668,928 |
| LAC-USC Medical Center | 1 | 2,836 | 147,472 | 147,472 |
| 37th Street | 1 | 3,362 | 174,824 | 174,824 |
| Slauson | 1 | 5,361 | 278,772 | 278,772 |
| Manchester | 2 | 6,956 | 361,712 | 723,424 |
| Rosecrans | 2 | 4,756 | 247,312 | 494,624 |
| Harbor Gateway Transit Center | 4 | 22,984 | 1,195,168 | 4,780,672 |
| Customer Center | | | | |
| East Portal - Union Station Customer Center | 1 | 434,531 | 22,595,612 | 22,595,612 |
| Patsaouras Bus Plaza | 1 | 14,229 | 739,908 | 739,908 |
| East LA Customer Center | 1 | 4,103 | 213,356 | 213,356 |
| Baldwin Hills Customer Center | 1 | 21,898 | 1,138,696 | 1,138,696 |
| Regional TVMs | | | | |
| LAX City Bus Center | 1 | 2,647 | 137,644 | 137,644 |
| Pico/Rimpau | 1 | 8,023 | 417,196 | 417,196 |

TAP Card Readers

TAP Card readers can be found in Light Rail stations and on Metro buses. They come in three forms, as identified in Figures 4.2.5 – 4.2.8:

Figure 4.2.5 and 4.2.6 Station Validators



Figure 4.2.7 Bus Validators



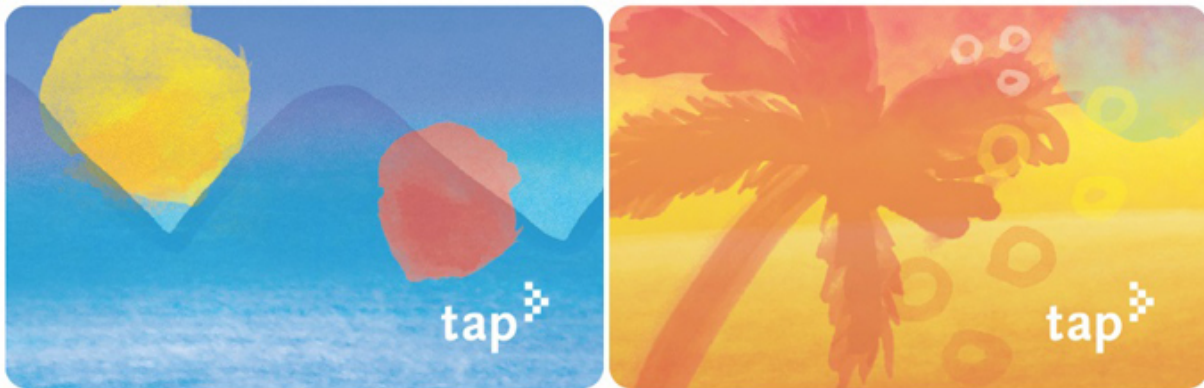
Figure 4.2.8 Bus Fareboxes



TAP Cards

TAP Cards have the same measurements as a credit or other payment card, typically 3.370" × 2.125", with an approximate thickness of 0.76 mm (1/32 in). As described below, TAP Cards can be modified in numerous ways:

Figure 4.2.9 Standard and Discounted Fare TAP Cards



In 2019, LACMTA, in partnership with the Los Angeles Football Club (LAFC), a professional soccer team, issued a first-of-its-kind limited-edition LAFC-branded TAP card. This iteration is most akin to the type of recognition that a sponsor would expect to receive as part of a holistic opportunity. Please see Figure 4.2.10 below.

Figure 4.2.10 Branded TAP Card (LAFC)



Periodically, LACMTA will issue commemorative and special event TAP cards on a limited basis. Please see Figures 4.2.11 – 4.2.13 below. Based on Superlative's due diligence, these limited-edition cards are considered collector's items and can fetch a substantial aftermarket price.

Figure 4.2.11 Limited Edition Pride Card



Figure 4.2.12 Limited Edition Obama Card (2014)



Figure 4.2.13 Limited Edition Charles White Card (2019)



Wearables

In August 2019, LACMTA began selling TAP “wearables” as an alternative to cards, including “TAP Flex”, a silicone wrist band, and “Tap Mini” key fob for \$10, both pictured below. LACMTA’s TAP Operations Department has indicated this initiative has been less than successful to date, although the program has only been active for less than a year.

Figure 4.2.14



4.3 Metro Rail System

Overview

The Metro Rail is an urban rail system serving Los Angeles County. Metro Rail currently operates over 98 miles of service and served more than 93 million passengers in 2019. Consisting of six lines, two subway lines (B and D lines) and four light rail lines (A, C, L and E Lines) the overall system utilizes 93 stations. Metro Rail connects to the Metro Busway system (G and J Lines) and also the commuter rail system (Metrolink).

Los Angeles County previously had two rail systems, the Pacific Electric Red Car and Los Angeles Railway Yellow Car lines, which operated between the late 1800s and the 1960s. The Metro Rail system utilizes many of the former rights-of-way and can be considered the indirect successor to these earlier transit systems.

A Line

The recently renovated A Line was the first rail line in the LACMTA system and opened in 1990. The A Line is a light rail that runs through 22 stations (including two shared) over 21.3 miles from Downtown Los Angeles to Long Beach. In 2019, the A Line ridership totaled nearly nine million passengers. Popular

destinations along the A Line include Staples Center, the LA Convention Center, Watts Towers, the Queen Mary and the Aquarium of the Pacific.

Figure 4.3.1 Metro A Line



B Line

The B Line was LACMTA's first subway line built and opened in 1993. The B Line runs 14 miles from North Hollywood to Downtown Los Angeles utilizing 16 stations (including six shared). In 2019, the B Line was the most popular line with riders, totaling more than 41 million passengers. Popular destinations along the B Line include Grand Park, the Music Center, Grand Central Market, the LA Convention Center, Staples Center, MacArthur Park, the Pantages Theater, the Walk of Fame and Universal Studios.

Figure 4.3.2 Metro B Line



C Line

The C Line, opened in 1995, is a light rail spanning 19.5 miles from Norwalk to Redondo Beach. The C Line utilizes 14 stations (including one shared) and runs in the median of the I-105 freeway. More than nine million passengers rode the C Line in 2019. Destinations include Los Angeles International Airport (a free shuttle bus is available at Aviation Station), Manhattan Beach Pier, The Forum, LA Southwest College, Earvin Magic Johnson Recreation Center, Lynwood Park, and LA County Hall of Records.

Figure 4.3.3 Metro C Line



L Line

A light rail opened in 2003, the L Line operates from East Los Angeles to Union Station before turning northward into the San Gabriel Valley. The L Line is the longest LACMTA rail line, covering nearly 30 miles. Ridership in 2019 reached 15 million passengers. Notable stops include Mariachi Plaza, Little Tokyo/Arts District, Grand Park, Chinatown, Southwest Museum, Old Town Pasadena, Arcadia, City of Hope Medical Center, Azusa Pacific University, Citrus Community College.

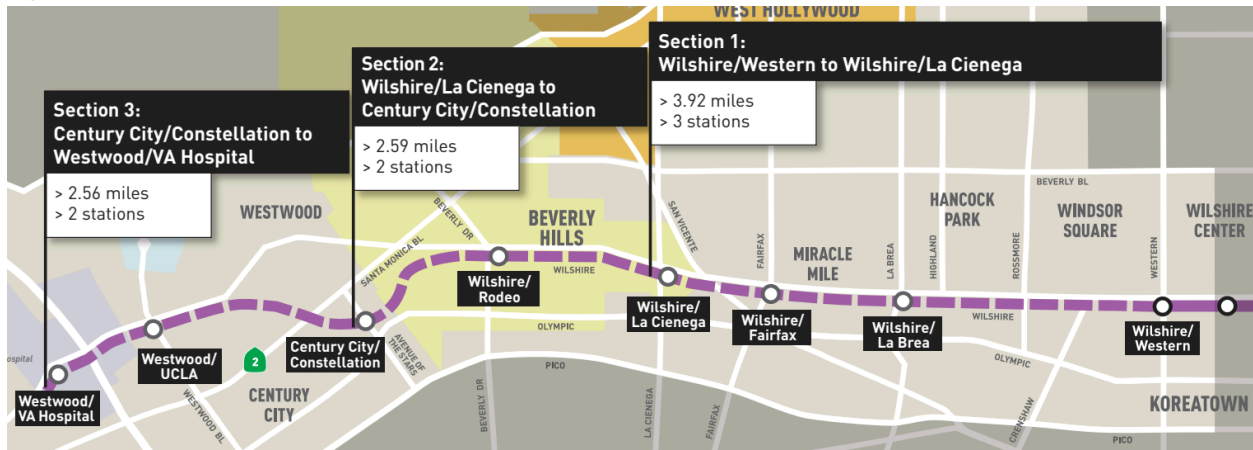
Figure 4.3.4 Metro L Line



D Line

The D Line shares the track with the B Line until Wilshire/Vermont where it forks and ends with two stops in Koreatown. Within the next decade, service will expand west to reach LACMA (by 2023), Beverly Hills (2025) and UCLA (2027). Possible destinations include: Wiltern Theater, MacArthur Park, Staples Center, LA Convention Center, Grand Central Market, the Music Center, Grand Park.

Figure 4.3.5 Metro D Line Extension



E Line

The E Line is the youngest rail line in the LACMTA system, having opened in 2012. The E Line covers 13.1 miles traveling from Downtown Los Angeles to Santa Monica. Ridership for the E Line exceeded 18 million in 2019. Popular destinations include the University of Southern California, Exposition Park, Crenshaw District, Culver City, Santa Monica Pier and Third Street Promenade.

Figure 4.3.6 Metro E Line



4.4 Metro Bus System

Overview

The Metro Bus System is an urban bus system serving Los Angeles County. Metro Bus currently covers more than 1,479 square miles in its service area and served more than 277 million passengers in 2019. Metro Bus operates 165 bus routes totaling nearly 14,000 bus stops with a fleet of more than 2,300 buses.

The Metro Bus System includes two bus rapid transit (BRT) services that operate in dedicated lanes along freeways and local streets. This allows limited-stop service along main corridors across Los Angeles. The G Line runs through the San Fernando Valley and the J Line connects El Monte, Downtown Los Angeles and San Pedro. These two lines combined for almost 12 million passengers in 2019.

G Line

The G Line, opened in 2005, is one of two Metro Liner bus routes that has dedicated lanes on the freeways and surface streets. The G Line covers 18 miles and serves 18 stations across the valley from the North Hollywood B Line station to Chatsworth. Ridership in 2019 was 6.7 million passengers for the G Line.

Figure 4.4.1 Metro G Line

**J Line**

The J Line provides service for faster travel between San Pedro, Downtown LA and El Monte. The J Line 910 and J Line Express 950X share the same stops in Downtown LA and on the I-10 Freeway. However, the Express 950X makes fewer stops on the I-110 Freeway to allow for faster service. Ridership for 2019 was more than five million total passengers. Popular destinations include Staples Center, LA Live, The Music Center, Broad Museum, LA Convention Center, LA Coliseum, CA Science Center, Olvera Street, USC, Cal State LA, Battleship USS Iowa.

Figure 4.4.2 Metro J Line



Dodger Stadium Express

Since 2010, the Dodger Stadium Express has offered free shuttle for ticket holders to Dodger Stadium for all Los Angeles Dodgers home games. Annual ridership in 2019 was more than 300,000 passengers, bringing the overall total ridership since its inception to over two million. The Dodger Stadium Express connects to Metro at Union Station and the South Bay Stations. The Dodger Stadium Express is currently a demonstration project made possible by Clean Transportation Funding from the Mobile Source Air Pollution Reduction Review Committee (MSRC).

Figure 4.4.3 Dodger Stadium Express Bus



Figure 4.4.4 Dodger Stadium Express Route



LAX FlyAway

The LAX FlyAway offers convenient regularly scheduled roundtrips, seven days per week, between each terminal at LAX and Hollywood, Long Beach, Union Station and Van Nuys. LAX FlyAway bus service is operated by Los Angeles World Airports (LAWA), which owns and operates Los Angeles International Airport and Van Nuys. LAWA is a department within the City of Los Angeles. As of the publishing of this report, ridership data for this service had not been provided.

Locations for LAX FlyAway service are:

- Hollywood – west side of Vine Street, one block south of Hollywood Boulevard
- Long Beach – northwest corner of 1st Street and Long Beach Boulevard at Shelter A of the Long Beach Transit Gallery
- Union Station – Downtown Los Angeles
- Van Nuys – San Fernando Valley

Figure 4.4.5 LAX FlyAway



4.5 Metro Stations

Overview

Along with the rail and bus lines, Metro stations can be a valuable asset for LACMTA. This study looked at all stations along the previously mentioned rail and bus lines. Excluding the iconic Union Station, four stations were selected to be highlighted for their potential sponsorship value. The additional stations outside of these four were then grouped together to illustrate the potential value for the rest of a full station Naming Rights sponsorship program.

Civic Center/Grand Park

Civic Center/Grand Park is located on Hill Street between 1st and Temple streets in Downtown Los Angeles. Primarily an underground subway station, Civic Center/Grand Park services the Red and Purple lines as well as the J Line with a bus stop at street level. More than 68,000 riders on the Red and Purple lines pass through Civic Center/Grand Park on a weekly basis, along with more than 8,000 J Line riders at the bus

stop at 1st and Hill. Attractions near the Civic Center/Grand Park station include the Los Angeles Music Center, The Broad, the Museum of Contemporary Art, Grand Park and the Little Tokyo neighborhood.

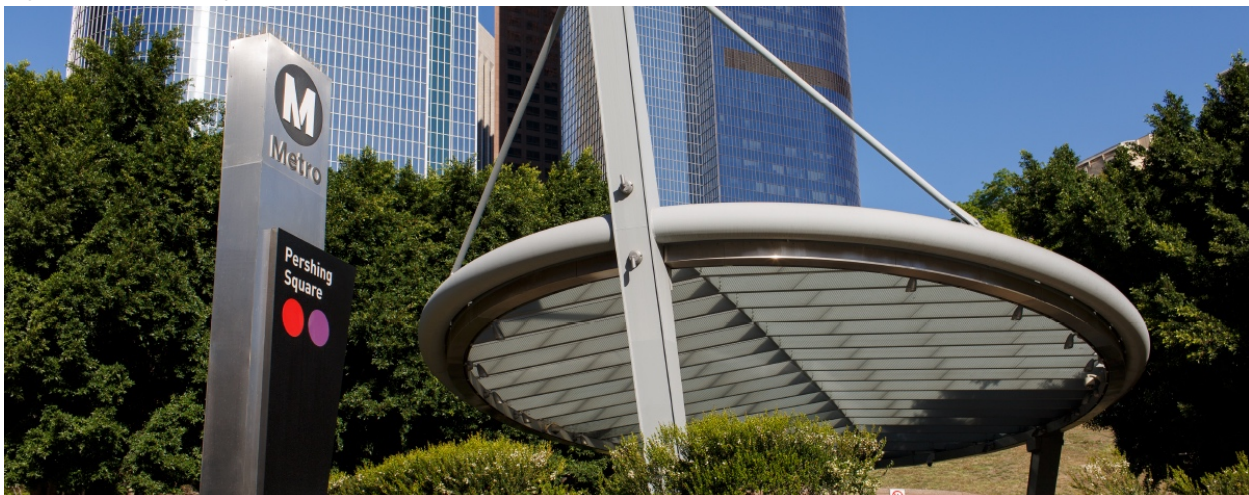
Figure 4.5.1 Civic Center/Grand Park Station



Pershing Square

The Pershing Square Station sits adjacent to Pershing Square at 5th and Hill streets. Pershing Square Station is another subway station servicing the Red and Purple lines that sees a combined weekly ridership of more than 115,000 people. Attractions near Pershing Square include the Historic Core, Angels Flight, Grand Central Market, the US Bank Tower and the Jewelry District.

Figure 4.5.2 Pershing Square Station



7th Street/Metro Center

A major rail station located at 7th and Flower streets, 7th Street/Metro Center Station services the Red, Purple, A (Blue) and E (Expo) lines. At the street level intersection there is also a bus stop for the J Line. The combined rail ridership is more than 650,000 per week, with an additional 10,000 utilizing the J Line bus stop. 7th/Metro Center has direct access to The Bloc Shopping Mall and is right in the thick of the Financial District.

Figure 4.5.3 7th Street/Metro Center Station

Pico

Pico Station is a street level station servicing the A Line and E Line, along with a bus stop for the J Line at Pico Boulevard and Flower Street. The rail service through Pico combines for more than 92,000 riders weekly, with nearly 2,000 additional J Line weekly riders. Servicing the South Park neighborhood, Pico is centrally located for popular attraction such as Staples Center, LA Live and the Los Angeles Convention Center.

Figure 4.5.4 Pico Station



Additional Stations

In addition to the previous four stations listed, Superlative looked at all the stations on the A, B, C, L, D, E, G and J lines. Excluding Union Station, there are an additional 115 stations that were considered for this study.

4.6 Freeway Service Patrol

The Metro Freeway Service Patrol (FSP) is a congestion mitigation program managed in partnership with LA Metro, California Highway Patrol and Caltrans on all major freeways in Los Angeles County. The Freeway Service Patrol is the largest of its kind in the nation, performing approximately 25,000 assists per month. The Freeway Service Patrol utilizes a fleet of roving tow and service trucks designed to reduce traffic congestion by efficiently getting disabled vehicles running again, or by quickly towing those vehicles off the freeway to a designated safe location. Quickly removing motorists and their disabled vehicles from the freeway reduces the chances of further incidents caused by onlookers and impatient drivers. In addition, FSP helps save fuel and reduce air polluting emissions by reducing stop-and-go traffic.

The Freeway Service Patrol is a free service to all motorists offering services such as changing flat tires, jump-starting cars, refilling radiators, providing up to a gallon of fuel and towing to safe locations off the freeway. The average wait time for service is approximately seven minutes, which is considerably faster than AAA service’s wait time of 30 minutes.

The Freeway Service Patrol can assist motorists in three different categories and areas: general purpose freeway lanes (cars, light trucks, vans, SUVs), big rig lanes (semi-trucks with large trailers and other larger vehicles on I-710 and SR-91) and express lanes (I-110 and I-10 corridors).

Figure 4.6.1 Freeway Service Patrol Vehicles



4.7 Metro Bike Share

The Metro Bike Share system makes bikes available 24/7, 365 days a year across Downtown Los Angeles, Central Los Angeles, North Hollywood and the Westside. Metro Bike Share is a partnership between LACMTA and the City of Los Angeles that offers convenient access to a fleet of bicycles for short trips. Metro Bike Share is operated by Bicycle Transit Systems, a Philadelphia-based company that specializes in bike share operations and management. The manufacturer for Metro Bike Share is BCycle, a leading bike share equipment supplier. Currently, there are about 4,000 bikes in the program and 274 bike racks located throughout the service area.

Since implementation, more than one million trips have been taken with Metro Bike Share with excess of 75,000 passes sold. That has resulted in 3.2 million miles travelled, 5.8 million pounds of CO2 emissions reduced and 95.6 million calories burned.

Figure 4.7.1 Metro Bike Pricing

| 1-Ride | 24-Hour Access | 30-Day Pass | 365-Day Pass <i>Best Value</i> |
|--|--|---------------------------------------|---------------------------------------|
| \$1.75/30 Minutes | \$5 to Start | \$17/month | \$150/year |
| All rides are \$1.75 every 30 minutes | All rides 30 minutes or less are free for 24 hours | All rides 30 minutes or less are free | All rides 30 minutes or less are free |
| Purchase at any Metro Bike Share kiosk | Purchase at any Metro Bike Share kiosk | \$1.75 per 30 minutes thereafter | \$1.75 per 30 minutes thereafter |

Figure 4.7.2 Metro Bike Share Bicycles

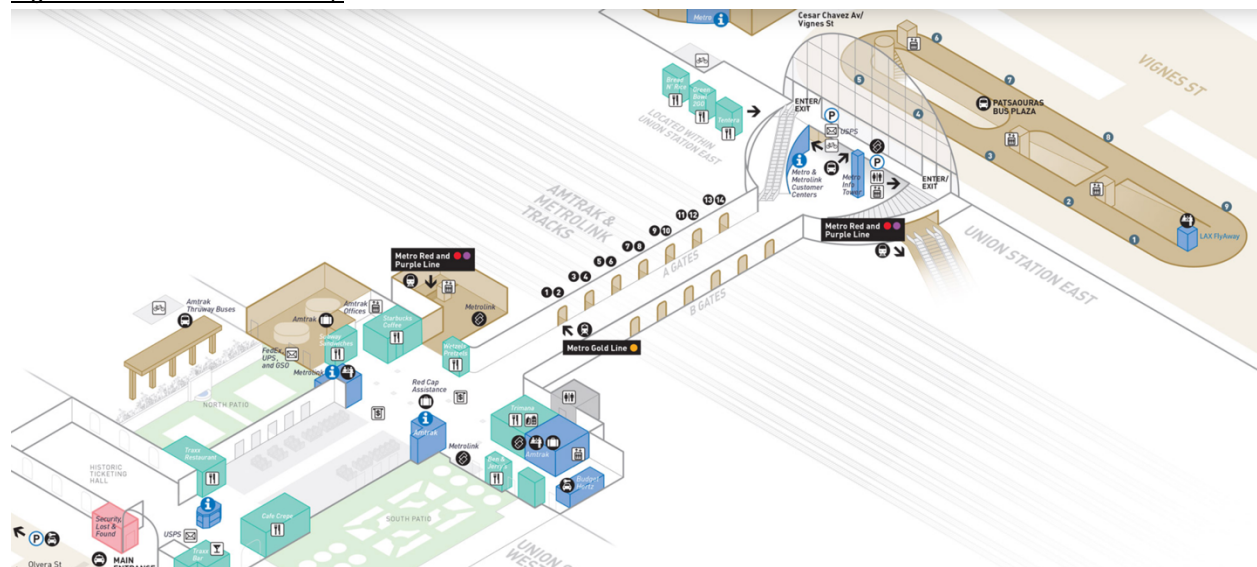


4.8 Passageway at Union Station

The largest railroad passenger terminal in the western United States, Los Angeles Union Station is one of the last great train stations. Built in 1939, Union Station was originally intended to serve as a transcontinental terminus station for the Union Pacific, Santa Fe and Southern Pacific Railways. In 1980, the 161,000 square foot terminal was listed on the National Register of Historic Places and the station itself was restored in 1992. LACMTA acquired Union Station in 2011, now managing the property that serves as the transportation hub for Metro, Metrolink, Amtrak and other transportation services in Los Angeles County. With its location in Downtown Los Angeles, Union Station is in near proximity to the Los Angeles Civic Center, Chinatown, Little Tokyo, the Arts District and Boyle Heights.

The Passageway at Union Station links Union Station East and Union Station West. The Passageway has gates for the Metro L Line and access points to the platforms for the Red and Purple lines. Those three lines alone account for more than 420,000 passengers per week through Union Station. Sponsorship of the Passageway would allow for the opportunity of exposure in one of the busiest sections of the largest terminal in the LACMTA system.

Figure 4.8.1 Union Station Map



4.9 Public Restrooms

Based on the discussion with LACMTA leadership, there is an ongoing proposal to develop public restrooms at major transit stations throughout the Metro service area. These would be self-cleaning, automated toilets available for use to the public and would cost approximately \$60,000 per unit. The assumption from Superlative would be to start the program in approximately 10 to 20 stations. A sponsor could receive recognition on the exterior of the physical structure and be visible to Metro riders and passing pedestrians and vehicles. Superlative made assumptions as to the location in order to provide a potential sponsorship value.

4.10 Parking Structures

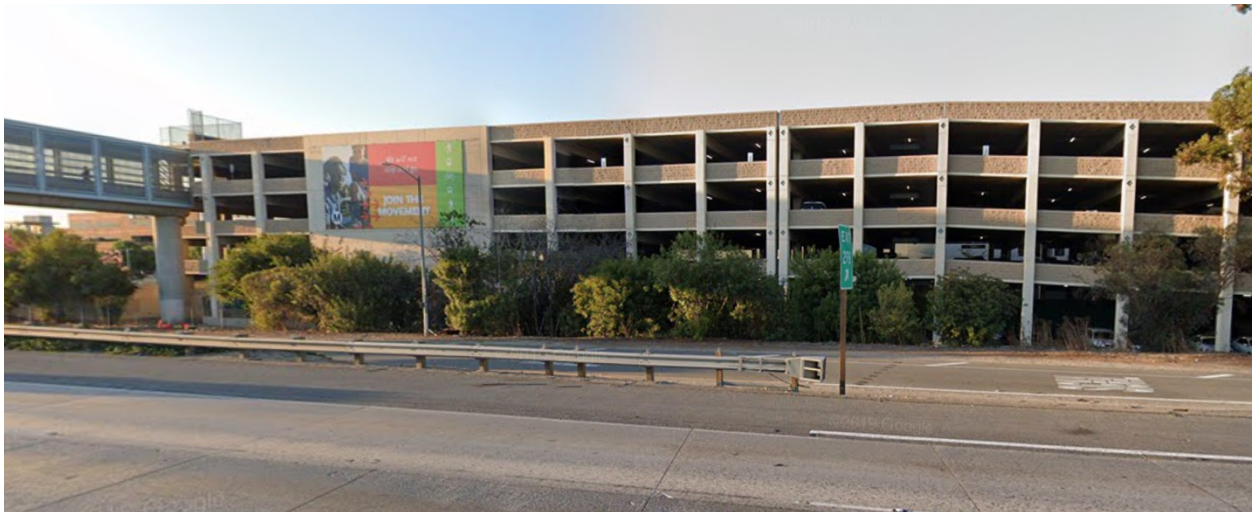
Overview

Metro parking facilities can provide additional sponsorship opportunities for LACMTA where applicable. This study looked at nine garages located among various rail and bus lines that could be assets in a sponsorship agreement. Each parking facility may offer different rates and terms to users. This section will showcase the nine parking garages studied and highlight their usage and location.

Sierra Madre Villa

Located in Pasadena, right off the Sierra Madre Villa Avenue exit from I-210, the Sierra Madre Villa Station (L Line) and parking garage are highly visible to freeway traffic. This contributes to a high number of impressions which would be desirable from a potential sponsor. The Sierra Madre Villa garage has 934 parking spaces and in 2019, averaged about 52 percent capacity.

Figure 4.10.1 Sierra Madre Villa Parking Garage (view from I-210 westbound)



Atlantic

The Atlantic Station parking garage is located in East Los Angeles at the intersection of Pomona and Atlantic boulevards, close to the on/off ramp for SR-60. This marks one end of the Metro L Line. In 2019, the Atlantic garage averaged 73 percent capacity for its 268 parking spaces.

Figure 4.10.2 Atlantic Parking Garage (view from Atlantic Boulevard)



Irwindale

Also located on the L Line, the Irwindale station and garage are located in Irwindale off Irwindale Avenue. There is slight visibility of the garage from the off ramp of I-210 eastbound to Irwindale Avenue. The garage averaged 77 percent capacity in 2019 for its 350 parking spaces.

Figure 4.10.3 Irwindale Parking Garage (view from Jardine De Rosa off Irwindale Avenue)



Azusa Pacific University/Citrus College

Located at one end of the Metro L Line, the APU/Citrus College station and garage are adjacent to the campuses of Azusa Pacific University and Citrus College in Azusa. The garage itself is near the intersection of Citrus Avenue and Foothill Boulevard. The garage contains 206 parking spaces and averaged 95 percent capacity throughout 2019.

Figure 4.10.4 APU/Citrus College Parking Garage (view from Citrus Avenue)



Arcadia

Located in Arcadia, the Arcadia station and garage averaged 66 percent capacity with its 268 parking spaces in 2019. The station is another along the L Line and the garage is located on Santa Clara Street between First and Santa Anita avenues.

Figure 4.10.5 Arcadia Parking Garage (view from Santa Clara Street)



La Cienega/Jefferson

La Cienega/Jefferson is located near Culver City along the E Line. In 2019, the garage averaged 71 percent capacity and had 489 parking spaces. The garage is located at the intersection of La Cienega and Jefferson boulevards.

Figure 4.10.6 La Cienega/Jefferson Parking Garage (view from the station platform)



Monrovia

In Monrovia, the L Line stops at Monrovia station and the parking garage is located on Primrose Avenue, near the off ramp of I-210 eastbound to Evergreen Avenue. The Monrovia garage had a capacity of 35 percent for its 350 parking spaces throughout 2019.

Figure 4.10.7 Monrovia Parking Garage (view from Primrose Avenue)



Willow Street

Located along the A Line, the Willow Street station and garage sit near the intersection of Long Beach Boulevard and 27th Street in Long Beach. With 694 parking spaces, the Willow Street garage was able to utilize 41 percent capacity on average in 2019.

Figure 4.10.8 Willow Parking Garage (view from 27th Street)



Expo/Sepulveda

Along the E Line sits the Expo/Sepulveda station and garage, near the interchange of I-10 and I-405. The garage is slightly visible from the eastbound ramp of I-10 to I-404 northbound. On average, the Expo/Sepulveda garage utilized 58 percent of its 206 parking spaces in 2019.

Figure 4.10.9 Expo/Sepulveda Parking Garage (view from Exposition Boulevard)



4.11 Naming Rights Signage and Recognition Opportunities

Naming Rights and Corporate Sponsorship partners will seek to maximize their return on investment through exposure opportunities and promotion of their brand. In addition to online and other traditional media, signage will be an important component of the Naming Rights valuation. This section identifies the main signage opportunities both within and around the LACMTA lines and stations. This overview is not intended to be an exhaustive list of signage, but rather a list of the main signage assets for the Naming Rights & Corporate Sponsorships program.

Platform Signage

Typical rail and BRT stations consist of long-standing platforms with several seats/benches and an overhanging canopy. Each individual station has areas for station identification, as well as opportunities for recognition for a Naming Rights partner, including directional signage and/or a station kiosk. As discussed below, LACMTA will need to work with the Naming Rights Sponsor to develop appropriate types and locations of signage at each station.

Fixed Onsite Signage

The following locations have been identified for inclusion of Sponsor ID. LACMTA's team and signage engineers will need to check whether each signage proposal is permissible and whether signage design and production timescales will allow inclusion of Sponsor ID.

- Sponsor name/logo designation on rail line stations or bus stops;
- Sponsor ID within vehicle interior signage;
- Sponsor ID on permanent station maps;
- Sponsor ID on exterior of vehicles;
- Opportunity for vehicle wraps;
- Sponsor ID on published schedules, system tickets, handheld LACMTA maps;
- (X) Days/year that staff could promote a subject or event in the vehicles or stations.

Appendix B provides examples of branding and signage on existing Light Rail and BRT assets in San Diego and Cleveland for sake of comparison.

5 TAP Card Advertising (Tasks 1 – 3)

5.1 Introduction

This section of the feasibility study will provide a brief overview of the history of transit ticketing and payment systems; best practices for transit pass monetization based on other U.S. and international public transit systems; industry benchmarks; and our Asset Database for TAP Card assets, which provides detail of the proposed approach, asset value and sponsorship terms.

5.2 Best Practices for Transit Pass Advertising (U.S. and International)

Mass Transit Ticketing and Payment Systems

Introduction

In order to determine appropriate industry benchmarks for a TAP Card advertising program, it is important to understand how ticketing and payment systems have evolved—and are continuing to evolve—over time. The following section provides a brief chronology of transit ticketing and payment systems from 1929 to the present.

Subway Tokens (1929 – 2003)

Until the early 2000s, mass transit agencies mostly accepted cash or proprietary tokens to pay for public transportation. Beginning in 1929, the Brooklyn and Queens Transit Corporation, a subsidiary of the Brooklyn-Manhattan Transit Corporation (BMT), implemented half-fare tokens for its streetcars in Brooklyn and Queens. In 1953, New York City raised its subway fare to 15 cents. Subsequently, the city introduced the subway token to supplant the requirement for three nickels, the common denomination of the period. The token became a symbol of New York City until it was phased out for the MetroCard. The last token was sold on April 12, 2003.

In greater context, tokens offered a number of advantages over cash as a means of collecting fares. Tokens alleviated the need for consumers to carry exact change, allowed purchase of advance discounted tickets and reduced employee theft. Historically, tokens gave shape to closed urban mass transit systems in which only proprietary tokens could be used to pay for local transportation agency services.⁶

Electronic Payment Systems (1970 – present)

During the 1970s, the prepaid magnetic stripe card began to replace tokens and cash payments. Operationally, it was expensive to collect cash fares. In 1998, for example, every dollar in passenger revenue received by a transit agency generated approximately six cents of expense on fare collection and processing. Most of this cost was associated with collecting, transporting, counting and guarding cash. Dollar bill processing was particularly challenging and expensive. Reducing the use of cash for fare payment provided a clear benefit for transit operators.⁷

As a result, transit systems evolved in two separate and distinct ways. The transit systems for Commerce, CA, and East Chicago, IN, established themselves as fare-free in the early 1960s and 1970s, respectively, and continue to offer this service today. As of 2012, at least 39 public transit agencies in the United States offered completely fare-free transit, while many more offer service that is free to certain segments of the population or in geographic subcomponents of their service area (e.g., veterans, disadvantaged populace). However, these systems represent a minority of all transit agencies, and no system with more than 100

⁶ Quibrial, Nasreen, Sr. "The Contactless Wave: A Case Study in Transit Payments." Emerging Payments Industry Briefing, Federal Reserve Bank of Boston. 2008.

⁷ Transportation Research Board National Research Council, "Report 32: Multipurpose Transit Payment Media." National Academy Press. Washington, D.C. 1998.

buses currently offers fare-free service,⁸ an apparent threshold where fare-free service no longer becomes feasible to operate without incurring significant, irreconcilable expenses.

The majority of operators, especially younger systems founded in the 1970s like the Washington Metropolitan Area Transit Authority (WMATA), implemented electronic payment systems featuring paper fare products that offered discounts for riders that regularly transferred between two systems. Following this trend, the New York Metropolitan Transit Authority (New York MTA) launched the iconic, yellow MetroCard in 1992 that eventually replaced the subway token in the early 2000s.

Contactless Fare Technology (1998 – present)

The first contactless fare system is credited to Société de transport de l'Outaouais (STO) in Quebec, which introduced “smart cards” on its bus service in 1998. Smart cards use embedded microchips to electronically store data, allowing for contact-based (inserted into a chip reader) or contactless use through a short-range radio frequency identification chip (RFID) that transfers data via radio waves when the consumer places the card within four inches of the reader. This technology enables payments to be tracked and monitored for ticket validity and use.⁹

As noted above, New York MTA replaced the subway token with the MetroCard in 1992, but only recently announced (2017) plans to phase out its electronic payment system in favor of the smart OMNY (One Metro New York) contactless fare system by 2023, nearly a decade after LACMTA introduced the smart TAP Card program in 2007. At the same time, TriMet in Portland, OR, announced the launch of its Hop FastPass contactless fare system. Other public transit agencies across the United States and internationally followed suit. In this endeavor, New York MTA is currently several years behind trend. Similarly, the Chicago Transit Authority did not allow for credit card payments until 2009, nearly 11 years and two years, respectively, after STO and LACMTA introduced contactless fare systems in their respective markets.

Mobile Ticketing (2012 – present)

Five years after Steve Jobs, former CEO of Apple, Inc., announced the company’s “one device”—the iPhone—to the worldwide marketplace and disrupted the mobile technology industry, Massachusetts Bay Transportation Authority (MBTA) in Boston, MA, capitalized on the growing ubiquity of the smartphone—which had built-in Near Field Communication (NFC) technology, an RFID system with the ability to read and “tag”, that would not be fully optimized for mobile payment integration until the late aughts (2015 – 2018)—and introduced the first mobile ticketing to the public transit sector in 2012.

The MBTA system provided mobile applications for iPhone, Android and BlackBerry that could be used to purchase commuter rail tickets and passes. Once tickets were purchased, customers could use their respective apps to display the tickets on their mobile device.¹⁰ According to one source unaffiliated with the agency, only half of MBTA stations offered automated ticket kiosks for riders to add value to their RFID-enabled smart cards, which indicated app-based ticketing “should increase ridership and decrease administrative and personnel costs, especially consumer comfort with mobile payment grows. This pilot program is the first of its kind in the US and, if it is successful, will likely serve as a model for others to follow,” predicting—quite accurately—that mobile commerce and mobile payments would see explosive growth in 2012 as the smartphone passed 50 percent market penetration. In fact, mobile technology had advanced so quickly that the MBTA launched another new payment technology before fully implementing its smart card fare system.

The Future of Transit Payment Systems: Mobile Payment Integration (2018 – present)

The aforementioned trend progresses: mobile technology continues to experience rapid growth and evolve quickly, spurred by early adoption from consumers. As mentioned above, smartphones including the Apple

⁸ Transportation Research Board of the National Academies, “Implementation and Outcomes of Fare-Free Transit Systems: A Synthesis of Transit Practice.” Washington, D.C. 2012.

⁹ Quibrial, Nasreen, Sr. “The Contactless Wave: A Case Study in Transit Payments.” Emerging Payments Industry Briefing, Federal Reserve Bank of Boston. 2008.

¹⁰ Tode, Chantel. “MBTA simplifies daily commute via mobile ticketing.” *RetailDive*. Published in 2012 and retrieved January 31, 2020.

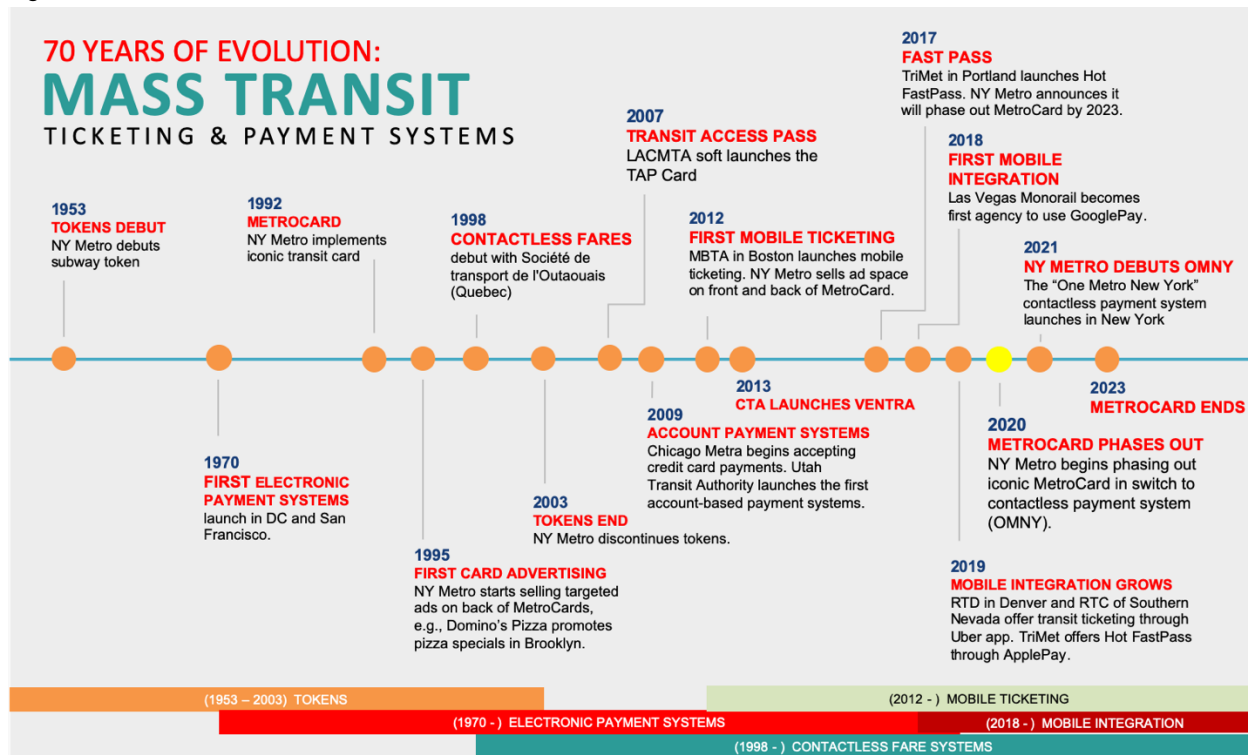
iPhone did not fully unlock their NFC capabilities until 2018, and then with little fanfare.¹¹ However, this upgrade had an immediate impact within the transit sector. In March 2018, the Las Vegas Monorail became the first transit agency to partner with GooglePay to offer a fully-integrated mobile payment system, albeit only through the Android platform, which unlocked NFC several years earlier.

The Monorail's system used Google Pay to allow riders to purchase tickets ahead of time, and any rider with an Android device that could run Google Pay and had an NFC chip on board was able to skip the line and tap their device to get through the turnstile. According to more than one industry source¹², Google stated that "more transit authorities will be joining the effort in the near future." This proved accurate. By the end of 2019, the Regional Transit District (RTD) in Denver, CO, the Regional Transportation Commission of Southern Nevada (RTCNSV) and TriMet offered riders the ability to purchase tickets through mobile apps ranging from ApplePay and Google Pay to those offered by Transportation Network Companies Uber and Lyft.

Most importantly, LACMTA's TAP Operations Department stated during interviews with the Superlative project team that it expects the TAP Card program to be fully integrated with mobile technology within 10 years, adopted by 60 percent of its end users, after abandoning other trending RFID technologies like wristbands explored by other agencies. Please see Section 4 above for more detailed information about the LACMTA TAP Card program.

Highlights from the preceding chronology of transit payment systems are illustrated in Figure 5.2.1 below.

Figure 5.2.1



¹¹ Roberti, Mark. "Apple Unshackles the iPhone NFC Reader." *RFID Journal*. September 17, 2018.

¹² Fuller, Daniel. "Las Vegas Monorail Now Accepts Google Pay With NXP's Help." *Android Headlines*. March 19, 2018.

Ad-supported Transit Pass Ticketing Introduction

Rather than rehash the history of public transit advertising in general, which includes out-of-home static and digital media boards, vehicle transit cards, static vehicle wraps and other well-known forms of advertising exposure, the following section of this report will focus specifically on transit pass advertising, which is significantly less common yet responsive to the LACMTA's strategic objectives for initiating this study and helpful when benchmarking the revenue potential of a LACMTA TAP Card advertising, sponsorship or underwriting program.

Hand-Crafted Bus Passes: Milwaukee County Transit System (1919 – 2015)

In 2015, the Milwaukee County Transit System announced that it was ceasing production of its emblematic bus passes, which had showcased specially-created artwork from local artists since the inception of its weekly paper ticket—one of the first of its kind—in 1919, to make way for more modern ticketing technologies described above. Termed “utility art” by the MCTS printing director¹³, the passes also featured public-service announcements, fundraising notices, scenes and quotes from civic history, promotional offers (i.e. free round-trip ride) and on occasion, advertising.

During the 1950s and 1960s, MCTS art designer Klaus Birkhain began to use the passes as advertisements for Milwaukee service and non-profit organizations, a practice that continued until the passes were phased out in 2015. Ad-based passes became more widespread in the 1970s, albeit this advertising was part of a system-wide publicity program and therefore unpaid.

Please see Figure 5.2.2 below; the pass on the left illustrates a MCTS bus pass from 1934, which includes an unpaid advertisement for the National Tuberculosis Association.

Figure 5.2.2



FareCard Advertising: Metro Vancouver & Let's Bus It (estimated 2008 - 2011)

Let's Bus It Publications Inc., a Victoria, B.C.-based out-of-home advertising agency, partnered with Metro Vancouver to sell advertising on its TransLink FareCards, an outdated non-NFC ticketing system. The program had proved successful with other North American Let's Bus It transit clients, including public transit agencies in Victoria and Nanaimo, B.C.; Brandon, Manitoba; and New Orleans, Louisiana in the U.S.

Each advertisement covered less than 50 percent of the front of the FareCard, without obscuring the number of zones, purchase price and month of issue/validity. The back of the card included purchase terms and conditions and a space for writing the Card owner's name in accordance with the requirements of the federal Transit Pass Tax Credit. Please see Figure 5.2.3 on the following page for an example of a Metro Vancouver FareCard advertisement, circa 2011.

¹³ Capps, Kristen. "Farewell to Milwaukee's Classic, Hand-Crafted Bus Passes." *CityLab*. April 1, 2015.

Figure 5.2.3



According to a Metro Vancouver’s “The Buzzer Blog” post from December 2010, which cites a press release that is no longer available, Let’s Bus It guaranteed the system minimum annual revenues of \$84,000 per year in exchange for selling advertising on the FareCard. Other terms for this agreement were unavailable. However, according to the same source, Metro Vancouver bus and SkyTrain advertising generated approximately \$9 million in annual revenue, which indicates that TransLink FareCard advertising represented less than one percent of the system’s total annual advertising revenue but offset expenses for other transit assets.

MetroCard: New York MTA (2012 – 2023)

General Overview

In July 2012, the New York MTA announced that it would begin offering advertising space on its MetroCard electronic payment system. Specifically, the entire physical MetroCard—with the exception of the magnetic stripe and the message below the stripe that instructs riders which direction they should swipe—was available to advertisers, with no restrictions on color nor requirement to include the MTA’s logo. According to the *New York Times*, the agency had previously (and only occasionally) sold space on the back of MetroCards dating back to 1995, when cards promoting an Anita Baker album were first put into circulation. However, as with previous branded cards, riders were unable to select which card came out of the ticketing vending machine at purchase. The MTA publishes its MetroCard ad rates on its website; the following charts depicts the rate card for MetroCard advertising as it appeared on February 7, 2020:

Figure 5.2.4 MetroCard Ad Rates (Back of Card)

| Standard 4-color Back Rates | | |
|-----------------------------|----------------------|-----------------------------|
| Card Quantity | Retail Rate Per Card | Example Retail Costs |
| 50,000 + | \$0.61 | 50,000 cards = \$30,500 |
| 125,000 + | \$0.52 | 125,000 cards = \$65,000 |
| 250,000+ | \$0.46 | 250,000 cards = \$115,000 |
| 350,000+ | \$0.41 | 350,000 cards = \$143,500 |
| 500,000 + | \$0.36 | 500,000 cards = \$180,000 |
| 750,000+ | \$0.31 | 750,000 cards = \$232,500 |
| 1,000,000+ | \$0.25 | 1,000,000 cards = \$250,000 |

Figure 5.2.5 MetroCard Ad Rates (Back of Card)

| 4-Color Front & Back Rates | | |
|----------------------------|----------------------|-----------------------------|
| Range of Quantity | Retail Rate Per Card | Example Retail Costs |
| 250,000+ | \$0.54 | 250,000 cards = \$135,000 |
| 350,000+ | \$0.52 | 350,000 cards = \$182,000 |
| 500,000+ | \$0.48 | 500,000 cards = \$240,000 |
| 750,000+ | \$0.42 | 750,000 cards = \$315,000 |
| 1,000,000+ | \$0.36 | 1,000,000 cards = \$360,000 |

Case Study: HBO's "Winter is Coming" Campaign (2018)

In December 2018, New York MTA announced that the popular HBO television series *Game of Thrones* was "taking over" the MTA with themed MetroCards promoting the final season of the program¹⁴. Exclusively distributed from Grand Central Station, MetroCards displaying the hashtag #ForTheThrone featured various beloved *GoT* characters like Jon Snow, Daenerys Targaryen and Cersei Lannister. The limited promotion also included 150 *GoT* promotional posters displayed in Grand Central Station. For the campaign, HBO paid approximately \$112,500 for a print run of 250,000 cards (\$0.45 per card). Figure 5.2.6 below provides an example of these themed cards.

Figure 5.2.6 *Game of Thrones*-Themed MetroCards (2018)

Case Study: Spotify's "David Bowery" Campaign (2018)

In April 2018, Spotify launched a David Bowie-theme branded MetroCard advertising campaign to coincide with a new David Bowie exhibit that was running at the Brooklyn Museum. The campaign included a **250,000-card print run of five different versions of the MetroCard that riders could purchase for \$6.50 each** at the MTA's Broadway-Lafayette and Bleecker Street stations in downtown Manhattan.¹⁵ The former station, just a couple of blocks from where the artist once lived, was temporarily converted into a memorial to the late artist. Figures 5.2.7 through 5.2.10 on the following page illustrate how this campaign was executed.

¹⁴ Allen, Jordan. "Winter is coming' for NYC's Subway System." *The Points Guy*. Dec 7, 2018

¹⁵ McGauley, Joe. "The NYC Subway Is Selling David Bowie-Themed MetroCards. Here's How to Get Them." *Thrillist*. April 18, 2018.

Figure 5.2.7 David Bowie-Themed MetroCards (2018)

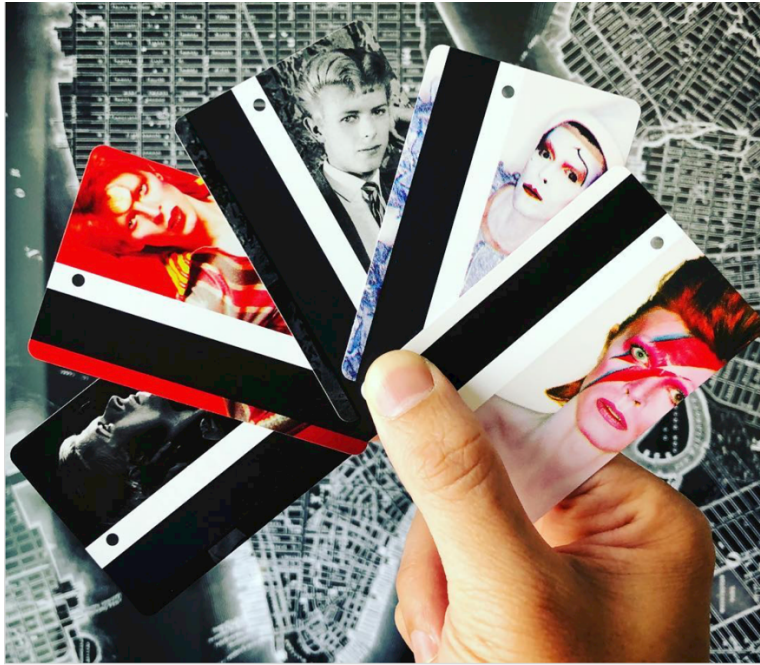









Figure 5.2.8 New York MTA Tweet Promoting the Campaign (2018)

 **NYCT Subway** 
@NYCTSubway 

Rail Control to Major Tom: David Bowie branded MetroCards, created by [@Spotify](#), are now available at the Broadway-Lafayette and Bleecker St stations. We've printed 250,000 cards, featuring 5 iconic images from the David Bowie exhibit [@BrooklynMuseum](#). Drop by anytime to get yours.



 1,557  3:42 PM - Apr 17, 2018 



 510 people are talking about this 

Figure 5.2.9 David Bowie-branded Broadway-Lafayette Station (2018)

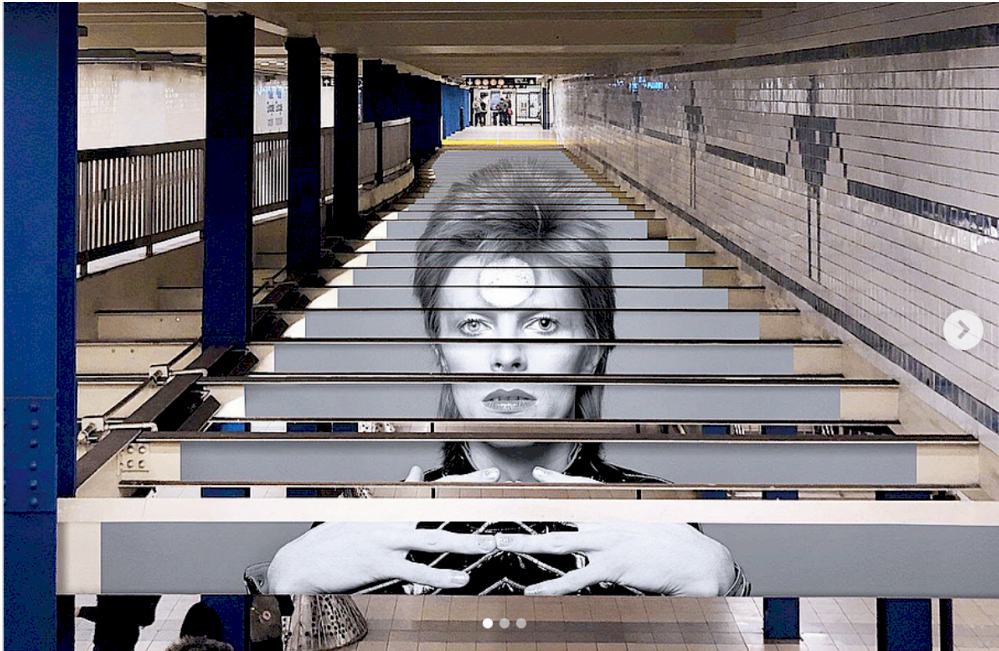


Figure 5.2.10 David Bowie-branded Broadway-Lafayette Station (2018)



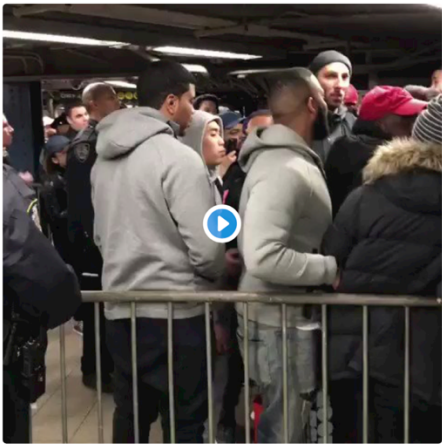
Key Findings

By far, the New York MTA MetroCard advertising program has proven to be the most robust and successful transit pass advertising program in the country. However, despite the successes of—and revenue generated by—the above campaigns, it appears that the MTA sold only two or three of these campaigns per year, and that the median purchase was 250,000 cards with out-of-home activation for a low six-figure commitment; the only two campaigns to run in 2018 were the David Bowie (April) and *Game of Thrones* (December) promotions. Superlative opines this was to maintain the novelty of these programs and perhaps, to not cannibalize their own promotions by running too many concurrently. For example, the year before (2017), local retailer Supreme- and *Twin Peaks*-themed campaigns generated significant interest from fans who waited hours in line to purchase branded tickets, not to mention a substantial aftermarket where branded MetroCards were traded/sold online through auction sites like eBay for hundreds¹⁶ to thousands¹⁷ of dollars. See Figures 5.2.11 – 5.2.12 below.

Figures 5.2.11 and 5.2.12 Rider Tweets Illustrating Response to Supreme-themed MetroCard Promotion

Icculus The Brave
@FirenzeMike

These fools out there at Union Square waiting in line for a Supreme MetroCard 😂😂😂. #MTA




195 8:13 PM - Feb 20, 2017

115 people are talking about this

salaryman
@bobby

these people were all waiting in line to buy a metrocards with a supreme logo on it. there were like three cops running security.



181 1:57 AM - Feb 21, 2017

47 people are talking about this

Irrespective of their consumer-driven popularity, the advertising revenue produced by these campaigns on an annual basis was modest at best. According to a 2013 *AdAge* article¹⁸, the first year of the MetroCard full advertising program generated only \$684,000 in net revenue for the MTA. Assuming two to three advertising campaigns per year, this figure seems consistent with subsequent years. Interestingly, the possibility exists that the MTA generated greater farebox revenue through surcharges on branded cards; the premium paid by riders for Supreme- (\$4.50) and David Bowie-branded (\$5.50) MetroCards, both of which reportedly sold out, would have generated \$1.125 million and \$1.375 million, respectively, in additional fees alone for the MTA in 2017 and 2018. (Please note that this figure does not account for the entire economy of MetroCards, the aftermarket for which could have generated millions for private sellers.)

¹⁶ Maurer, Daniel. "Don't Pay \$100 For a Supreme MetroCard, You Can Get Them in the Subway Again." *Bedford + Bowery*. February 21, 2017.

¹⁷ Tiffany, Kaitlin. "The MTA's Supreme-branded MetroCard is a hot commodity." *The Verge*. February 20, 2017.

¹⁸ Hoffman, Melissa. "Why is My MetroCard Red?" *AdAge*. July 10, 2013.

Further, it is yet unclear whether the New York MTA's objectives through fare card advertising will remain consistent following the advent of the OMNY card, which is nearly identical to the LACMTA's TAP Card in implementation, function and execution; more specifically, the New York MTA may face challenges identical to those faced by LACMTA in monetizing the TAP Card through advertising, and appears to be making up for lost revenue through innovative kiosk advertising, explained in Section 7, or through other cost savings methods such as their mobile integration partnership with Apple Pay.

Key Findings and Best Practices

While the history of advertising on transit tickets or passes dates back more than 100 years to the start of the 20th century, **the practice has never been a significant source of revenue for public transit agencies.** Indeed, at the presumed height of print-based public transit ticketing in 2004—three years before the iPhone launched and eight years prior to the introduction of mobile ticketing—only 14 percent of all public transit agencies in the United States sold advertising on fare cards, and only seven percent offered advertising on transit tickets, according to a Transit Cooperative Research Program report from that year.¹⁹ These ratios surely have decreased following the introduction of new payment systems.

The **New York MTA MetroCard advertising program has been the most lucrative** of these initiatives yet accounts for an estimated less than one percent of its total advertising revenue (reported as \$129.7 million in 2016 by the Federal Transit Administration, the most recent data available). Using plain language, the most successful transit ticket advertising program of all time is still relatively insignificant, both engaging for consumers but extremely modest in revenue generation and belongs to the oldest and largest transit system in the country, which is currently operating at a billion-dollar-per-year budget deficit. Now even that program appears to be phasing out in favor of new and improved ticketing technology.

Best Practices

Below are the lessons learned through trial and error in other markets for LACMTA to consider when planning a revenue-generating campaign around TAP Card assets.

- **Keep the campaign short and fun, or long-term and meaningful, depending on the objective.** In order to maximize revenue, these are key point to keep in mind. Based on Superlative's research, long-term partnerships like PECO Energy's support of LinkPHL or UC San Diego Health's investment in San Diego MTS offer an expansive, highly-valuable messaging platform and demonstrate a partner's commitment to the local community, the end goals being a deeper and more meaningful connection to the public they, and their respective transit agencies, serve. These are long-lead, ongoing communications that create ubiquity (in terms of awareness) in the market; they are also can't-buy public relations opportunities.

By comparison, New York MTA's David Bowie, Paul Simon, *Game of Thrones*, Supreme and even Brooklyn pizza MetroCard campaigns were designed to be quick-and-dirty, buzz-generating promotions for limited-edition products (an album release, a pizza special, an art exhibit, etc.) promoted within a particular segment of rail service (e.g., a couple of stations) frequented by the campaign's target audience—which ranged from critical mass of New Yorkers (*Game of Thrones*) to art/music enthusiasts ("David Bowery"). They were successful because they made a quick splash and ended, which serendipitously created a thriving aftermarket for the cards.

This is not to say that long-term campaigns cannot be "fun", but fun over long periods of time is unsustainable; eventually, enthusiasm cools, as does the revenue potential. New York MTA understood this, which is why its campaigns were brief and infrequent to generate excitement. Superlative opines that a combination of each strategy, pop-up activations that intermittently energize a long-running campaign, are the best path to success.

- **Physical transit passes will soon be obsolete, if they are not already.** This is both good and bad for transit agencies. With regard to overall farebox expense, most forward-thinking, larger

¹⁹ Schaller, Bruce. "Transit Advertising Sales Agreements: A Synthesis of Transit Practice." Transportation Research Board. Washington, D.C. 2004.

organizations are converting to a mobile payment integration system through software like Apple Pay or through partnerships with Mastercard, where the partner bears the cost to produce products that can also be used for transit fares (e.g., credit cards). In either scenario, the agency lowers program cost by outsourcing fare collection without the farebox expense of manufacturing physical passes. The drawback in each case is that the program is unable to be subsidized through advertising revenue; for example, Apple Pay's privacy policy does not allow commercial messaging on its payment platform, and a lack of physical cards or passes, like the TAP Card, makes it difficult to justify an ad buy, unless the recognition can be translated to mobile; even then, recent advances in mobile technology are rendering the device itself as a payment solution without the need for an app-supported transit pass system, only app-based payment solutions. The value to the agency is in cost savings, which Superlative advocates can be as valuable as new revenues through advertising or sponsorship fees, and facility of use for riders.

In addition to monetization of its TAP Card program through sponsorship, Superlative recommends that LACMTA pursue third-party partnerships for an app-based payment solution that could reduce agency overhead expenses such as physical TAP Card bulk purchasing, printing and distribution. In this scenario, sponsorship revenue could continue to be generated for the program by shifting sponsor exposure away from physical cards, which would be discontinued, to mobile- or web-based sponsor recognition—in other words, changing the type of exposure but hypothetically maintaining a similar level of impressions through alternative means. **(Recommendation 7)**

Benchmarks

As discussed previously, the New York MTA MetroCard advertising program is the most successful transit pass advertising program in the country, although the project team was also able to identify incomplete advertising information for outdated and/or unsold opportunities for other agencies. However, it appears that the MTA sold only two or three of these campaigns per year, and that the median purchase was 250,000 cards with out-of-home activation for a low six-figure commitment. Superlative opines this was to maintain the novelty of these programs and to not cannibalize their own promotions by running too many concurrently. The advertising revenue produced by these campaigns on an annual basis was modest at best: The first year of the MetroCard full advertising program generated only \$684,000 in net revenue for the MTA. Assuming two to three advertising campaigns per year, this figure seems consistent with subsequent years. More likely, the MTA generated greater farebox revenue through surcharges on branded cards. Figure 5.2.13 lists verified amounts and/or CPMs paid by advertisers for branding on fare cards.

Figure 5.2.13

| Agency/Entity | DMA | Asset | Station | Partner(s) | Year | # Produced | Total Annual Revenue (MAG) | Cost per card | Notes |
|---------------------------|----------|----------------------------|-----------------------|---------------------------------|------|--------------|----------------------------|---------------|--|
| New York MTA | NY | MetroCard (Front and Back) | Grand Central Station | HBO ("Game of Thrones") | 2018 | 250,000 | \$ 112,500 | \$0.45 | Distributed exclusively from Grand Central Station; included 150 subway posters and four different versions |
| New York MTA | NY | MetroCard (Front) | Broadway-Lafayette | Spotify (David Bowie) | 2018 | 250,000 | \$ 112,500 | \$0.45 | Distributed exclusively from Broadway-Lafayette Station; included temporary Naming Rights, banners and five different versions |
| New York MTA | NY | MetroCard | System-wide | Gap, Audible.com, Simple Mobile | 2013 | Est. 307,800 | \$ 684,000 | \$0.45 | Total revenue from first year of MetroCard advertising (2012) |
| River City Public Transit | SD | Fare Card | System-wide | N/A | 2020 | N/A | N/A | \$3.00 | No information available on whether this opportunity has ever been sold |
| Metro Vancouver | BC, Can. | TransLink Fare Cards | System-wide | N/A | 2011 | N/A | \$84,000 | N/A | |

5.3 TAP Card Asset Valuation and Revenue Projections

This section provides an overview of Superlative's Asset Database for LACMTA's TAP Card program, which identifies and values the main Naming Rights and/or Corporate Sponsorship assets and provides our strategy of how the main assets should be matched to target categories. For the purposes of this assessment, these opportunities include physical signage as well as TVM digital integration and other assets, although benchmarks and recommendations for Tap Card vending machines can be found below in Section 7. (**Recommendation 2**)

As discussed in Sections 3 and 4, The Superlative Group studied numerous sources provided by LACMTA and through original research in order to determine a baseline level of total impressions that each sponsorship asset receives. Superlative made prudent assumptions as to the number and frequency of rotations on signage inventory and internal electronic message boards, if applicable. Superlative also takes the following factors into account when determining the appropriate amount of impressions a piece of signage or collateral would receive:

Valuation Factors

The following factors have been considered as part of The Superlative Group valuation process:

- **Size/Design** – has a direct impact on visibility. Within a given market, advertising space carries a different value depending upon the number of impressions, which are used to calculate advertising rates. An impression indicates the number of times an advertisement is seen by pedestrians, motorists and transit riders.
- **Location** – Rates are higher in high demand areas. Billboards in New York City will carry some of the highest rates in the nation. Location also dictates the demographics of the audience. Airport advertising rates are high due to the premium demographics of air travelers.
- **Rotation** – In the case of digital advertising inventory, rates are based on the length of each advertisement. Rotations can range from 8 seconds to 30 seconds (depending on average wait time in a given location) with out-of-home advertising agencies aiming to maximize the number of advertisers on each digital ad board.
- **Demand** – Premium units and high-traffic transit stations in the heart of cities may have a long list of advertisers waiting to display their message. The proximity of certain ads to airports, shopping centers, entertainment facilities, sports arenas, convention centers and other attractions also increases demand and price. Further, other events and timing make outdoor inventory more "precious" and can impact rates, such as large sporting events or beach adjacent inventory in the summer months.
- **Population** – Audience size will influence the cost.

The most important factors for the purposes of this valuation will be the size, design, frequency and location of all TAP Card identification signage and any additional sponsor signage.

This section provides the following information:

- Asset Description;
- Sponsorship Opportunity;
- Term of Sponsorship; and
- Proposed Fair Market Value.

Option A: TAP Card Primary Sponsor (Recommendations 1 & 2)

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the TAP Card program. The benefits package for this opportunity will be agreed upon between LACMTA and the target entity. This valuation represents the opportunity for a corporate partner to include its name in association with or incorporated into the TAP Card mark, i.e. “TAP Card, Presented by <Company>”, “TAP Card sponsored by <Company>” or potentially the “<Company> TAP Card”, depending on which option is most feasible, subject to discussion between LACMTA, the OIG and the TAP Operations Department. Changes to this assumption could have significant effect on the valuation.

Table 5.3.1 Partner Package Overview

| Asset | TAP Card |
|-------------------------|--|
| Asset Description | TAP Card Primary Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on TAP Cards; • Static Sponsor ID on Ticket Vending Machines; • Sponsor ID on Ticket Vending Machines Digital Screen Display; • Sponsor ID on TAP Card Readers (station and bus); <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media²⁰. |
| Term of Sponsorship | <p>Due to the number of exposure opportunities and the degree of brand integration available to the partner, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the asset name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Primary Sponsorship agreement will include an escalator within a reasonable range of CPI.</p> |

²⁰ For now, the TAP Card program does not feature a mobile application, although plans exist to offer and then transition the program to mobile within the next five to 10 years. The TAP Operations Department has predicted that once completed, over 60 percent of TAP users will use the mobile application in lieu of physical cards. Currently, the TAP mobile website is accessible through the GoMetro app; these impressions were factored into recognition on metro.net. Further outcomes can be made available once additional information regarding the mobile app is available.

Option A: TAP Card Primary Sponsor Package

The following table provides an overview of the proposed Quantitative Benefits which would be included in a sponsorship program for the TAP Card program:

Table 5.3.2 TAP Card Primary Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|--------------------|
| Sponsor ID on TAP Cards | 1,000,000 | \$360,000 |
| Sponsor ID on Ticket Vending Machines | 111,978,100 | \$202,680 |
| Sponsor ID on TVM Screen Digital Display; recommended two (2) seconds max. per transaction | 201,560,580 | \$961,994 |
| Sponsor ID on TAP Card Readers; located in Light Rail stations and onboard busses | 165,417,465 | \$299,406 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on www.metro.net; throughout the site | 3,575,000 | \$12,870 |
| Sponsor ID on Metro Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 486,880,321 | \$1,858,422 |

Valuation Assumptions

Sponsor Signage Exposure

- i. According to the TAP Operations Department, LACMTA produces a minimum of one million TAP Cards each year. Valuation assumes that the Primary Sponsor will receive branding recognition on the front and back of physical TAP Cards. Because these assets are valued (and historically sold) based on the number of cards produced, and not a cost-per-thousand basis, the Sponsor package values this benefit based on the average industry rate for the number of branded cards produced.
- ii. Sponsor ID will be included on ticket vending machines that sell TAP Cards, identified above in Section 4, located throughout the LACMTA system. This includes recognition on equipment and/or static identity signage or banner location near or above the machines, depending on their location.
- iii. Sponsor ID will be included on ticket vending machine digital screen displays. Based on the takeaways described in Section 7.2, Superlative recommends a maximum, two-second partner advertisement prior to each transaction (**Recommendation 3**). The valuation assumes a conservative amount of LACMTA's entire annual ridership will use a TVM at least once per year.
- iv. Sponsor ID will be included on all TAP Card readers used to scan passenger TAP Cards in order to ride the LACMTA system. This includes static readers located within Light Rail stations and on Bus Line vehicles.

Exposure on Digital Media

- v. Valuation assumes that Sponsor will receive recognition on the current LACMTA website anywhere and everywhere the TAP Cards are mentioned. To account for impressions generated through mobile and desktop IPs, Superlative employs a blended CPM comprised on industry averages for iOS and Android OS in addition to web recognition.
- vi. Sponsor will receive recognition in LACMTA social media posts and assumes a frequency of one post per month. According to information provided by LACMTA, the agency's social media sites have a total of more than 279,000 followers.

Sponsorship Revenue Potential

The Superlative Group proposes a value range of \$1.5 million to \$2.0 million per annum for Primary Sponsorship of the TAP Card program. The Superlative Group recommends LACMTA open negotiations with target entities at the top of this value range, over a proposed term of 10 years. **(Recommendation 1)** Assuming inclusion of a CPI escalator of 2.6%, this opportunity could generate between \$16.9 million and \$22.5 million over the life of the term. **(Recommendation 6)**

Justification

During the project team's visit with the TAP Operations Department, Superlative was made aware of several sensitivities surrounding corporate branding on TAP assets, particularly on the cards themselves; in aggregate, the concerns related to unsold cards with advertising remaining in ticket vending machines long after the campaign had ended, consumer sentiment regarding corporate logos on public assets and revenue shared between other regional TAP agencies. A Primary Sponsorship addresses all of these concerns:

- First, a sponsorship agreement is a long-term investment, designed to create ubiquity in the marketplace through repeated association with the sponsored asset and integration into the asset branding. There are numerous examples that illustrate how branding can be creative and tasteful when properly executed; further, all TAP Cards would bear the same co-branding, which should mitigate any concerns about leftover cards in machines. Effectively, the co-brand becomes the brand.
- Second, Superlative has presented numerous scenarios in this report illustrating positive receptivity to sponsored public assets, from Naming Rights sold to public transit lines to advertising on New York MTA MetroCards, and in Section 13 below we provide a Sample Term Sheet that includes verbiage designed to protect LACMTA from negative association with brands that do not adhere to the standards set by the agency. More importantly, branded transit passes have a track record of completely selling out, albeit when offered through limited time offers, due to their popularity and enthusiastic consumer response.

The most significant challenge to implementation of a Primary Sponsorship, as proposed above, will be to ensure that sponsor exposure does not distract from the intended use of the assets (e.g., the sponsor messaging on kiosks is so long that riders run risk of missing their train) nor take away from the prestige of the LACMTA brand or damage its reputation.

- Lastly, because the TAP Operations Department would print one set of sponsored TAP Cards each year for use in its own equipment and for sale within its owned facilities, any issues with sharing revenue should be eliminated, subject to discussion and implementation with the TAP Operations Department. Long-term, physical TAP cards will phase out, creating opportunities for greater digital, social and potentially mobile integration as part of the long-term sponsorship.

Option B: TAP Card Advertising Program

While the bulk of this analysis is dedicated to sponsorship of the TAP Card program, as discussed with LACMTA OIG during Superlative’s visits to the site, the original intent of this study merits inclusion of the potential revenue to be generated through advertising on TAP Cards, if the significant obstacles to its implementation (listed below in “Challenges to Implementation”) are able to be overcome.

Based on the most successful model (New York MTA)’s transit pass advertising program structure described in Section 5.2 above, LACMTA’s TAP Card advertising program should include a combination of card recognition and signage exposure. Because Intersection, LACMTA’s Out-of-Home (see “Definitions” in Appendix A) advertising agent, maintains the right to all OOH advertising on LACMTA vehicles and in/around LA Metro facilities, signage exposure (which is different from sponsorship recognition) would most likely include partner avails on TVM digital media screens—and in order to maintain the novelty of the program, a limited number of campaigns per year. Any additional sponsorship benefits should be removed.

The following table provides an overview of the proposed benefits and values which would be included in an advertising agreement for the TAP Card.

Table 5.3.3 Sample Advertising Package Overview

| Asset | TAP Card |
|-------------------------|--|
| Asset Description | TAP Card Advertising Package (4 weeks) |
| Sponsorship Opportunity | Subject to LACMTA approval, an Advertising Agreement would include the following benefits: Signage Exposure <ul style="list-style-type: none"> • ID on 250,000 TAP Cards; • :02 Ad on Ticket Vending Machines Digital Screen Display; Digital Exposure <ul style="list-style-type: none"> • Sponsor Ad on metro.net; one month |
| Term of Sponsorship | Due to the limited number of exposure opportunities and the degree of brand integration available to the partner, the proposed term of the opportunity will be four weeks with multiple campaigns at select periods throughout the year |

Option B Value Range: TAP Card Advertiser Package

The following table provides an overview of the proposed benefits which would be included in a sponsorship program for the TAP Card program:

Table 5.3.4 TAP Card Advertiser Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|------------------|
| ID on TAP Cards | 250,000 | \$90,000 |
| Sponsor ID on TVM Screen Digital Display; one month; recommended two (2) seconds max. per transaction | 4,895,409 | \$23,364 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor Ad on www.metro.net; TAP Card page; one month | 297,917 | \$1,073 |
| TOTAL | 5,443,325 | \$114,437 |

Revenue Potential

The Superlative Group estimates a four-week advertising campaign could generate \$100,000 to \$125,000 for LACMTA. Assuming an estimated four to six campaigns maximum per year, this opportunity could generate between \$400,000 and \$750,000 per annum, or maximum revenues of \$7.5 million over a period of 10 years.

Challenges to Implementation

As mentioned previously, a TAP Card advertising program would struggle to address all of LACMTA's expressed concerns, namely revenue sharing, consumer sentiment and stock management.

- Because advertising arrangements are short-term in nature, it is more than likely that cards from old campaigns would still be in circulation, but LACMTA would only be able to capture that revenue stream once.
- There is potential for mass consumption through limited time offers, but the most successful models are related to obsolete programs and assets at other agencies and featured a substantial surcharge. With the conversion from print to mobile transit pass technology transpiring industry-wide, Superlative was unable to find a current benchmark that shows physical passes are still a viable advertising medium.
- Also, if there is concern about over-branding, an advertising campaign is not the recommended option, as the best means for revenue generation would be to launch multiple campaigns per year with different partners.
- The cards could be offered solely in LACMTA TVMs, but considering the degree of intra-agency communication and negotiation potentially required, the limited revenue potential, complicated logistics and risk of negative public perception would make that effort difficult to justify.

For these reasons, a Primary Sponsorship of the TAP Card program, presented previously, is a cleaner and more valuable approach to monetization. **(Recommendation 1)**

5.4 Recommendation 1

With the evolution of transit ticketing technology currently underway on an industry-wide scale, Superlative was unable to find a current industry benchmark, discussed in detail below, that demonstrates advertising on physical passes is still a viable means of generating substantial revenue from corporate partners. Further, if there is concern about public perception of over-branding or corporatizing LACMTA assets, then an advertising program is not the ideal solution; one of Superlative's best practices for transit pass advertising revenue generation shows that in order to achieve success, LACMTA would need to launch multiple campaigns per year with various partners. The limited revenue potential, complicated logistics and risk of negative public perception justify our conclusion that Primary Sponsorship of the TAP Card program is a cleaner and more valuable approach to monetization of the asset.

6 TAP Card Personalization (Task 4)

6.1 Overview

According to taptogo.net, the main website for TAP Regional Services, TAP Cards can currently be personalized for an additional fee. According to the Cardholder Agreement, Section 2.2, posted on the site (circa May 2020), personalized cards that identify the Cardholder [are] assigned to the card by name and/or photo on the front face of the card. Personalized cards are subject to the card acquisition fee and any other fees that may apply to the particular program to which the Cardholder belongs. These include cards issued to participants of Service Provider-sponsored fare programs including employer-sponsored programs, institutional programs (e.g., educational institutions) and other fare programs not generally available to the public. Figure 6.1.1 below shows an example of this type of personalization.

Figure 6.1.1 Personalized TAP Card



6.2 Key Findings

Personalized TAP Cards are already offered through Service Provider-sponsored (third party) programs for an additional fee. However, these programs are not offered to the general public, and sponsored program fees are recognized by third parties, to the best of Superlative's knowledge. Further, without access to partners' specific financial information, the project team is unable to determine the total amount of revenue generated to any third parties, nor the associated fees. Future outcomes may be available upon additional discussion with the LACMTA TAP Operations Department.

6.3 Recommendations and Revenue Potential

The possibility exists that LACMTA's TAP Card program could offer fee-supported personalization as an option to the general public in order to create an incremental source of revenue; however, considering the slow adoption of TAP wearables at a price point of \$10, there may be a limit to how much consumers are willing to pay for a personalized or custom pass, in the face of emerging mobile-based payment technologies that allow them to ride LA Metro for no additional cost with increased ease-of-use.

In Section 5.2, Superlative notes that New York MTA branded MetroCards, such as those for the "David Bowery" campaign, were priced up to \$6.50 per card, an increase of \$4.50 over the standard fee. These and other, similar ad-supported branded cards sold out. Based on these and other benchmarks, Superlative recommends that the ceiling for any premium paid for transit passes, wearable or otherwise, is between \$4.50 and \$8 per purchase, assuming future consumers will have an appetite for personalized cards in lieu of using a credit card or mobile device as their transit pass (which is unlikely). (**Recommendation 4**)

7 TAP Vending Machine Advertising (Task 6)

7.1 Introduction

As the transit pass advertising trend wanes across the United States in response to an evolving marketplace, public transit agencies are beginning to implement advertising programs that monetize the captive audience offered by fare kiosks. As noted above, this practice is becoming increasingly more common as the transportation sector continues to look for new ways to supplement farebox revenues. In a few (and somewhat unsuccessful) cases, this entails avails on kiosk digital screens; in greater scope, agencies are installing multi-function kiosks that offer arrival times and other public messages, free wireless service access, phone charging and other amenities in addition to digital ad displays—and in at least one instance, the network is sponsored by a singular partner through a multi-year commitment. The following sections provide case studies that illustrate both monetization strategies for ticket vending machines.

7.2 Case Studies

SEPTA and “Pre-Roll” Ticket Vending Machine Advertisements

In 2019, the Southeastern Pennsylvania Transit Authority (SEPTA) experimented with running a short digital advertisement on fare kiosk displays before commuters were able to purchase transit passes. The static-full-screen ads were part of a pilot program offered by its media partner, Intersection²¹, on 20 of the agency’s 300 touch-screen kiosks in Philadelphia’s subway system and appeared at the start of transactions to purchase or reload transit passes. Each ad lasted for up to six seconds, lingered for a couple seconds after click-through and rotated with each transaction. Advertisers included Verizon and Children’s Hospital of Philadelphia²², and the additional exposure was offered to the partner for free as part of their existing out-of-home contracts²³. Examples of advertisements can be seen in Figures 7.2.1 and 7.2.2 below.

Figure 7.2.1 Example of Children’s Hospital of Philadelphia Static Kiosk Advertisement



²¹ Which is also one of LACMTA's out-of-home media partners.

²² Palus, Shannon. “Oh Good, a Subway System Is Making Riders Stare at Ads Before They Can Buy Tickets.” *Slate*. May 7, 2019.

²³ Murrell, David. “Rushing to Top Up Your SEPTA Key? You'll Have to Watch This Ad First.” *Phillymag.com*. May 6, 2019.

Figure 7.2.2 Examples of Verizon Static Kiosk Advertisement



Challenges with the Program

SEPTA's kiosk advertising pilot program proved problematic for several reasons:

- **The ads were too long.** At six seconds plus an additional two seconds before the next, desired screen appeared, at least one commuter missed her train because of the advertisements (or claimed to) and posted her objections on Twitter. At the time, a SEPTA spokesperson noted that the length of the ads was a chief complaint, and added that if the program was fully implemented, the ads would last only one to two seconds each, much less than the pilot program.
- **The technology didn't work.** One video posted by an online source shows a Verizon ad fading to a blue screen instead of the SEPTA landing screen.
- **SEPTA considered removing ad-bearing kiosks from high-traffic locations.** This included the downtown Walnut-Locust station, which was part of the Intersection pilot program along the Broad Street and Market Frankford Lines and the source of several complaints.
- **The program generated no new revenues.** According to the *Phillymag.com* article cited above, "[so] far, SEPTA hasn't made a dime off its new invention. That's because the ads you see at the kiosks haven't actually been paid for. SEPTA is simply splicing the campaigns from preexisting advertisers onto the kiosks — that way if there's a problem with one of them, SEPTA can take it down immediately, without any obligation to a client."

Intersection's Link Network

Introduction

In 2014, the City of Philadelphia, PA, signed a 20-year concessionaire agreement with Titan Outdoor LLC (now Intersection) that would provide \$12 million in new transportation infrastructure for the city, including 600 SEPTA bus shelters installed and maintained by the company, and generate projected \$100 million in advertising revenue over the term of the agreement. As part of this initiative, Intersection installed 100 "LinkPHL" kiosks (see "Definitions" in Appendix A) in Center City, University City and other Philadelphia neighborhoods between 2017 and 2019, deploying a proprietary technology that had been pioneered by the company in New York City in 2016 (LinkNYC). During the same period, Link kiosks were also installed through concessionaire agreements in Newark, New Jersey (LinkNWK) and the United Kingdom (InLinkUK, Intersection's international sister project), with plans for future rollout in other major municipalities in the United States and internationally.

Specifications

Intersection's Link kiosks measure 9.5 feet in height and feature 27" x 55" 1080p LED display panels on each face, in addition to two (2) USB ports and a 911 button (999 in the UK). The kiosks offer free WiFi connectivity and allow users to charge their devices, make calls from the kiosk and download music or movies for free. The panels support static and dynamic advertising content in rotating 10-second avails. Through partnership with local transit agencies, the digital panels can also be programmed to provide real-time transit information (e.g., bus arrival times), in addition to weather updates, voter registration, healthcare enrollment and other public services and messaging. According to a City of Philadelphia official cited by *The Philadelphia Inquirer*, each kiosk costs "tens of thousands" of dollars each. Please refer to the following renderings and images of these kiosks in Figures 7.2.3 to 7.2.5 on the following pages.

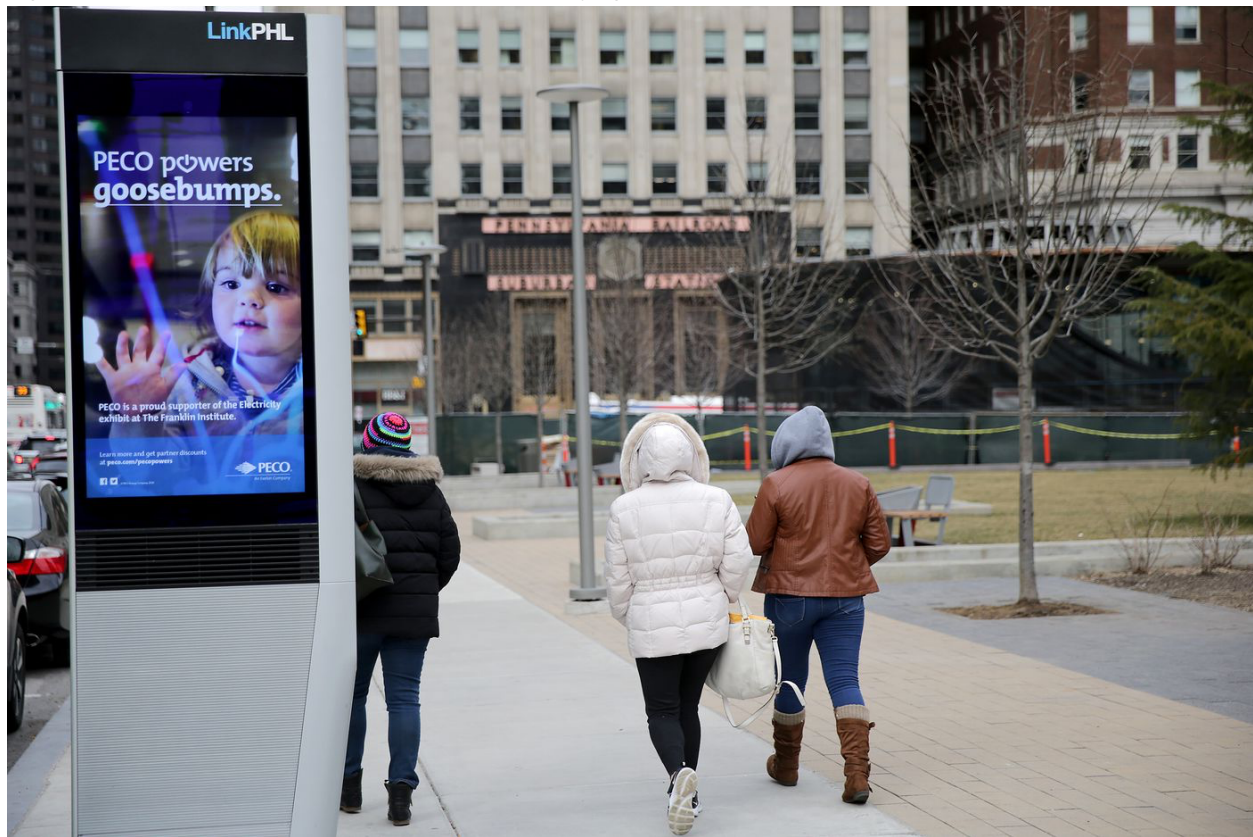
Figure 7.2.3 Rendering from InLinkUK Kiosk Spec Sheet



Figure 7.2.4 LinkPHL Kiosk in Philadelphia, PA



Figure 7.2.5 LinkPHL Kiosk in Philadelphia, PA Displaying PECO Sponsor Ad



Advertising and Sponsorship Revenue

According to a 2017 *Philadelphia Magazine* article, the City of Philadelphia shares 50 percent of the advertising revenue with Intersection after capital expenses (production, installation and maintenance), with a \$450,000 minimum annual guarantee.

Per *The Philadelphia Inquirer* and other local news sources, the LinkPHL network is sponsored by PECO, Pennsylvania's largest electric and natural gas utility and subsidiary of ComEd, although Superlative was unable to locate any formal agreement that would verify this arrangement. In exchange, PECO receives prime advertising inventory across the kiosk network, with Philadelphia Museum of Art and other advertisers receiving substantial, but secondary, inventory. These arrangements are projected to generate \$18 million over a 15-year contract period, or an estimated \$1.2 million per annum.

In New York, which to date has installed more than 1,300 LinkNYC kiosks, the kiosks generated \$37.3 million in advertising revenue within one year of installation through partners like Verizon.

Rates, CPMs and Other Metrics

According to the *Inquirer*, Intersection's rate card for LinkPHL advertising is \$25 per 1,000 views, or \$25 CPM, determined by a third-party service, Geopath, through variables like foot traffic and census data to estimate the number of views per kiosk. According to Global, the third-party out-of-home advertising for InLinkUK in London, LinkNYC kiosks received over one million users in the first 12 months and 82 million WiFi sessions.

In greater context, Intersection's website calculates a total of 2,200-plus Link kiosks in New York, Philadelphia and across the UK, which are used by 11 million consumers every week and generate 645 million weekly impressions with consumers aged 18 or older.

Public Reception

Compared to the initial reception for Intersection’s SEPTA Ticket Vending Machine advertising campaign, public response to Links has been more positive, albeit not without concerns. The following list aggregates feedback obtained from internal surveys conducted by Intersection and its affiliates and public sentiment noted by periodicals within Link markets (New York, Newark, Philadelphia).

Positive:

- 90 percent of New Yorkers believe that LinkNYC is a positive initiative for New York City. (*Source: Global.*)
- 89 percent of New Yorkers believe that LinkNYC will provide services that are beneficial to the community. (*Ibid.*)
- Allowed Newark to “flex its muscles” as a leading city for new technological innovations and provided an opportunity for residents to be involved in the movement. (*Source: SmartCitiesDive.*)

Negative:

- Some initial concerns that the kiosks would be “eyesores” that will “damage the city’s historic brand” and fears that Links would distract bikers and drivers. These seemed to represent unfounded pushback and subsequently received limited attention. (*Source: Philadelphia Magazine.*)
- Major, deeper concerns surrounding privacy and surveillance. “[A] few concerned citizens and hackers, as well as the New York Civil Liberties Union and a *Village Voice* reporter, raised alarms about the fact that Google”—which owns Intersection investor Sidewalk Labs—“was now tied to a vast network of data-collecting hubs in NYC.” Intersection’s privacy policy states that the company will not keep any footage captured by any camera for longer than seven days unless that footage is necessary to investigate an incident, in which case the company could turn that footage over to law enforcement. (*Ibid.*)
- NYC officials received several complaints that people were using Links to blast music and watch pornography in the middle of Times Square. Intersection no longer allows LinkNYC users to freely browse the internet and has removed the feature from LinkPHL kiosks.

7.3 Other Creative Transit Advertising

Introduction

As explained in Section 3 above, marketing exposure within a transit context can be as, if not more, valuable than traditional platforms like professional sports or the entertainment industry because of the potential for millions of impressions from riders and the local community. This realization has led Superlative to secure numerous, lucrative Naming Rights and sponsorships in the transit sector for its clients in recent years. However, transit marketing opportunities, with the exception of station takeovers, are not inherently “fun” (in the subjective sense) for consumers; but as demonstrated by New York MTA’s limited-run branded transit passes—and as the project team discovered, Berliner Verkehrsbetriebe (BVG)’s partnership with Adidas (below)—they can be.

Berliner Verkehrsbetriebe (BVG) & Adidas

In 2018, athletic footwear brand Adidas produced 500 pairs of limited-edition EQT Support 93/Berlin sneakers, a hip-looking sneaker that also functioned as a year-long transit pass, to promote BVG and Adidas’ collective objectives for environmental sustainability. According to Gem, an international communications and marketing agency, BVG stated that the project was intended to encourage the people of Berlin, especially young people, to take more steps in improving their city’s air quality and living conditions by using public transportation.

Adidas’ EQT Support 93/Berlins were regular sneakers with a BVG transit pass sewn onto the tongue in place of the label. BVG turnstiles scanned the “sneaker pass” like any other. However, in order for the pass to function and to prevent fare theft, riders had to wear both shoes. Per the same source, consumers lined up by the hundreds when they were released for purchase. Please see Figure 7.3.1 on the following page.

Figure 7.3.1 Adidas EQT Support 93/Berlins (2018)



7.4 Key Findings and Best Practices

Overview

In terms of new advertising media, **kiosk advertising has shown to be more sustainable and lucrative for public transit agencies than fare card advertisements** and appears to be in the process of breaking global. That said, not every experiment by out-of-home advertisers like Intersection has been successful. Freestanding kiosks have proved to be the most successful of these initiatives, but these are designed as a 55-inch media panel that also offers transit messaging, public services and free WiFi connectivity rather than a transit-specific asset that also has a media screen. Further, given their introduction into the global market by out-of-home media partners, it stands to reason that advertising revenue be their focus; this does not mean that the media screens on ticket vending machines, which carry the potential for brief commercial messages, are not a viable solution or advertising asset for transit agencies like LACMTA, especially as a communication vehicle for a larger partnership.

Best Practices

Below are the lessons learned through trial and error in other markets for LACMTA to consider when planning a revenue-generating campaign around TAP Card assets.

- **Keep adverts brief, especially in high-traffic areas and/or with a captive audience.** 10-second avails or ad rotations on what are essentially standalone, 55-inch digital ad boards in open spaces is feasible because the larger surface area and screen size allows for multiple messages within a single frame; in other words, bus arrival times and, e.g., PECO Energy partner content can coexist without obstructing the public message or preventing use of the asset, in this example Intersection's Link kiosk features like emergency calling, weather updates and WiFi access.

However, ticket vending machines are a different medium altogether, one whose digital screens could be potentially more valuable to a transit agency than standard out-of-home advertising if

properly programmed for advertising or sponsorship, and then monetizable as a communication vehicle for a larger partnership rather than sold as a standalone opportunity. The “pre-roll” advertisements piloted on SEPTA subway TVMs represent a great concept poorly executed; a theoretical idea negligent in considering their intended function and reason for existence.

First, there are challenges with running multiple messages per use or in rotation. One slows down a technology designed for speed; the other splits the inventory into pieces, hypothetically capturing the same amount of revenue as a single, longer advert but decreasing value to the respective advertisers (any exclusivity, a key selling point for any brand, is eliminated). Second, the screen is smaller, with what appears to be a limited screen resolution when compared to the dynamic range of a 1080p digital face. That said, when provided in suite with other exposure like static banners near kiosks, mobile interstitials and the fare cards themselves, these screens could provide a clear, concise and impactful messaging point to a captive audience that must pay attention in order to move forward with their purchase.

In the opinion of The Superlative Group, this can be a far more valuable and measurable exposure for a brand, as opposed to a dynamic message played indiscriminately to crowds and measured by foot traffic instead of eyeballs. The takeaway is simple: Keep it short and to the point—Superlative recommends one to two seconds maximum (**Recommendation 3**).

7.5 Benchmarks

As noted above, Intersection’s website calculates a total of 2,200-plus Link kiosks in New York, Philadelphia and across the UK, which are used by 11 million consumers every week and generate 645 million weekly impressions with consumers aged 18 or older. Extrapolating this data further based on the published rack rate of \$25 per 1,000 views, Links around the world have the potential to generate \$16.125 million in revenue per week, or more than \$403 million annually. Per machine—absent any reference points for specific metrics for impressions generated by each unit—this amounts to an average of 260,000 consumers and 15.2 million impressions annually. Based on reported revenue generated by these campaigns, the actual cost per thousand (CPM) paid by advertisers on Link kiosks ranges between \$0.58 and \$1.88, depending on the market. SEPTA advertising partners received rotations on subway ticket vending machines as a value-added benefit to existing OOH contracts.

Figure 7.5.1

| Agency/Entity | DMA | Asset | Partner(s) | Year | Consumers Reached (Avg. per Machine) | Impressions (Avg. per Machine) | WiFi Sessions (Avg. per Machine) | Total Annual Revenue (MAG) | Machines | Avg. per machine | CPM |
|--------------------------|-----|---------|-------------|------|--------------------------------------|--------------------------------|----------------------------------|----------------------------|----------|------------------|---------|
| SEPTA | PA | LinkPHL | PECO Energy | 2019 | 260,000 | 15,245,455 | 468,000 | \$ 1,800,000 | 100 | \$ 18,000 | \$ 1.80 |
| New York MTA | NY | LinkNYC | Verizon | 2019 | 260,000 | 15,245,455 | 468,000 | \$ 37,300,000 | 1,300 | \$ 28,692 | \$ 1.88 |
| United Kingdom (Various) | UK | InLink | BT | 2017 | 260,000 | 15,245,455 | 468,000 | \$ 6,613,500 | 750 | \$ 8,818 | \$ 0.58 |

7.6 Conclusions and Recommendations

Based on the above background, case studies and best practices, the following sections of this report provide an outline of Superlative's recommendations for monetizing the LACMTA TAP Card, rooted in the prediction—validated by LACMTA's TAP Operations Department—that the TAP program will be largely mobile-based within the next five years (see Section 4 above).

Further, Superlative has taken into account exogenous factors such as LACMTA being one of many agencies utilizing the TAP Card and expressed sensitivities regarding revenue sharing between publicly-funded agencies. Most importantly, Superlative has packaged a **suite of TAP Card program assets that when bundled together** (i.e. TAP Card exposure, signage visibility and digital/mobile integration) as a singular sponsorship opportunity in lieu of short-term advertising agreements, **can be a more valuable, feasible and sustainable solution** than that presented in the strategic objectives of this study. **(Recommendation 2)**

Please see Section 7.3 above for Superlative's proposed approach for integrating TAP Card ticket vending machine assets into a holistic TAP Card sponsorship and advertising program.

8 Metro Bus System Valuation (Task 7)

8.1 Introduction

This section provides an overview of the Asset Database for Metro bus system, which identifies and values the main Naming Rights and/or Corporate Sponsorship assets and provides our strategy of how the main assets should be matched to target categories.

As discussed in Section 3, The Superlative Group studied numerous sources provided by LACMTA and through original research in order to determine a baseline level of total impressions that each sponsorship asset receives. Superlative made prudent assumptions as to the number and frequency of rotations on signage inventory and internal electronic message boards, if applicable. Superlative also takes the following factors into account when determining the appropriate amount of impressions a piece of signage or collateral would receive:

Valuation Factors

The following factors have been considered as part of The Superlative Group valuation process:

- **Size/Design** – has a direct impact on visibility. Within a given market, advertising space carries a different value depending upon the number of impressions, which are used to calculate advertising rates. An impression indicates the number of times an advertisement is seen by pedestrians, motorists and transit riders.
- **Location** – Rates are higher in high demand areas. Billboards in New York City will carry some of the highest rates in the nation. Location also dictates the demographics of the audience. Airport advertising rates are high due to the premium demographics of air travelers.
- **Rotation** – In the case of digital advertising inventory, rates are based on the length of each advertisement. Rotations can range from 8 seconds to 30 seconds (depending on average wait time in a given location) with out-of-home advertising agencies aiming to maximize the number of advertisers on each digital ad board.
- **Demand** – Premium units and high-traffic transit stations in the heart of cities may have a long list of advertisers waiting to display their message. The proximity of certain ads to airports, shopping centers, entertainment facilities, sports arenas, convention centers and other attractions also increases demand and price. Further, other events and timing make outdoor inventory more "precious" and can impact rates, such as large sporting events or beach adjacent inventory in the summer months.
- **Population** – Audience size will influence the cost.

The most important factors for the purposes of this valuation will be the size, design, frequency and location of all identification signage and any additional sponsor signage.

This section provides the following information:

- Asset Description;
- Sponsorship Opportunity;
- Term of Sponsorship; and
- Proposed Fair Market Value.

8.2 Metro G Line

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Metro G Line.

Table 8.2.1

| Asset | G Line |
|-------------------------|---|
| Asset Description | G Line Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Bus Exterior; • Sponsor ID on Station & Shelter Signs; • Sponsor ID within Bus Interior; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Platform Ticket Vending Machines; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; • Sponsor ID in Earned Media <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media; • Sponsor ID on LACMTA Email Communications; • Sponsor ID on GoMetro Mobile App. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 25 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Metro G Line

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the G Line:

Table 8.2.2 G Line Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|------------------|
| Sponsor ID on Bus Exterior (Drive-by traffic) | 32,015,808 | \$166,802 |
| Sponsor ID on Bus Exterior (Passenger Impressions) | 12,722,767 | \$66,286 |
| Sponsor ID on Station & Shelter Signs (Drive-by traffic) | 16,007,904 | \$33,296 |
| Sponsor ID on Station & Shelter Signs (Passenger Impressions) | 12,722,767 | \$26,463 |
| Sponsor ID within Bus Interior | 6,378,403 | \$11,545 |
| Sponsor ID on Permanent Station Maps | 12,722,767 | \$26,463 |
| Sponsor ID on Platform Ticket Vending Machines | 10,602,306 | \$19,190 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 1,678,527 | \$28,535 |
| Sponsor ID in Earned Media | 4,468,359 | \$58,982 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 5,720,000 | \$20,592 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| Sponsor ID on LACMTA Email Communications | 200,450 | \$10,023 |
| Sponsor ID on GoMetro Mobile App | 3,804,600 | \$8,484 |
| TOTAL | 122,393,834 | \$498,134 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Metro G Line between \$500,000 and \$1 million per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the G Line could generate between \$17.3 million and \$34.6 million over a 25-year term.

8.3 Metro J Line

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Metro J Line.

Table 8.3.1

| Asset | J Line |
|-------------------------|---|
| Asset Description | J Line Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Bus Exterior; • Sponsor ID on Station & Shelter Signs; • Sponsor ID within Bus Interior; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Platform Ticket Vending Machines; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; • Sponsor ID in Earned Media <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media; • Sponsor ID on LACMTA Email Communications; • Sponsor ID on GoMetro Mobile App. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 25 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Metro J Line

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the J Line:

Table 8.3.2 J Line Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|------------------|
| Sponsor ID on Bus Exterior (Drive-by traffic) | 65,916,702 | \$343,426 |
| Sponsor ID on Bus Exterior (Passenger Impressions) | 9,008,532 | \$46,934 |
| Sponsor ID on Station & Shelter Signs (Drive-by traffic) | 65,916,702 | \$137,107 |
| Sponsor ID on Station & Shelter Signs (Passenger Impressions) | 9,008,532 | \$18,738 |
| Sponsor ID within Bus Interior | 4,948,711 | \$8,957 |
| Sponsor ID on Permanent Station Maps | 9,008,532 | \$18,738 |
| Sponsor ID on Platform Ticket Vending Machines | 7,507,110 | \$13,588 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 1,302,292 | \$22,139 |
| Sponsor ID in Earned Media | 3,466,795 | \$45,762 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 5,720,000 | \$20,592 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| Sponsor ID on LACMTA Email Communications | 200,450 | \$10,023 |
| Sponsor ID on GoMetro Mobile App | 2,238,000 | \$4,991 |
| TOTAL | 187,591,534 | \$712,466 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Metro J Line between \$500,000 and \$1 million per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the J Line could generate between \$17.3 million and \$34.6 million over a 25-year term.

8.4 Dodger Stadium Express

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Dodger Stadium Express.

Table 8.4.1

| Asset | Dodger Stadium Express |
|-------------------------|---|
| Asset Description | Dodger Stadium Express Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Bus Exterior; • Sponsor ID on Station & Shelter Signs; • Sponsor ID within Bus Interior; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Platform Ticket Vending Machines; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; • Sponsor ID in Earned Media <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media; • Sponsor ID on LACMTA Email Communications; • Sponsor ID on GoMetro Mobile App. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 25 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Dodger Stadium Express

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the Dodger Stadium Express:

Table 8.4.2 Dodger Stadium Express Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|------------------|
| Sponsor ID on Bus Exterior (Drive-by traffic) | 38,227,820 | \$199,167 |
| Sponsor ID on Bus Exterior (Passenger Impressions) | 339,462 | \$1,769 |
| Sponsor ID on Station & Shelter Signs (Drive-by traffic) | 19,113,910 | \$39,757 |
| Sponsor ID on Station & Shelter Signs (Passenger Impressions) | 339,462 | \$706 |
| Sponsor ID within Train Interior | 358,321 | \$649 |
| Sponsor ID on Permanent Station Maps | 339,462 | \$706 |
| Sponsor ID on Platform Ticket Vending Machines | 282,885 | \$512 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 94,295 | \$1,603 |
| Sponsor ID in Earned Media | 850,000 | \$11,220 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 5,720,000 | \$20,592 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| Sponsor ID on LACMTA Email Communications | 200,450 | \$10,023 |
| Sponsor ID on GoMetro Mobile App | 1,566,600 | \$3,494 |
| TOTAL | 70,781,844 | \$311,668 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Dodger Stadium Express between \$250,000 and \$500,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the Dodger Stadium Express could generate between \$8.6 million and \$17.3 million over a 25-year term.

8.5 LAX FlyAway

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the LAX FlyAway, which is owned and operated by LAWA.

Table 8.5.1

| Asset | LAX FlyAway |
|-------------------------|--|
| Asset Description | LAX FlyAway Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Bus Exterior; • Sponsor ID on Station & Shelter Signs; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID in Earned Media <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media; • Sponsor ID on LACMTA Email Communications; • Sponsor ID on GoMetro Mobile App. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 25 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: LAX FlyAway

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the LAX FlyAway, assuming LAWA wishes to pursue Naming Rights for this asset:

Table 8.5.2 LAX FlyAway Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|------------------|
| Sponsor ID on Bus Exterior (Drive-by traffic) | 11,927,376 | \$62,142 |
| Sponsor ID on Bus Exterior (Passenger Impressions) | 5,963,688 | \$12,404 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID in Earned Media | 850,000 | \$11,220 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 5,720,000 | \$20,592 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| Sponsor ID on LACMTA Email Communications | 200,450 | \$10,023 |
| Sponsor ID on GoMetro Mobile App | 1,119,000 | \$2,495 |
| TOTAL | 29,129,690 | \$140,348 |

Revenue Potential

The Superlative Group calculates the fair market value range of the LAX FlyAway between \$150,000 and \$300,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the LAX FlyAway could generate between \$5.2 million and \$10.4 million over a 25-year term.

8.6 Bus Station Valuation

In order to provide values for the bus stations along the Orange and Silver lines, Superlative broke the stations into different tiers to highlight the value ranges possible. The tiers are defined as:

- **Highway** – are stations located along or in the center of the highways that coincide with the line route. These stations are extremely visible to the population of Los Angeles that travels via highway and provide a massive branding opportunity to reach that audience. This tier is valued at \$250,000 per annum.
- **Gold** – are the next most valuable stations that are located along busier roadways but not highways. These stations are valued at \$100,000 per annum.
- **Silver** – the third tier of stations located throughout the LACMTA service area on less busy roadways and are valued at \$50,000 per annum.

A larger buildout of each station valuation is available upon request. In consideration of the size and length of this report, the additional tiered stations are presented in the following tables.

Table 8.6.1 Highway Tier Stations

| Highway Stations | |
|-------------------------|---|
| Value | \$250,000 per year \$2,813,732 over 10-year term, including 2.6% CPI escalator |
| G Line Stations | None |
| J Line Stations | Cal State La Busway, Harbor Transitway/37 th St./USC, Harbor Transitway/Slauson, Harbor Transitway/Manchester, Harbor Transitway/Harbor Fwy., Harbor Transitway/Rosecrans, Harbor Fwy./Carson, Harbor Fwy./Pacific Coast Highway |

Table 8.6.2 Gold Tier Stations

| Gold Stations | |
|----------------------|---|
| Value | \$100,000 per year \$1,125,493 over 10-year term, including 2.6% CPI escalator |
| G Line Stations | Van Nuys, Sepulveda, Balboa, Tampa, Pierce College, De Soto, Canoga, Roscoe |
| J Line Stations | El Monte |

Table 8.6.3 Silver Tier Stations

| Silver Stations | |
|------------------------|---|
| Value | \$50,000 per year \$562,746 over 10-year term, including 2.6% CPI escalator |
| G Line Stations | North Hollywood, Laurel Canyon, Valley College, Woodman, Woodley, Reseda, Sherman Way, Nordhoff, Chatsworth |
| J Line Stations | USC Medical Ctr Busway |

9 Metro Rail System Valuation (Task 7)

9.1 Introduction

This section provides an overview of the Asset Database for Metro rail system, which identifies and values the main Naming Rights and/or Corporate Sponsorship assets and provides our strategy of how the main assets should be matched to target categories.

As discussed in Section 3, The Superlative Group studied numerous sources provided by LACMTA and through original research in order to determine a baseline level of total impressions that each sponsorship asset receives. Superlative made prudent assumptions as to the number and frequency of rotations on signage inventory and internal electronic message boards, if applicable. Superlative also takes the following factors into account when determining the appropriate amount of impressions a piece of signage or collateral would receive:

Valuation Factors

The following factors have been considered as part of The Superlative Group valuation process:

- **Size/Design** – has a direct impact on visibility. Within a given market, advertising space carries a different value depending upon the number of impressions, which are used to calculate advertising rates. An impression indicates the number of times an advertisement is seen by pedestrians, motorists and transit riders.
- **Location** – Rates are higher in high demand areas. Billboards in New York City will carry some of the highest rates in the nation. Location also dictates the demographics of the audience. Airport advertising rates are high due to the premium demographics of air travelers.
- **Rotation** – In the case of digital advertising inventory, rates are based on the length of each advertisement. Rotations can range from 8 seconds to 30 seconds (depending on average wait time in a given location) with out-of-home advertising agencies aiming to maximize the number of advertisers on each digital ad board.
- **Demand** – Premium units and high-traffic transit stations in the heart of cities may have a long list of advertisers waiting to display their message. The proximity of certain ads to airports, shopping centers, entertainment facilities, sports arenas, convention centers and other attractions also increases demand and price. Further, other events and timing make outdoor inventory more "precious" and can impact rates, such as large sporting events or beach adjacent inventory in the summer months.
- **Population** – Audience size will influence the cost.

The most important factors for the purposes of this valuation will be the size, design, frequency and location of all identification signage and any additional sponsor signage.

This section provides the following information:

- Asset Description;
- Sponsorship Opportunity;
- Term of Sponsorship; and
- Proposed Fair Market Value.

9.2 Metro A Line

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Metro A Line.

Table 9.2.1

| Asset | A Line |
|-------------------------|---|
| Asset Description | A Line Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Train Exterior; • Sponsor ID on Station & Shelter Signs; • Sponsor ID within Train Interior; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Platform Ticket Vending Machines; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; • Sponsor ID in Earned Media <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media; • Sponsor ID on LACMTA Email Communications; • Sponsor ID on GoMetro Mobile App. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 25 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Metro A Line

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the A Line:

Table 9.2.2 A Line Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|------------------|
| Sponsor ID on Train Exterior (Drive-by traffic) | 53,896,968 | \$280,803 |
| Sponsor ID on Train Exterior (Passenger Impressions) | 38,861,222 | \$202,467 |
| Sponsor ID on Station & Shelter Signs (Drive-by traffic) | 26,948,484 | \$56,053 |
| Sponsor ID on Station & Shelter Signs (Passenger Impressions) | 38,861,222 | \$80,831 |
| Sponsor ID within Train Interior | 8,459,883 | \$15,312 |
| Sponsor ID on Permanent Station Maps | 38,861,222 | \$80,831 |
| Sponsor ID on Platform Ticket Vending Machines | 32,384,352 | \$58,616 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 2,226,285 | \$37,847 |
| Sponsor ID in Earned Media | 5,926,530 | \$78,230 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 5,720,000 | \$20,592 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| Sponsor ID on LACMTA Email Communications | 211,000 | \$10,550 |
| Sponsor ID on GoMetro Mobile App | 4,923,600 | \$10,980 |
| TOTAL | 260,629,945 | \$954,584 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Metro A Line between \$750,000 and \$1.25 million per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the A Line could generate between \$25.9 million and \$43.3 million over a 25-year term.

General Valuation Assumptions

Sponsor Signage Exposure

- i. Sponsor will receive branding recognition on the exterior of the rail vehicles along the route and will be visible by passengers, automobile traffic, pedestrians, cyclists, and visitors to the area.
- ii. Sponsor ID will be included on station and shelter signs, visible to drive-by traffic along streets of the A Line route.
- iii. Sponsor ID will be included on station signs visible to passengers waiting at the stations, passengers on the rail vehicles stopping at the stations and passengers exiting at the stations.
- iv. Sponsor will receive branding recognition within the interior of the rail vehicles on the A Line
- v. Sponsor ID will be included on permanent station maps at A Line stations.
- vi. Sponsor ID will be featured on Platform Ticket Vending Machines at stations along the A Line route.

Sponsor Exposure in Additional Marketing Materials

- vii. Sponsor ID will be visible on LACMTA published schedules and maps.
- viii. Sponsor will receive recognition in earned media value based on their name being attached any time the line is mentioned throughout the media.

Digital Exposure

- ix. Sponsor will receive recognition on the current LACMTA website anywhere the line is mentioned, as well as all A Line scheduling and route-dedicated sites.
- x. Sponsor will receive recognition in LACMTA social media posts, assuming one post per month.
- xi. Sponsor ID will be included on LACMTA email communications, both internally and externally.
- xii. Sponsor ID will be included on GoMetro Mobile App anywhere the line is mentioned.

9.3 Metro B Line

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Metro B Line.

Table 9.3.1

| Asset | B Line |
|-------------------------|---|
| Asset Description | B Line Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Train Exterior; • Sponsor ID on Station & Shelter Signs; • Sponsor ID within Train Interior; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Platform Ticket Vending Machines; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; • Sponsor ID in Earned Media <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media; • Sponsor ID on LACMTA Email Communications; • Sponsor ID on GoMetro Mobile App. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 25 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Metro B Line

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the B Line:

Table 9.3.2 B Line Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|--------------------|
| Sponsor ID on Train Exterior (Drive-by traffic) | 28,563,264 | \$148,815 |
| Sponsor ID on Train Exterior (Passenger Impressions) | 58,744,904 | \$306,061 |
| Sponsor ID on Station & Shelter Signs (Drive-by traffic) | 14,281,632 | \$29,706 |
| Sponsor ID on Station & Shelter Signs (Passenger Impressions) | 58,744,904 | \$122,189 |
| Sponsor ID within Train Interior | 39,686,716 | \$71,833 |
| Sponsor ID on Permanent Station Maps | 58,744,904 | \$122,189 |
| Sponsor ID on Platform Ticket Vending Machines | 48,954,087 | \$88,607 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 10,443,873 | \$177,546 |
| Sponsor ID in Earned Media | 17,336,720 | \$228,845 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 5,720,000 | \$20,592 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| Sponsor ID on LACMTA Email Communications | 211,000 | \$10,550 |
| Sponsor ID on GoMetro Mobile App | 3,133,200 | \$6,987 |
| TOTAL | 347,914,381 | \$1,355,392 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Metro B Line between \$1 million and \$1.75 million per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the B Line could generate between \$34.6 million and \$60.6 million over a 25-year term.

9.4 Metro C Line

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Metro C Line.

Table 9.4.1

| Asset | C Line |
|-------------------------|---|
| Asset Description | C Line Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Train Exterior; • Sponsor ID on Station & Shelter Signs; • Sponsor ID within Train Interior; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Platform Ticket Vending Machines; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; • Sponsor ID in Earned Media <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media; • Sponsor ID on LACMTA Email Communications; • Sponsor ID on GoMetro Mobile App. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 25 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Metro C Line

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the C Line:

Table 9.4.2 C Line Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|--------------------|
| Sponsor ID on Train Exterior (Drive-by traffic) | 317,858,400 | \$1,656,042 |
| Sponsor ID on Train Exterior (Passenger Impressions) | 17,552,012 | \$91,446 |
| Sponsor ID on Station & Shelter Signs (Drive-by traffic) | 158,929,200 | \$330,573 |
| Sponsor ID on Station & Shelter Signs (Passenger Impressions) | 17,552,012 | \$36,508 |
| Sponsor ID within Train Interior | 8,675,216 | \$15,702 |
| Sponsor ID on Permanent Station Maps | 17,552,012 | \$36,508 |
| Sponsor ID on Platform Ticket Vending Machines | 14,626,677 | \$26,474 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 2,282,952 | \$38,810 |
| Sponsor ID in Earned Media | 6,077,380 | \$80,221 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 5,720,000 | \$20,592 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| Sponsor ID on LACMTA Email Communications | 211,000 | \$10,550 |
| Sponsor ID on GoMetro Mobile App | 3,133,200 | \$6,987 |
| TOTAL | 573,519,238 | \$2,371,886 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Metro C Line between \$2.0 million and \$2.75 million per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the C Line could generate between \$69.2 million and \$95.2 million over a 25-year term.

9.5 Metro L Line

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Metro L Line.

Table 9.5.1

| Asset | L Line |
|-------------------------|---|
| Asset Description | L Line Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Train Exterior; • Sponsor ID on Station & Shelter Signs; • Sponsor ID within Train Interior; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Platform Ticket Vending Machines; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; • Sponsor ID in Earned Media <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media; • Sponsor ID on LACMTA Email Communications; • Sponsor ID on GoMetro Mobile App. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 25 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Metro L Line

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the C Line:

Table 9.5.2 L Line Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|--------------------|
| Sponsor ID on Train Exterior (Drive-by traffic) | 155,540,448 | \$810,366 |
| Sponsor ID on Train Exterior (Passenger Impressions) | 29,112,829 | \$151,678 |
| Sponsor ID on Station & Shelter Signs (Drive-by traffic) | 77,770,224 | \$161,762 |
| Sponsor ID on Station & Shelter Signs (Passenger Impressions) | 29,112,829 | \$60,555 |
| Sponsor ID within Train Interior | 14,335,874 | \$25,948 |
| Sponsor ID on Permanent Station Maps | 29,112,829 | \$60,555 |
| Sponsor ID on Platform Ticket Vending Machines | 24,260,691 | \$43,912 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 3,772,599 | \$64,134 |
| Sponsor ID in Earned Media | 10,042,928 | \$132,567 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 5,720,000 | \$20,592 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| Sponsor ID on LACMTA Email Communications | 211,000 | \$10,550 |
| Sponsor ID on GoMetro Mobile App | 6,042,600 | \$13,475 |
| TOTAL | 388,384,027 | \$1,577,565 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Metro L Line between \$1.0 million and \$1.75 million per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the L Line could generate between \$34.6 million and \$60.6 million over a 25-year term.

9.6 Metro D Line

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Metro D Line.

Table 9.6.1

| Asset | D Line |
|-------------------------|---|
| Asset Description | D Line Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Train Exterior; • Sponsor ID on Station & Shelter Signs; • Sponsor ID within Train Interior; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Platform Ticket Vending Machines; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; • Sponsor ID in Earned Media <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media; • Sponsor ID on LACMTA Email Communications; • Sponsor ID on GoMetro Mobile App. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 25 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Metro D Line

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the C Line:

Table 9.6.2 D Line Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|------------------|
| Sponsor ID on Train Exterior (Drive-by traffic) | 14,673,816 | \$76,451 |
| Sponsor ID on Train Exterior (Passenger Impressions) | 20,628,457 | \$107,474 |
| Sponsor ID on Station & Shelter Signs (Drive-by traffic) | 7,336,908 | \$15,261 |
| Sponsor ID on Station & Shelter Signs (Passenger Impressions) | 20,628,457 | \$42,907 |
| Sponsor ID within Train Interior | 9,808,224 | \$17,753 |
| Sponsor ID on Permanent Station Maps | 20,628,457 | \$42,907 |
| Sponsor ID on Platform Ticket Vending Machines | 17,190,381 | \$31,115 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 2,581,112 | \$43,879 |
| Sponsor ID in Earned Media | 17,336,720 | \$228,845 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 5,720,000 | \$20,592 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| Sponsor ID on LACMTA Email Communications | 211,000 | \$10,550 |
| Sponsor ID on GoMetro Mobile App | 1,790,400 | \$3,993 |
| TOTAL | 141,883,108 | \$663,198 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Metro D Line between \$500,000 and \$1 million per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the D Line could generate between \$17.3 million and \$34.6 million over a 25-year term.

9.7 Metro E Line

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Metro E Line.

Table 9.7.1

| Asset | E Line |
|-------------------------|---|
| Asset Description | E Line Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Train Exterior; • Sponsor ID on Station & Shelter Signs; • Sponsor ID within Train Interior; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Platform Ticket Vending Machines; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; • Sponsor ID in Earned Media <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media; • Sponsor ID on LACMTA Email Communications; • Sponsor ID on GoMetro Mobile App. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 25 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Metro E Line

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the E Line:

Table 9.7.2 E Line Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|------------------|
| Sponsor ID on Train Exterior (Drive-by traffic) | 22,532,328 | \$117,393 |
| Sponsor ID on Train Exterior (Passenger Impressions) | 34,892,770 | \$181,791 |
| Sponsor ID on Station & Shelter Signs (Drive-by traffic) | 11,266,164 | \$23,434 |
| Sponsor ID on Station & Shelter Signs (Passenger Impressions) | 34,892,770 | \$72,577 |
| Sponsor ID within Train Interior | 17,355,615 | \$31,414 |
| Sponsor ID on Permanent Station Maps | 34,892,770 | \$72,577 |
| Sponsor ID on Platform Ticket Vending Machines | 29,077,308 | \$52,630 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 4,567,267 | \$77,644 |
| Sponsor ID in Earned Media | 12,158,392 | \$160,491 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 5,720,000 | \$20,592 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| Sponsor ID on LACMTA Email Communications | 211,000 | \$10,550 |
| Sponsor ID on GoMetro Mobile App | 4,252,200 | \$9,482 |
| TOTAL | 215,167,758 | \$852,047 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Metro E Line between \$750,000 and \$1.25 million per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the E Line could generate between \$25.9 million and \$43.3 million over a 25-year term.

9.8 Civic Center/Grand Park

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Civic Center/Grand Park station.

Table 9.8.1

| Asset | Civic Center/Grand Park Station |
|-------------------------|--|
| Asset Description | Civic Center/Grand Park Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Station Signs; • Sponsor ID on Interior Station Signs; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Route Maps within Vehicles; • Sponsor ID in Audio Announcements within Vehicles; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Civic Center/Grand Park

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the Civic Center Grand Park station:

Table 9.8.2 Civic Center/Grand Park Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|------------------|
| Sponsor ID on Exterior Station Signs (Drive-by traffic) | 10,939,050 | \$52,289 |
| Sponsor ID on Interior Station Signs (Passenger Impressions) | 27,167,234 | \$129,859 |
| Sponsor ID on Permanent Station Maps | 10,723,908 | \$23,593 |
| Sponsor ID on Route Maps within Vehicles | 5,209,994 | \$17,401 |
| Sponsor ID in Audio Announcements within Vehicles | 2,604,997 | \$8,701 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 5,209,994 | \$88,570 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID on LACMTA Social Media; once per month | 279,098 | \$21,472 |
| TOTAL | 65,709,274 | \$354,755 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Civic Center/Grand Park station between \$250,000 and \$500,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the Civic Center/Grand Park station could generate between \$2.8 million and \$5.6 million over a 10-year term.

General Valuation Assumptions**Sponsor Signage Exposure**

- xiii. Sponsor ID will be included on station and shelter signs, visible to drive-by traffic along streets adjacent to the station.
- xiv. Sponsor ID will be included on station signs visible to passengers waiting at the station, passengers on the rail vehicles stopping at the station and passengers exiting at the station.
- xv. Sponsor ID will be included on permanent station maps at the Civic Center/Grand Park station.
- xvi. Sponsor ID will be included on route maps within the rail vehicles.
- xvii. Sponsor ID will be included in audio announcements within vehicles as they are approaching the station.

Sponsor Exposure in Additional Marketing Materials

- xviii. Sponsor ID will be visible on LACMTA published schedules and maps.

Digital Exposure

- xix. Sponsor will receive recognition on the current LACMTA website anywhere the station is mentioned, as well as all route-dedicated pages that mention the station.
- xx. Sponsor will receive recognition in LACMTA social media posts, assuming one post per month.

9.9 Pershing Square

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Pershing Square station.

Table 9.9.1

| Asset | Pershing Square Station |
|-------------------------|--|
| Asset Description | Pershing Square Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Station Signs; • Sponsor ID on Interior Station Signs; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Route Maps within Vehicles; • Sponsor ID in Audio Announcements within Vehicles; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Pershing Square

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the Pershing Square station:

Table 9.9.2 Pershing Square Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|------------------|
| Sponsor ID on Exterior Station Signs (Drive-by traffic) | 11,428,515 | \$54,628 |
| Sponsor ID on Interior Station Signs (Passenger Impressions) | 45,493,448 | \$217,459 |
| Sponsor ID on Permanent Station Maps | 17,957,940 | \$39,507 |
| Sponsor ID on Route Maps within Vehicles | 5,209,994 | \$17,401 |
| Sponsor ID in Audio Announcements within Vehicles | 2,604,997 | \$8,701 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 5,209,994 | \$88,570 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID on LACMTA Social Media; once per month | 279,098 | \$21,472 |
| TOTAL | 91,758,985 | \$460,608 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Pershing Square station between \$250,000 and \$500,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the Pershing Square station could generate between \$2.8 million and \$5.6 million over a 10-year term.

9.10 7th Street/Metro Center

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the 7th Street/Metro Center station.

Table 9.10.1

| Asset | 7 th Street/Metro Center Station |
|-------------------------|--|
| Asset Description | 7 th Street/Metro Center Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Station Signs; • Sponsor ID on Interior Station Signs; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Route Maps within Vehicles; • Sponsor ID in Audio Announcements within Vehicles; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: 7th Street/Metro Center

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the 7th Street/Metro Center station:

Table 9.10.2 7th Street/Metro Center Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|--------------------|
| Sponsor ID on Exterior Station Signs (Drive-by traffic) | 10,640,115 | \$50,860 |
| Sponsor ID on Interior Station Signs (Passenger Impressions) | 259,350,790 | \$1,239,697 |
| Sponsor ID on Permanent Station Maps | 102,375,312 | \$225,226 |
| Sponsor ID on Route Maps within Vehicles | 7,927,414 | \$26,478 |
| Sponsor ID in Audio Announcements within Vehicles | 3,963,707 | \$13,239 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 7,927,414 | \$134,766 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID on LACMTA Social Media; once per month | 279,098 | \$21,472 |
| TOTAL | 396,038,851 | \$1,724,607 |

Revenue Potential

The Superlative Group calculates the fair market value range of the 7th Street/Metro Center station between \$1.5 million and \$2.0 million per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the 7th Street/Metro Center station could generate between \$16.8 million and \$22.5 million over a 10-year term.

9.11 Pico

The following table provides an overview of the proposed benefits and values which would be included in a Naming Rights agreement for the Pico station.

Table 9.11.1

| Asset | Pico Station |
|-------------------------|--|
| Asset Description | Pico Naming Rights |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Naming Rights Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Station Signs; • Sponsor ID on Interior Station Signs; • Sponsor ID on Permanent Station Maps; • Sponsor ID on Route Maps within Vehicles; • Sponsor ID in Audio Announcements within Vehicles; <p>Sponsor ID in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Published LACMTA Schedules/Maps; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Pico

The following table provides an overview of the proposed quantitative benefits which would be included in a naming rights agreement for the Pico station:

Table 9.11.2 Pico Naming Rights Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|------------------|
| Sponsor ID on Exterior Station Signs (Drive-by traffic) | 6,507,038 | \$31,104 |
| Sponsor ID on Interior Station Signs (Passenger Impressions) | 36,490,792 | \$174,426 |
| Sponsor ID on Permanent Station Maps | 14,404,260 | \$31,689 |
| Sponsor ID on Route Maps within Vehicles | 2,717,421 | \$9,076 |
| Sponsor ID in Audio Announcements within Vehicles | 1,358,710 | \$4,538 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Published LACMTA Schedules/Maps | 2,717,421 | \$46,196 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID on LACMTA Social Media; once per month | 279,098 | \$21,472 |
| TOTAL | 68,049,740 | \$331,371 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Pico station between \$250,000 and \$500,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the Naming Rights for the Pico station could generate between \$2.8 million and \$5.6 million over a 10-year term.

9.12 Additional Rail Stations

In order to provide values for the remaining stations (excluding Union Station) along the A, Red, Green, Gold, Purple and E lines, Superlative broke the stations into different tiers to highlight the value ranges possible. The tiers are defined as:

- **Highway** – are stations located along or in the center of the highways that coincide with the line route. These stations are extremely visible to the population of Los Angeles that travels via highway and provide a massive branding opportunity to reach that audience. This tier is valued at \$250,000 per annum.
- **Gold** – are the next most valuable stations that are located along busier roadways but not highways. These stations are valued at \$100,000 per annum.
- **Silver** – the third tier of stations located throughout the LACMTA service area on less busy roadways and are valued at \$50,000 per annum.

A larger buildout of each station valuation is available upon request. In consideration of the size and length of this report, the additional tiered stations are presented in the following tables.

Table 9.12.1 Highway Tier Stations

| Highway Stations | |
|------------------|---|
| Value | \$250,000 per year \$2,813,732 over 10-year term, including 2.6% CPI escalator |
| Shared Stations | Willowbrook – Rosa Parks |
| A Line Stations | None |
| B Line Stations | None |
| C Line Stations | Norwalk, Lakewood Blvd., Long Beach Blvd., Avalon, Harbor Freeway, Vermont/Athens, Crenshaw, Hawthorne/Lennox, Aviation/LAX |
| L Line Stations | Sierra Madre, Allen, Lake |
| D Line Stations | None |
| E Line Stations | None |

Table 9.12.2 Gold Tier Stations

| Gold Stations | |
|-----------------|--|
| Value | \$100,000 per year \$1,125,493 over 10-year term, including 2.6% CPI escalator |
| Shared Stations | Westlake/MacArthur Park, Wilshire/Vermont |
| A Line Stations | Pacific Coast Highway |
| B Line Stations | Vermont/Beverly, Vermont/Sunset, Hollywood/Western, Hollywood/Vine, Hollywood/Highland, Universal/Studio City, North Hollywood |
| C Line Stations | None |
| L Line Stations | Irwindale, Little Tokyo/Arts District |
| D Line Stations | Wilshire/Normandie, Wilshire/Western |
| E Line Stations | Downtown Santa Monica |

Table 9.12.3 Silver Tier Stations

| Silver Stations | |
|-----------------|--|
| Value | \$50,000 per year \$562,746 over 10-year term, including 2.6% CPI escalator |
| Shared Stations | None |
| A Line Stations | Grand/LATTC, San Pedro Street, Washington, Vernon, Slauson, Florence, Firestone, 103 rd Street/Watts Tower, Compton, Artesia, Del Amo, Wardlow, Willow Street, Anaheim Street, 5 th Street, 1 st street, Pacific Ave, Downtown Long Beach |
| B Line Stations | Vermont/Santa Monica |
| C Line Stations | Mariposa, El Segundo, Douglas, Redondo Beach |
| L Line Stations | APU/Citrus College, Azusa Downtown, Duarte/City of Hope, Monrovia, Arcadia, Memorial Park, Del Mar, Fillmore, South Pasadena, Highland Park, Southwest Museum, Heritage Square/Arroyo, Lincoln Heights/Cypress Park, Chinatown, Pico/Aliso, Mariachi Plaza/Boyle Heights, Soto Station, Indiana, Maravilla, East LA Civic Center, Atlantic |
| D Line Stations | None |
| E Line Stations | LATTC/Ortho Institute, Jefferson/USC, Expo Park/USC, Expo/Vermont, Expo/Western, Expo/Crenshaw, Farmdale, Expo/La Brea/Ethel Brady, La Cienega/Jefferson, Culver City, Palms, Westwood/Rancho Park, Expo/Sepulveda, Expo/Bundy, 26th Street/Bergamont, 17th Street/SMC |

10 Metro Bike System Valuation (Task 7)

10.1 Introduction

This section provides an overview of the Asset Database for the additional Metro bike system, which identifies and values the main Naming Rights and/or Corporate Sponsorship assets and provides our strategy of how the main assets should be matched to target categories.

As discussed in Section 3, The Superlative Group studied numerous sources provided by LACMTA and through original research in order to determine a baseline level of total impressions that each sponsorship asset receives. Superlative made prudent assumptions as to the number and frequency of rotations on signage inventory and internal electronic message boards, if applicable. Superlative also takes the following factors into account when determining the appropriate amount of impressions a piece of signage or collateral would receive:

Valuation Factors

The following factors have been considered as part of The Superlative Group valuation process:

- **Size/Design** – has a direct impact on visibility. Within a given market, advertising space carries a different value depending upon the number of impressions, which are used to calculate advertising rates. An impression indicates the number of times an advertisement is seen by pedestrians, motorists and transit riders.
- **Location** – Rates are higher in high demand areas. Billboards in New York City will carry some of the highest rates in the nation. Location also dictates the demographics of the audience. Airport advertising rates are high due to the premium demographics of air travelers.
- **Rotation** – In the case of digital advertising inventory, rates are based on the length of each advertisement. Rotations can range from 8 seconds to 30 seconds (depending on average wait time in a given location) with out-of-home advertising agencies aiming to maximize the number of advertisers on each digital ad board.
- **Demand** – Premium units and high-traffic transit stations in the heart of cities may have a long list of advertisers waiting to display their message. The proximity of certain ads to airports, shopping centers, entertainment facilities, sports arenas, convention centers and other attractions also increases demand and price. Further, other events and timing make outdoor inventory more "precious" and can impact rates, such as large sporting events or beach adjacent inventory in the summer months.
- **Population** – Audience size will influence the cost.

The most important factors for the purposes of this valuation will be the size, design, frequency and location of all identification signage and any additional sponsor signage.

This section provides the following information:

- Asset Description;
- Sponsorship Opportunity;
- Term of Sponsorship; and
- Proposed Fair Market Value.

10.2 Metro Bike Share

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the Metro Bike Share program.

Table 10.2.1

| Asset | Metro Bike Share |
|-------------------------|---|
| Asset Description | Metro Bike Share Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Bicycles; • Sponsor ID on Bicycle Racks; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Bike Share Email Communications; • Sponsor ID on Bike Share and LACMTA websites; • Sponsor ID on Bike Share Mobile App; • Sponsor ID on Bike Share and LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Sponsorship Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Metro Bike Share

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the Metro Bike Share:

Table 10.2.2 Metro Bike Share Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|------------------|
| Sponsor ID on Bicycles | | |
| - Impressions from Riders | 76,651,480 | \$354,130 |
| - Impressions from Local Residents/Tourists | 15,079,139 | \$69,666 |
| - Impressions from Passing Vehicles | 80,422,072 | \$140,739 |
| Sponsor ID on Bicycle Racks | | |
| - Impressions from Riders | 5,000,000 | \$23,100 |
| - Impressions from Local Residents/Tourists | 15,079,139 | \$69,666 |
| - Impressions from Passing Vehicles | 55,089,119 | \$96,406 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on Bike Share Email Communications | 120,000 | \$6,000 |
| Sponsor ID on Bike Share and LACMTA websites | 2,845,700 | \$10,245 |
| Sponsor ID on Bike Share Mobile App | 2,375,000 | \$5,296 |
| Sponsor ID on Bike Share and LACMTA Social Media; once per month | 1,168,029 | \$7,125 |
| TOTAL | 253,829,677 | \$782,371 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Metro Bike Share between \$500,000 and \$1 million per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the Metro Bike Share could generate between \$5.6 million and \$11.2 million over a 10-year term.

General Valuation Assumptions**Sponsor Signage Exposure**

- i. Sponsor ID will be included on all Metro Bike Share bicycles.
- ii. Sponsor ID will be included on all Metro Bike Share bicycle racks.

Digital Exposure

- iii. Sponsor will receive recognition in Metro Bike Share email communications, assumed monthly.
- iv. Sponsor will receive recognition on the current Bike Share and LACMTA website anywhere the Bike Share is mentioned.
- v. Sponsor will receive recognition on the Bike Share Mobile App.
- vi. Sponsor will receive recognition in Bike Share and LACMTA social media posts, assuming one post per month.

11 Metro Property Valuation (Task 7)

11.1 Introduction

This section provides an overview of the Asset Database for Metro property, which identifies and values the main Naming Rights and/or Corporate Sponsorship assets and provides our strategy of how the main assets should be matched to target categories.

As discussed in Section 3, The Superlative Group studied numerous sources provided by LACMTA and through original research in order to determine a baseline level of total impressions that each sponsorship asset receives. Superlative made prudent assumptions as to the number and frequency of rotations on signage inventory and internal electronic message boards, if applicable. Superlative also takes the following factors into account when determining the appropriate amount of impressions a piece of signage or collateral would receive:

Valuation Factors

The following factors have been considered as part of The Superlative Group valuation process:

- **Size/Design** – has a direct impact on visibility. Within a given market, advertising space carries a different value depending upon the number of impressions, which are used to calculate advertising rates. An impression indicates the number of times an advertisement is seen by pedestrians, motorists and transit riders.
- **Location** – Rates are higher in high demand areas. Billboards in New York City will carry some of the highest rates in the nation. Location also dictates the demographics of the audience. Airport advertising rates are high due to the premium demographics of air travelers.
- **Rotation** – In the case of digital advertising inventory, rates are based on the length of each advertisement. Rotations can range from 8 seconds to 30 seconds (depending on average wait time in a given location) with out-of-home advertising agencies aiming to maximize the number of advertisers on each digital ad board.
- **Demand** – Premium units and high-traffic transit stations in the heart of cities may have a long list of advertisers waiting to display their message. The proximity of certain ads to airports, shopping centers, entertainment facilities, sports arenas, convention centers and other attractions also increases demand and price. Further, other events and timing make outdoor inventory more "precious" and can impact rates, such as large sporting events or beach adjacent inventory in the summer months.
- **Population** – Audience size will influence the cost.

The most important factors for the purposes of this valuation will be the size, design, frequency and location of all identification signage and any additional sponsor signage.

This section provides the following information:

- Asset Description;
- Sponsorship Opportunity;
- Term of Sponsorship; and
- Proposed Fair Market Value.

11.2 Passageway at Union Station

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the Passageway at Union Station.

Table 11.2.1

| Asset | Passageway at Union Station |
|-------------------------|--|
| Asset Description | Passageway Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Passageway Entrance Signage; • Sponsor ID on Interior Passageway Signage; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; multiple pages; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Sponsorship Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Passageway at Union Station

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the Passageway at Union Station:

Table 11.2.2 Passageway at Union Station Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|------------------|
| Sponsor ID on Passageway Entrance Signage | 33,893,418 | \$176,585 |
| Sponsor ID on Interior Passageway Signage | 45,191,224 | \$81,796 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 86,008,818 | \$292,723 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Passageway at Union Station between \$200,000 and \$300,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the Passageway at Union Station could generate between \$2.2 million and \$3.4 million over a 10-year term.

General Valuation Assumptions

Sponsor Signage Exposure

- i. Sponsor ID will be included on signage at the two entrances to the Passageway.
- ii. Sponsor ID will be included on interior signage located throughout the Passageway; valuation assumes an estimated eight (8) signs.

Digital Exposure

- iii. Sponsor will receive recognition on the LACMTA website anywhere the Passageway is mentioned and also included on information pages associated with Union Station.
- iv. Sponsor will receive recognition in LACMTA social media posts, assuming one post per month.

11.3 Public Restrooms

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the public restrooms.

Table 11.3.1

| Asset | Public Restrooms |
|-------------------------|--|
| Asset Description | Public Restrooms Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Facility Exterior; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; multiple pages; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Sponsorship Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Public Restrooms

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the Public Restrooms:

Table 11.3.2 Public Restrooms Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|------------------|
| Sponsor ID on Facility Exterior | 92,616,702 | \$167,636 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 99,540,878 | \$201,978 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Public Restrooms between \$150,000 and \$250,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the Public Restrooms could generate between \$1.6 million and \$2.8 million over a 10-year term.

General Valuation Assumptions

Sponsor Signage Exposure

- i. Sponsor ID will be featured on the exterior of all of the facilities. Valuation assumes facilities will be located at the following stations: Downtown Long Beach, 7th Street/Metro Center, Redondo Beach, Norwalk, Atlantic, APU/Citrus College, Downtown Santa Monica, Chatsworth, North Hollywood, Harbor Gateway Transit Center, El Monte, Pico, Aviation/LAX, Harbor Fwy, Willowbrook/Rosa Parks, Cal State LA and Pacific/21st Layover.

Digital Exposure

- ii. Sponsor will receive recognition on the LACMTA website anywhere the public restrooms are mentioned and also included on information pages associated with Union Station.
- iii. Sponsor will receive recognition in LACMTA social media posts, assuming one post per month.

11.4 Azusa Pacific University (APU)/Citrus Parking

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the APU/Citrus parking garage.

Table 11.4.1

| Asset | APU/Citrus Parking Garage |
|-------------------------|--|
| Asset Description | APU/Citrus Parking Garage Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Garage Signage; • Sponsor ID on Interior Garage Signage; • Sponsor ID on Garage Ticketing Machines/Booths; <p>Sponsor Exposure in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Garage Tickets; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: APU/Citrus Parking Garage

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the APU/Citrus parking garage:

Table 11.4.2 APU/Citrus Parking Garage Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|-----------------|
| Sponsor ID on Exterior Garage Signage | 2,963,015 | \$15,437 |
| Sponsor ID on Interior Garage Signage | 64,194 | \$334 |
| Sponsor ID on Garage Ticketing Machines/Booths | 71,327 | \$129 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Garage Tickets | 71,327 | \$1,213 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 10,094,040 | \$51,455 |

Revenue Potential

The Superlative Group calculates the fair market value range of the APU/Citrus parking garage between \$50,000 and \$100,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the APU/Citrus parking garage could generate between \$562,746 and \$1.1 million over a 10-year term.

General Valuation Assumptions

Sponsor Signage Exposure

- i. Sponsor ID will be included on all exterior garage signage, visible to passing traffic.
- ii. Sponsor ID will be included on all interior garage signage.
- iii. Sponsor ID will be included on all ticketing machines/booths located in the garage.

Sponsor Exposure in Additional Marketing Materials

- iv. Sponsor ID will be included on all tickets produced in the garage.

Digital Exposure

- v. Sponsor will receive recognition on the LACMTA website anywhere the parking garage is mentioned.
- vi. Sponsor will receive recognition in LACMTA social media posts, assuming one post per month.

11.5 Arcadia Parking

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the Arcadia parking garage.

Table 11.5.1

| Asset | Arcadia Parking Garage |
|-------------------------|--|
| Asset Description | Arcadia Parking Garage Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Garage Signage; • Sponsor ID on Interior Garage Signage; • Sponsor ID on Garage Ticketing Machines/Booths; <p>Sponsor Exposure in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Garage Tickets; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Arcadia Parking Garage

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the Arcadia parking garage:

Table 11.5.2 Arcadia Parking Garage Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|-----------------|
| Sponsor ID on Exterior Garage Signage | 2,948,543 | \$15,362 |
| Sponsor ID on Interior Garage Signage | 57,871 | \$302 |
| Sponsor ID on Garage Ticketing Machines/Booths | 64,301 | \$116 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Garage Tickets | 64,301 | \$1,093 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 10,059,191 | \$51,215 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Arcadia parking garage between \$50,000 and \$100,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the Arcadia parking garage could generate between \$562,746 and \$1.1 million over a 10-year term.

11.6 Atlantic Parking

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the Atlantic parking garage.

Table 11.6.1

| Asset | Atlantic Parking Garage |
|-------------------------|--|
| Asset Description | Atlantic Parking Garage Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Garage Signage; • Sponsor ID on Interior Garage Signage; • Sponsor ID on Garage Ticketing Machines/Booths; <p>Sponsor Exposure in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Garage Tickets; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Atlantic Parking Garage

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the Atlantic parking garage:

Table 11.6.2 Atlantic Parking Garage Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|-----------------|
| Sponsor ID on Exterior Garage Signage | 8,778,250 | \$45,735 |
| Sponsor ID on Interior Garage Signage | 64,359 | \$335 |
| Sponsor ID on Garage Ticketing Machines/Booths | 71,510 | \$129 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Garage Tickets | 71,510 | \$1,216 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 15,909,804 | \$81,757 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Atlantic parking garage between \$75,000 and \$125,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the Atlantic parking garage could generate between \$844,120 and \$1.4 million over a 10-year term.

11.7 Expo/Sepulveda Parking

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the Expo/Sepulveda parking garage.

Table 11.7.1

| Asset | Expo/Sepulveda Parking Garage |
|-------------------------|--|
| Asset Description | Expo/Sepulveda Parking Garage Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Garage Signage; • Sponsor ID on Interior Garage Signage; • Sponsor ID on Garage Ticketing Machines/Booths; <p>Sponsor Exposure in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Garage Tickets; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Expo/Sepulveda Parking Garage

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the Expo/Sepulveda parking garage:

Table 11.7.2 Expo/Sepulveda Parking Garage Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|-----------------|
| Sponsor ID on Exterior Garage Signage | 282,328 | \$1,471 |
| Sponsor ID on Interior Garage Signage | 39,338 | \$205 |
| Sponsor ID on Garage Ticketing Machines/Booths | 43,709 | \$79 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Garage Tickets | 43,709 | \$743 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 7,333,259 | \$36,840 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Expo/Sepulveda parking garage between \$25,000 and \$50,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the Expo/Sepulveda parking garage could generate between \$281,373 and \$562,746 million over a 10-year term.

11.8 Irwindale Parking

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the Irwindale parking garage.

Table 11.8.1

| Asset | Irwindale Parking Garage |
|-------------------------|--|
| Asset Description | Irwindale Parking Garage Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Garage Signage; • Sponsor ID on Interior Garage Signage; • Sponsor ID on Garage Ticketing Machines/Booths; <p>Sponsor Exposure in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Garage Tickets; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Irwindale Parking Garage

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the Irwindale parking garage:

Table 11.8.2 Irwindale Parking Garage Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|-----------------|
| Sponsor ID on Exterior Garage Signage | 8,326,052 | \$43,379 |
| Sponsor ID on Interior Garage Signage | 88,284 | \$460 |
| Sponsor ID on Garage Ticketing Machines/Booths | 98,094 | \$178 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Garage Tickets | 98,094 | \$1,668 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 15,534,699 | \$80,026 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Irwindale parking garage between \$75,000 and \$125,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the Irwindale parking garage could generate between \$844,120 and \$1.4 million over a 10-year term.

11.9 La Cienega/Jefferson Parking

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the La Cienega/Jefferson parking garage.

Table 11.9.1

| Asset | La Cienega/Jefferson Parking Garage |
|-------------------------|--|
| Asset Description | La Cienega/Jefferson Parking Garage Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Garage Signage; • Sponsor ID on Interior Garage Signage; • Sponsor ID on Garage Ticketing Machines/Booths; <p>Sponsor Exposure in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Garage Tickets; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: La Cienega/Jefferson Parking Garage

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the La Cienega/Jefferson parking garage:

Table 11.9.2 La Cienega/Jefferson Parking Garage Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|-----------------|
| Sponsor ID on Exterior Garage Signage | 6,663,166 | \$34,715 |
| Sponsor ID on Interior Garage Signage | 114,291 | \$595 |
| Sponsor ID on Garage Ticketing Machines/Booths | 126,990 | \$230 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Garage Tickets | 126,990 | \$2,159 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 13,955,612 | \$72,041 |

Revenue Potential

The Superlative Group calculates the fair market value range of the La Cienega/Jefferson parking garage between \$50,000 and \$100,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the La Cienega/Jefferson parking garage could generate between \$562,746 and \$1.1 million over a 10-year term.

11.10 Monrovia Parking

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the Monrovia parking garage.

Table 11.10.1

| Asset | Monrovia Parking Garage |
|-------------------------|--|
| Asset Description | Monrovia Parking Garage Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Garage Signage; • Sponsor ID on Interior Garage Signage; • Sponsor ID on Garage Ticketing Machines/Booths; <p>Sponsor Exposure in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Garage Tickets; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Monrovia Parking Garage

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the Monrovia parking garage:

Table 11.10.2 Monrovia Parking Garage Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|-----------------|
| Sponsor ID on Exterior Garage Signage | 5,742,874 | \$29,920 |
| Sponsor ID on Interior Garage Signage | 40,187 | \$209 |
| Sponsor ID on Garage Ticketing Machines/Booths | 44,652 | \$81 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Garage Tickets | 44,652 | \$759 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 12,796,539 | \$65,312 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Monrovia parking garage between \$50,000 and \$100,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the Monrovia parking garage could generate between \$562,746 and \$1.1 million over a 10-year term.

11.11 Sierra Madre Parking

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the Sierra Madre parking garage.

Table 11.11.1

| Asset | Sierra Madre Parking Garage |
|-------------------------|--|
| Asset Description | Sierra Madre Parking Garage Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Garage Signage; • Sponsor ID on Interior Garage Signage; • Sponsor ID on Garage Ticketing Machines/Booths; <p>Sponsor Exposure in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Garage Tickets; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Sierra Madre Parking Garage

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the Sierra Madre parking garage:

Table 11.11.2 Sierra Madre Parking Garage Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|------------------|
| Sponsor ID on Exterior Garage Signage | 67,616,250 | \$352,281 |
| Sponsor ID on Interior Garage Signage | 159,487 | \$831 |
| Sponsor ID on Garage Ticketing Machines/Booths | 177,208 | \$321 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Garage Tickets | 177,208 | \$3,013 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 75,054,328 | \$390,787 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Sierra Madre parking garage between \$250,000 and \$500,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the Sierra Madre parking garage could generate between \$2.8 million and \$5.6 million over a 10-year term.

11.12 Willow Parking

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the Willow parking garage.

Table 11.12.1

| Asset | Willow Parking Garage |
|-------------------------|--|
| Asset Description | Willow Parking Garage Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Exterior Garage Signage; • Sponsor ID on Interior Garage Signage; • Sponsor ID on Garage Ticketing Machines/Booths; <p>Sponsor Exposure in Additional Marketing Materials</p> <ul style="list-style-type: none"> • Sponsor ID on Garage Tickets; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Naming Rights Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Willow Parking Garage

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the Willow parking garage:

Table 11.12.2 Willow Parking Garage Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|--|----------------------|-----------------|
| Sponsor ID on Exterior Garage Signage | 6,073,600 | \$31,643 |
| Sponsor ID on Interior Garage Signage | 93,060 | \$485 |
| Sponsor ID on Garage Ticketing Machines/Booths | 103,400 | \$187 |
| Sponsor Exposure in Additional Marketing Materials | Weighted Impressions | Annual Benefit |
| Sponsor ID on Garage Tickets | 103,400 | \$1,758 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 13,297,636 | \$68,415 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Willow parking garage between \$50,000 and \$100,000 per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the S Willow parking garage could generate between \$562,746 and \$1.1 million over a 10-year term.

12 Microtransit and Non-Revenue Vehicles Valuation (Task 7)

12.1 Introduction

This section provides an overview of the Asset Database for Metro microtransit and non-revenue vehicles, which identifies and values the main Naming Rights and/or Corporate Sponsorship assets and provides our strategy of how the main assets should be matched to target categories.

As discussed in Section 3, The Superlative Group studied numerous sources provided by LACMTA and through original research in order to determine a baseline level of total impressions that each sponsorship asset receives. Superlative made prudent assumptions as to the number and frequency of rotations on signage inventory and internal electronic message boards, if applicable. Superlative also takes the following factors into account when determining the appropriate amount of impressions a piece of signage or collateral would receive:

Valuation Factors

The following factors have been considered as part of The Superlative Group valuation process:

- **Size/Design** – has a direct impact on visibility. Within a given market, advertising space carries a different value depending upon the number of impressions, which are used to calculate advertising rates. An impression indicates the number of times an advertisement is seen by pedestrians, motorists and transit riders.
- **Location** – Rates are higher in high demand areas. Billboards in New York City will carry some of the highest rates in the nation. Location also dictates the demographics of the audience. Airport advertising rates are high due to the premium demographics of air travelers.
- **Rotation** – In the case of digital advertising inventory, rates are based on the length of each advertisement. Rotations can range from 8 seconds to 30 seconds (depending on average wait time in a given location) with out-of-home advertising agencies aiming to maximize the number of advertisers on each digital ad board.
- **Demand** – Premium units and high-traffic transit stations in the heart of cities may have a long list of advertisers waiting to display their message. The proximity of certain ads to airports, shopping centers, entertainment facilities, sports arenas, convention centers and other attractions also increases demand and price. Further, other events and timing make outdoor inventory more "precious" and can impact rates, such as large sporting events or beach adjacent inventory in the summer months.
- **Population** – Audience size will influence the cost.

The most important factors for the purposes of this valuation will be the size, design, frequency and location of all identification signage and any additional sponsor signage.

This section provides the following information:

- Asset Description;
- Sponsorship Opportunity;
- Term of Sponsorship; and
- Proposed Fair Market Value.

12.2 Freeway Service Patrol

The following table provides an overview of the proposed benefits and values which would be included in a sponsorship agreement for the Freeway Service Patrol.

Table 12.2.1

| Asset | Freeway Service Patrol |
|-------------------------|--|
| Asset Description | Freeway Service Patrol Sponsorship |
| Sponsorship Opportunity | <p>Subject to LACMTA approval, a Sponsorship Agreement would include the following sponsorship benefits:</p> <p>Sponsor Signage Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on Freeway Service Signs; • Sponsor ID on Freeway Service Vehicles; • Sponsor ID from Freeway Service Patrol Assists; <p>Digital Exposure</p> <ul style="list-style-type: none"> • Sponsor ID on metro.net; • Sponsor ID on LACMTA Social Media. |
| Term of Sponsorship | <p>Due to the number of signs and the degree of brand integration, the proposed term of the sponsorship opportunity will be 10 years, in order to allow permanence in the Line name as it becomes part of the lexicon of the community and to visitors.</p> <p>The Sponsorship Agreement will include a CPI escalator, assumed to be 2.6% in California.</p> |

Value Range: Freeway Service Patrol

The following table provides an overview of the proposed quantitative benefits which would be included in a sponsorship agreement for the Freeway Service Patrol:

Table 12.2.2 Freeway Service Patrol Sponsorship Valuation

| Sponsor Signage Exposure | Weighted Impressions | Annual Benefit |
|---|----------------------|--------------------|
| Sponsor Exposure from Freeway Service Area Signage | 7,539,373,920 | \$1,868,257 |
| Sponsor Exposure from Freeway Service Vehicle Wraps | 1,966,447,275 | \$943,895 |
| Sponsor Exposure from FSP Assists; vehicles, uniforms, etc. | 300,000 | \$354 |
| Digital Exposure | Weighted Impressions | Annual Benefit |
| Sponsor ID on metro.net; multiple pages | 3,575,000 | \$12,870 |
| Sponsor ID on LACMTA Social Media; once per month | 3,349,176 | \$21,472 |
| TOTAL | 9,513,045,371 | \$2,846,848 |

Revenue Potential

The Superlative Group calculates the fair market value range of the Freeway Service Patrol between \$2.0 million and \$3.0 million per annum. Assuming inclusion of an annual CPI escalator of 2.6%, the sponsorship for the Freeway Service Patrol could generate between \$22.5 million and \$33.8 million over a 10-year term. Typically, these types of sponsorships are agreed to in three- to seven-year terms, with renewal options. This does not impact the proposed annual value.

General Valuation Assumptions**Sponsor Signage Exposure**

- i. Sponsor ID will be included on Freeway Service Patrol signs throughout the service area, visible to traffic along the freeways.
- ii. Sponsor ID will be included on Freeway Service Patrol vehicles.
- iii. Sponsor ID will be included on Freeway Service Patrol uniforms.

Digital Exposure

- iv. Sponsor will receive recognition on the current LACMTA website anywhere the Freeway Service Patrol is mentioned
- v. Sponsor will receive recognition in LACMTA social media posts, assuming one post per month.

13 Risks & Contractual Issues

13.1 Overview

This section of the report provides an overview of potential risks and limitations that may impact the marketability of the assets and benefits of the Naming Rights and Corporate Sponsorship program for LACMTA. Section 13.3 and 13.4 below provides an overview of the main clauses that should be included in the draft Naming Agreement.

13.2 Risk Register

A risk register will be developed to identify, monitor and mitigate key risks and limitations associated with the Corporate Sponsorship/Naming Rights project. Project risks will fall under the following categories.

COVID-19

| Risk | Risk Rating | Mitigation Factor(s) |
|---|-------------|---|
| <p>Superlative was appointed by LACMTA in December 2019 prior to the COVID-19 outbreak, which resulted in severe restrictions on travel and significant economic uncertainty.</p> <p>There is a potential timing risk that delays to the COVID-19 shutdown could have a detrimental impact on the Naming Rights sales program. There is a potential economic risk that the valuations included in this report could be negatively impacted by the economic uncertainty.</p> | Medium | It is anticipated that the current restrictions on movement will be lifted and the economic position will be more clear. Superlative's sales executives can recommend multiple strategies for capturing revenue during periods of economic uncertainty, which should assist LACMTA with mitigating any concerns with loss of revenue. |

Signage/Advertising/Sponsorship Regulations

| Risk | Risk Rating | Mitigation Factor(s) |
|--|-------------|---|
| It is important that all Naming Rights and sponsorship signage proposals comply with relevant City and State signage ordinances. As of 2017, the previous proposed Naming Rights policy for LACMTA was put on hold due to concerns pertaining to lack of control of asset names, reputational risks (see below) and other factors. LACMTA has the right to revisit this policy, which will be necessary in order to pursue Naming Rights campaigns for assets. | Medium | Superlative is consulting with LACMTA representatives to ensure that all proposed Sponsorship benefits included in the valuation are deliverable and legally compliant. |

Reputational Risks

| Risk | Risk Rating | Mitigation Factor(s) |
|---|-------------|---|
| Public trust may be damaged by Sponsorships that are aesthetically displeasing, politically oriented, inconsistent with LACMTA's objectives and core services, or otherwise inappropriate or offensive to the audience. | Low | All proposed sponsorships must comply with signage guidelines. The LACMTA Sponsorship Policy, being developed as part of this project, would provide further clarity regarding acceptable target sponsors. Also, see Section 13.4 for examples of Moral Turpitude clauses that address such concerns. |

Legal Risk

| Risk | Risk Rating | Mitigation Factor(s) |
|--|-------------|--|
| Lack of clarity regarding objectives and definitions of Naming Rights and Corporate Sponsorships. | Low | Thorough legal review of definitions by Superlative, LACMTA and target sponsor legal departments. |
| Lack of clarity regarding other legal aspects of the Naming Rights Agreement, such as definition of specific benefits, licenses to use Trademarks and Service Marks, Artworks and Signage costs, and resolution of disputes between LACMTA and any Naming Sponsor. | Low | Inclusion of a detailed Schedule of Rights and Benefits as an Appendix to the Naming Rights or Sponsorship Agreement. Signage designs and renderings should be agreed and included where possible. |

Economic Risks

| Risk | Risk Rating | Mitigation Factor(s) |
|--|-------------|---|
| Economic failure of a Naming Rights or Sponsorship partner during the term of an agreement | Low | LACMTA should carry out financial Due Diligence on any Naming Rights or Exclusive Partners prior to signature of any major agreement. This would include review of Group Financial Statements and third-party assessments. |
| Concern that a Naming Rights partnership does not provide adequate return for the proposed schedule of benefits. | Low | Value ranges for all Naming Rights and Sponsorships should be agreed before progressing with the sales phase. LACMTA should withdraw from negotiations with companies when negotiations reach the floor of the value range. |

Policy Risks

| Risk | Risk Rating | Mitigation Factor(s) |
|---|-------------|--|
| Lack of political backing for the proposed Naming Rights partnership. | Low | Engagement with LACMTA representatives and other key stakeholders should mitigate any potential political conflicts, both internal and external. |
| Divergence of support between LACMTA and other Stakeholders. | Low | Structured and regular communication channels at key stages of the sales process. |

Project Delay

| Risk | Risk Rating | Mitigation Factor(s) |
|--|-------------|---|
| Risk that a delay to construction of LACMTA facilities has a detrimental impact on the Naming Rights or Sponsorship sales program. | Medium | Timelines for construction of the LACMTA could fluctuate or be extended given the size/scope of the project, creating medium risk. However, this can be mitigated through regular progress reports and communication between LACMTA and Consultant. |

All risks should be logged, monitored and updated as part of the monthly reporting procedure. Metro will need to work directly with key stakeholders to mitigate and eliminate these risks whenever possible.

13.3 Sample Term Sheet

As the nature of any Naming Rights agreement will differ, the terms of each sponsorship opportunity must be refined to the specifics of the program. The following example provides an overview of some of the important elements that we would expect to include. The LACMTA legal department and board will have final review and approval of any agreement.

Benefit Specifications

This section of the Agreement sets out the specifications of proposed signage and other exposure entitlements. LACMTA representatives will work with the Naming Rights Sponsor to develop the design of signage that includes the Naming Rights Sponsor name designation or logo. A schematic of the signage will be made available for review and must be approved by LACMTA. A summary of the proposed benefits is provided below. These will be discussed and agreed with the target Naming Rights partner and developed as a detailed Schedule to the Naming Rights Agreement.

Sponsor Signage Exposure

- Sponsor ID on Vehicle Exterior;
- Sponsor ID on Station & Shelter Signs;
- Sponsor ID within Vehicle Interior;
- Sponsor ID on Permanent Station Maps;
- Sponsor ID on Platform Ticket Vending Machines;

Sponsor ID in Additional Marketing Materials

- Sponsor ID on Published Schedules/Maps;
- Sponsor ID in Earned Media;

Digital Exposure

- Sponsor ID on LACMTA website;
- Sponsor ID on LACMTA Social Media;
- Sponsor ID on LACMTA Email Communications;
- Sponsor ID on GoMetro Mobile App.

Licenses to Use Trademarks and Service Marks

- a. Subject to the terms of the Agreement and so long as the Naming Rights Sponsor is not in breach of any term or condition hereof, LACMTA may grant the Sponsor non-exclusive and royalty-free right to use trademarks/service marks/logos. Any and all materials produced by the Sponsor using the LACMTA marks would be submitted to LACMTA for review and prior approval, which approval shall not be unreasonably withheld or delayed.
- b. All rights of approval of the use of a trademark, service mark, logo or other identification of a party (the "Marks") should be a continuing right so that any party may later object to the use of Marks that had been previously approved should circumstances change or other reasons arise that, in the reasonable judgment of the party objecting, make continued use potentially damaging to reputation or image of the Marks or to the objecting party.
- c. All uses of Marks by a party shall inure to the benefit of the party granting the license in their own marks and not the licensee. No licensee should make any claim of ownership or other interest in any Mark licensed to them hereunder.

Artwork and Media Costs; Installation and Replacement Costs

- a. **Artwork and Media Costs.** The Naming Rights Sponsor should bear the costs of the design and production of the initial signage. In the event the Sponsor determines it is necessary to engage a third party to assist in developing the artwork and media, the Sponsor will bear the third party's fees and other costs.
- b. **Schematics of Signage.** In order for the Sponsor to develop the artwork and media associated with the facilities, LACMTA should provide the Naming Rights Sponsor with the schematics of the facilities upon execution of the Agreement.
- c. **Installation.** LACMTA should install any signage developed by the Naming Rights Sponsor pursuant to this Agreement, at Sponsor's expense.
- d. **Replacement.** The Naming Rights Sponsor should bear all costs of replacement or repair of the signage.

Payment of the Sponsor Fee

In return for the rights granted above, the Naming Rights Sponsor will pay to LACMTA:

- (i) a fee in the amount of [x] Thousand Dollars (\$[x]) being due within fourteen (14) days after execution of this agreement; and
- (ii) [x] annual fee payments of [x] Thousand Dollars (\$[x]) due and owing by [date] in each consecutive year, collectively, the "The Sponsor Fee". The total sum of The Sponsor Fee is [x] Thousand Dollars (\$[x]) over the course of the Initial Term, which is defined below.

The Superlative Group recommends inclusion of a "Step Up" clause which would be invoked if/when major transit route additions are completed, resulting in a significant increase in ridership.

Term

The Term of this Agreement shall be for [x] years commencing on [date] and ending on [date] ("Term"). LACMTA agrees that the Naming Rights Sponsor shall have the sole and exclusive option to renew this Agreement, under terms acceptable to LACMTA, at the end of the Term. The Initial Term and any subsequent renewals are collectively referred to as the "Term".

Termination

Termination for Breach

The Agreement will state the initial term and timescales to exercise the option to extend under the same conditions as the original agreement. Termination would be invoked under the following examples:

- i. Breach of a material term or condition of the Contract (30-day notification period);
- ii. The Authority ceases to operate the program for any reason;
- iii. If any governmental agency enacts or adopts any law, ordinance regulation or rule restricting or prohibiting the use of advertising on vehicles;
- iv. Sponsor or any of its affiliates engages in business that does not conform with the restrictions set forth in this Agreement and/or any other restrictions and/or ordinances imposed by LACMTA and in effect during the Term, including, but not limited to, LACMTA's Advertising Guidelines.
- v. Sponsor or any of its affiliates conducts itself in a way which damages the reputation of LACMTA or is likely to damage the reputation of LACMTA, either directly or by way of damaging the reputation of Sponsor. The determination of whether a Sponsor's activity damages or is likely to damage the reputation of LACMTA is in the sole discretion of LACMTA.
- vi. Sponsor files any voluntary petition in bankruptcy, suffers the appointment of a receiver or trustee to be filed, suffers its assets to be sold to satisfy a judgment of any court, makes any assignment for the benefit of its creditors, or is the subject of any involuntary petition in bankruptcy.
- vii. [Other – as agreed with LACMTA].

The notice of material breach or default should set out the act or omission giving rise to a breach of the Agreement and should specify in detail what is reasonably expected of the breaching party in order to cure the breach. If an alleged breach is a matter of dispute, the parties would attempt to resolve it under the terms of the Dispute Resolution Process Identified below.

Effect of Termination

Upon termination or expiration of the Agreement:

- i. All rights to use the signage cease and LACMTA should remove all signage – at Sponsor's expense – from advertisements and other instances where LACMTA had been using signage prior to the termination; and
- ii. All licenses granted in the Agreement would terminate.

Dispute Resolution Process

- a. The Parties acknowledge that the establishment and operation of the affiliation would require an ongoing commitment by all parties to cooperate and make best efforts. Accordingly, the parties seek to resolve any disputes regarding the Agreement or any other terms of the Agreement. Any party may at any time issue a notice that a dispute exists if such Party believes that another Party has caused a material breach of the Agreement, or a situation or circumstance exists which frustrates, in a material manner, the achievement of the objectives of the Agreement. Such notice would start a process of Progressive Dispute Resolution, which would involve a good faith attempt to resolve the dispute for a period not to exceed one hundred twenty (120) days.
- b. The agreement of the Parties to these Progressive Dispute Resolution procedures is for the benefit of the Parties and is not intended to create any legal, equitable, or beneficial interest in any third party or to vest in any third party any interest with respect to the enforcement of performance of these procedures.
- c. The provisions of this clause would survive any termination, amendment or expiration of this Agreement unless all the parties hereto otherwise expressly agree in writing.

The agreement would also include provisions in relation to the following points:

- Warranties;
- Indemnities;
- Insurance coverage;
- Severability; and
- Governing Law

The specific terms of the agreement would be drafted and negotiated with the sponsorship partner as part of a potential sales program.

13.4 Examples of Moral Turpitude Clauses

As discussed with LACMTA during completion of this Study, below are several examples of Moral Turpitude clauses, designed to eliminate any potential damage to LACMTA's reputation, which should be included in some form in every Naming Rights and sponsorship agreement.

- During the Term of this Agreement and following the expiration of such, Naming Rights Partner agrees to conduct itself in the highest regard, and in accordance with reasonable public conventions and morals, and further agree and warrant that it shall not commit or engage in any act that is degrading to LACMTA, or causes public contempt, scorn, ridicule, or that will shock, insult or offend.
- LACMTA shall have the right to terminate this agreement and no refund shall be due Naming Rights Partner, in the event Naming Rights Partner take or make such act or actions that association with Naming Rights Partner would have a negative impact on the reputation and integrity of LAMCTA.
- If at any time, in the opinion of LACMTA, Naming Rights Partner becomes the subject of public disrepute, contempt, or scandal that affects Naming Rights Partner's image or goodwill, then LACMTA may, upon written notice to Naming Rights Partner, immediately suspend or terminate this Naming Rights Agreement and Naming Rights Partner's services hereunder, in addition to any other rights and remedies that LACMTA may have hereunder or at law or in equity.

14 Conclusions & Next Steps

14.1 Introduction

Sponsorship of LACMTA assets can provide additional revenue and in-kind support for LACMTA, and in return, the company receives greater brand recognition and enhanced advertising value. This report outlines the opportunities that should be considered by LACMTA for its TAP Card program. Please note that the revenue projections included in this study may be dependent on available inventory, quality of impressions and category exclusivity.

14.2 Proposed Values

TAP Card Program

If TAP Card Primary Sponsorship is sold at the high end of the ranges, The Superlative Group estimates the opportunity could generate more than \$22.5 million over the life of the term, assuming inclusion of a 2.6% CPI escalator. Table 9.2.1 below breaks down the proposed fair market values for each of the studied assets.

Table 14.2.1

| Asset | TAP Card Program |
|---------------------------------------|--|
| Annual Value | Option A (Recommended): Primary Sponsor: \$1.5 million - \$2.0 million Option B: Advertising Program: \$400,000 - \$750,000 |
| Terms | 10 years for Primary Sponsor Four weeks for advertisers |
| Total Revenue Potential ²⁴ | Primary Sponsor: \$22.5 million Advertising Program: \$7.5 million |
| Target Categories | All categories: identified by size and marketing budget |

Option A: Sponsorship Revenue Potential (Recommendation 1)

The Superlative Group proposes a value range of \$1.5 million to \$2.0 million per annum for Primary Sponsorship of the TAP Card program. Superlative recommends LACMTA pursue this option and target entities at the top of this value range, over a proposed term of 10 years. Assuming inclusion of a CPI escalator of 2.6%, this opportunity could generate between \$16.9 million and \$22.5 million over the life of the term. **(Recommendation 5)**

Option B: Advertising Revenue Potential

Alternatively, The Superlative Group estimates a four-week TAP advertising campaign could generate \$100,000 to \$125,000 for LACMTA. Assuming an estimated four to six campaigns per year, this opportunity could generate between \$400,000 and \$750,000 per annum, or maximum revenues of \$7.5 million over a period of 10 years.

²⁴ Revenue potential shows the top of each value range over the proposed term, assuming an annual CPI escalator of 2.6%

Naming Rights and Sponsorship

The Superlative Group estimates the Naming Rights and Corporate Sponsorships for LACMTA assets could generate more than \$665 million over the life of the terms, assuming inclusion of a 2.6% escalator for each deal. Table 14.2.2 below breaks down the proposed fair market values for each of the studied assets.

Table 14.2.2

| Rail and Bus Lines | Value Per Annum | | Total Over Term (25 years) | |
|------------------------|--------------------|---------------------|----------------------------|----------------------|
| Metro Line | Low | High | Low | High |
| A Line | \$750,000 | \$1,250,000 | \$25,952,758 | \$43,254,597 |
| B Line | \$1,000,000 | \$1,750,000 | \$34,603,677 | \$60,556,435 |
| C Line | \$2,000,000 | \$2,750,000 | \$69,207,355 | \$95,160,113 |
| L Line | \$1,000,000 | \$1,750,000 | \$34,603,677 | \$60,556,435 |
| D Line | \$500,000 | \$1,000,000 | \$17,301,839 | \$34,603,677 |
| E Line | \$750,000 | \$1,250,000 | \$25,952,758 | \$43,254,597 |
| G Line | \$500,000 | \$1,000,000 | \$17,301,839 | \$34,603,677 |
| J Line | \$500,000 | \$1,000,000 | \$17,301,839 | \$34,603,677 |
| Dodger Stadium Express | \$250,000 | \$500,000 | \$8,650,919 | \$17,301,839 |
| LAX FlyAway | \$150,000 | \$300,000 | \$5,190,552 | \$10,381,103 |
| TOTALS | \$7,400,000 | \$12,550,000 | \$256,067,212 | \$434,276,151 |

| Rail and Bus Stations | Value Per Annum | | Total Over Term (10 years) | |
|-------------------------|--------------------|--------------------|----------------------------|---------------------|
| Metro Station | Low | High | Low | High |
| Civic Center/Grand Park | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| Pershing Square | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| 7th Street/Metro Center | \$1,500,000 | \$2,000,000 | \$16,882,393 | \$22,509,857 |
| Pico | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| TOTALS | \$2,250,000 | \$3,500,000 | \$25,323,589 | \$39,392,250 |

| Additional Stations | Value Per Annum | Value Over Term (10 years) | Quantity | Grand Total Potential |
|---------------------|------------------|----------------------------|------------|-----------------------|
| Highway | \$250,000 | \$2,813,732 | 21 | \$59,088,372 |
| Gold | \$100,000 | \$1,125,493 | 24 | \$27,011,832 |
| Silver | \$50,000 | \$562,746 | 70 | \$39,392,220 |
| TOTALS | \$400,000 | \$4,501,971 | 115 | \$125,492,424 |

| Other Metro Assets | Value Per Annum | | Total Over Term (10 years) | |
|------------------------------|--------------------|--------------------|----------------------------|---------------------|
| | Low | High | Low | High |
| Freeway Service Patrol | \$2,000,000 | \$3,000,000 | \$22,509,857 | \$33,764,786 |
| Metro Bike Share | \$500,000 | \$1,000,000 | \$5,627,464 | \$11,254,929 |
| Passageway at Union Station | \$200,000 | \$300,000 | \$2,250,986 | \$3,376,479 |
| Public Restrooms | \$150,000 | \$250,000 | \$1,688,239 | \$2,813,732 |
| Sierra Madre Villa Parking | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| Atlantic Parking | \$75,000 | \$125,000 | \$844,120 | \$1,406,866 |
| Irwindale Parking | \$75,000 | \$125,000 | \$844,120 | \$1,406,866 |
| APU/Citrus Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Arcadia Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| La Cienega/Jefferson Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Monrovia Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Willow Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Expo/Sepulveda Parking | \$25,000 | \$50,000 | \$281,373 | \$562,746 |
| TOTALS | \$3,525,000 | \$5,850,000 | \$39,673,623 | \$65,841,333 |

14.3 Conclusions

TAP Card Program

Transit ticketing technology is evolving rapidly on an industry-wide scale. As such, Superlative was able to find current benchmarks that demonstrate advertising on physical transit passes, but which was never a significant source of revenue for any transit agency, and therefore not a viable means of generating substantial revenue from corporate partners for LACMTA.

More importantly, LACMTA's TAP Operations Department, operations and other personnel have expressed concern about the perception of over-branding or corporatizing LACMTA assets from the general public. Therefore, a TAP Card advertising program is not the recommended solution. One of Superlative's best practices for transit pass advertising revenue generation, which can be found in Section 5 of the preceding report, states that in order to achieve financial success from an advertising program, LACMTA would need to launch multiple campaigns per year with various partners.

The limited revenue potential, complicated logistics and risk of negative public perception justify our recommendation that Primary Sponsorship of the TAP Card program is a simpler and more valuable approach to monetization of the asset (**Recommendation 1**).

Naming Rights and Sponsorship

Due to the number of potential opportunities, should LACMTA decide to pursue Naming Rights and corporate sponsorship to transit assets, there will be a need to prioritize opportunities, based on the estimated revenue potential and most saleable opportunities. Superlative recommends that LACMTA prioritize opportunities as follows (**Recommendation 6**):

Priority Opportunities

- i. Metro Rail Lines;
- ii. Metro Bus Lines;
- iii. Freeway Service Patrol;
- iv. Metro Stations; and
- v. Metro Bike Share.

Second Tier Opportunities

- vi. Passageway at Union Station;
- vii. Public Restrooms; and
- viii. Parking Garages.

A References

Documents Provided by LACMTA

Bike Assets

BikeShare Bike Asset Specs

City Sign Ordinances – Arcadia, Azusa, Compton, Culver City, Downey, Duarte, El Segundo, Hawthorne, Inglewood, Irwindale, Long Beach, Los Angeles, Lynwood, Monrovia, Norwalk, Pasadena, Redondo Beach, Santa Monica, South Pasadena

Division Facilities Locations

Division Locations 2016

E-Signage Inventory

E-Signage Metro TPIs Master List

Exhibit 13 – Rail Design Directive_Aerial_Center_Platform

Exhibit 14 – Rail Design Directive_At Grade Center

Exhibit 15 – Rail Design Directive_At Grade Side

Exhibit 16 – Rail Design Directive_Underground_Subway_Platform

Final City of LA MOU

Final City of LA MOU Amendment 1

Final MBS000001 Amendment #2

Fully Executed Modification No 1 – Metro Bikeshare

FW_Metro x LAFC 2019 Agreement – Amendment

LA Metro – Transit Authority Ratecard – TA Direct Rates

Los Angeles Ratecard-Bus ALL

Material Fabrication Standards F

Metro Bike Share 2-Pg

Metro Bike Share Deck April 2017

Metro Bike Share Sponsorship Opportunities

Metro Owned Parking OIG

Metro Rail Current and Future

Metro Stations_Rail-Transitway

Park and Ride Summary 2017

Potential Group for Complimentary Bike Branding

PS41099B – Outfront Media Group

PS41099R – Intersection Parent Inc

RE Modification No. 1 (Sponsorship Agreement)

Re_Advertising in Metro Bike rack location at 919 Albany St

RFP No PS157140024

Sales Activity Tracker 030416

Statement of Work-Revised wpics

Supplemental SOW (Final)

Systemwide Bus Lines

Systemwide Bus Stops

Train Vehicles Assignments by Facility

TVM Locations

Web Citations

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Hoffman, Melissa. "Why is My MetroCard Red?" *AdAge*. July 10, 2013.

Industry Publications

Transportation Research Board National Research Council, "Report 32: Multipurpose Transit Payment Media." National Academy Press. Washington, D.C. 1998.

Schaller, Bruce. "Transit Advertising Sales Agreements: A Synthesis of Transit Practice." Transportation Research Board. Washington, D.C. 2004.

Quibrial, Nasreen, Sr. "The Contactless Wave: A Case Study in Transit Payments." Emerging Payments Industry Briefing, Federal Reserve Bank of Boston. 2008.

Transportation Research Board of the National Academies, "Implementation and Outcomes of Fare-Free Transit Systems: A Synthesis of Transit Practice." Washington, D.C. 2012.

Web Sources

Caltrans - <https://dot.ca.gov/programs/traffic-operations/census/traffic-volumes/2017>

City of Arcadia Engineering and Traffic Study - <https://www.arcadiaca.gov/Shape%20Arcadia/Development%20Services/traffic%20and%20engineering/Traffic%20Volume%20Map%202019.pdf>

City of Azusa - <http://azusagis.maps.arcgis.com/apps/StoryMapBasic/index.html?appid=92787afc551740efbd473af09cd09b4f&extent=-117.9760,34.1021,-117.8481,34.1513>

City of Beverly Hills - <http://www.beverlyhills.org/departments/communitydevelopment/trafficengineering/web.jsp>

City of Carson - http://ci.carson.ca.us/content/files/pdfs/BusinessDev/demographics/Traffic_Count_Map.pdf

City of El Monte - https://www.ci.el-monte.ca.us/DocumentCenter/View/1876/Traffic_Count_Map-El-Monte?bidId=

City of Long Beach Public Works - <http://www.longbeach.gov/globalassets/pw/media-library/documents/resources/general/maps-and-gis/2014-citywide-traffic-flow>

City of Los Angeles, Department of Public Works, Bureau of Engineering, NavigateLA - <https://navigate.lacity.org/navigate/>

City of Pasadena Open Data Site - <http://data.cityofpasadena.net/datasets/eaaffc1269994f0e8966e2024647cc56>

City of Pasadena Transportation Data Management System - <https://pasadena.ms2soft.com/tcds/tsearch.asp?loc=Pasadena&mod=>

City of South Pasadena General Plan - <https://www.southpasadenaca.gov/home/showdocument?id=218>

Exposition Metro Line Construction Authority, Exposition Corridor Transit Project Phase 2, Final Environmental Impact Report, Technical Background Report - http://libraryarchives.metro.net/DPGTL/eirs/Expo/docsP2FinalEIR/TBR%20Transportation-Traffic%20w%20Append%20Final_Dec09.pdf

Foothill Gold Line - <https://foothillgoldline.org/>

Metro.net; multiple pages

Los Angeles Dodgers - <https://www.mlb.com/dodgers/ballpark/transportation/dodger-stadium-express>
Similarweb.com

Definitions

Sponsor or Partner. A business or organization that pays a fee in exchange for the rights to a transit agency's marketable assets. Designation is subject to mutual agreement between the parties and can be interchangeable, although "partner" can sometimes denote longer-term commitments. Fees can include cash and in-kind products and services.

Asset. Any intellectual property owned and controlled by the transit agency. This can include attributes ranging from vehicles and stations to marketing collateral and social media.

Naming Rights. Providing a business or organization the right to change the name of the asset in exchange for a fee. Naming rights agreements generally range from five to 25 years to allow for ubiquity in the marketplace with regard to the name of the asset (e.g., the Sycuan Casino Green Line in San Diego).

Impression. A single exposure, such as from a logo, to human eyes.

Out-of-Home (OOH) Advertising. Esoteric term for outdoor advertising, such as billboards, typically used within the advertising industry. Typically abbreviated as "OOH" or shortened to "Out-of-Home" in certain contexts, *"some transit agencies have seen an increase in digital or mobile advertising integration as opposed to out-of-home"*.

Link Kiosks or Links. Proprietary wireless kiosk system implemented by the out-of-home advertising agency Intersection. Each system includes an acronym for its respective city in its nomenclature; for example, LinkPHL in Philadelphia. Intersection's sister system in the United Kingdom is named InLink, but employs the same technology and nomenclature, InLinkUK, etc.

Abbreviations/Acronyms

APU – Azusa Pacific University
 BRT – Bus Rapid Transit
 BVG – Berliner Verkehrsbetrieben, Germany
 CPI – Consumer Price Index
 CPM – Cost per Thousand
 FSP – Metro Freeway Service Patrol
 GCRTA – Greater Cleveland Regional Transit Authority
 HBO – Home Box Office
 ID – Identification
 LA – The City of Los Angeles
 LACMTA of LA Metro – Los Angeles County Metropolitan Transit Authority
 LAWA – Los Angeles World Airports
 LAX – Los Angeles International Airport
 LED – Light Emitting Diode
 MBTA – Massachusetts Bay Transportation Authority
 MCTS – Milwaukee County Transit System
 New York MTA – New York Metropolitan Transit Authority
 NFC - Near Field Communication technology
 OIG – Office of the Inspector General
 OMNY – One Metro New York, contactless fare system for New York MTA
 OOH – Out-of-Home
 OS – Operating System
 RFID – Radio Frequency Identification Chip
 RTC or RTCSNV – Regional Transportation Commission of Southern Nevada
 RTD – Regional Transit District, Colorado
 San Diego MTS – San Diego Metropolitan Transportation System

SEPTA – Southeastern Pennsylvania Transit Authority
STO – Société de transport de l’Outaouais, Quebec
Superlative – The Superlative Group
SUV – Sport Utility Vehicles
TAP – Transit Access Pass
TVM – Ticket Vending Machine
UK – United Kingdom
USB – Universal Serial Bus
WiFi – Wireless Networking
WMATA – Washington Metropolitan Area Transit Authority

B Transit Naming Rights Branding Examples

Example 1: University of California – San Diego Blue Line – San Diego MTS

The University of California – San Diego purchased Naming Rights to the San Diego MTS Blue Line Trolley system in 2015. The Line runs through downtown San Diego to the southern suburbs near UCSD’s campus. A future route extension will also extend into the campus; which is expected in 2018. The University agreed to pay a total of \$28 million over a 30-year term. The University’s yearly fee is reduced in the first four years of the agreement, and then increases by nearly 40% in the final years to account for expected increased ridership and the naming of three on-campus rail stops along the route extension.

Figure 1: Rendering of UC-San Diego Blue Line Vehicle Branding



Figure 2: Example of UC-San Diego Branding on MTS Trolley Maps within the Vehicle

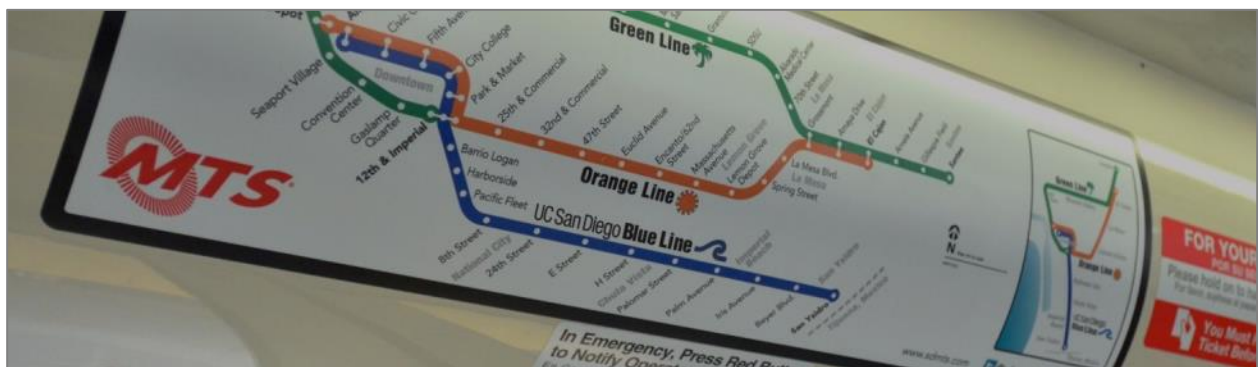


Figure 3: Future UC-San Diego On-campus Trolley Stop Branding

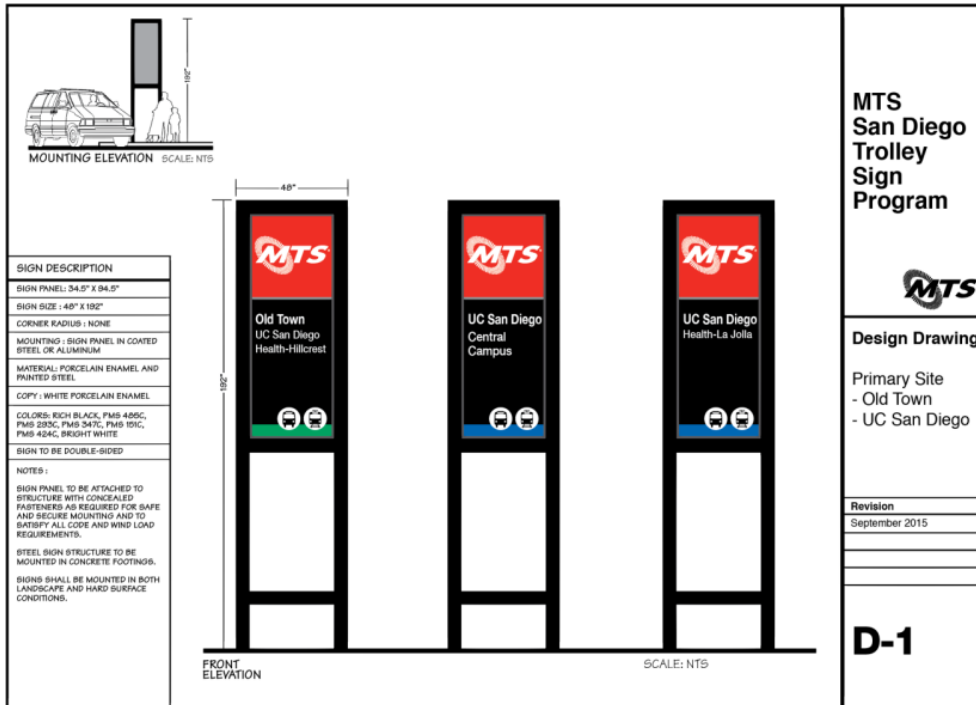


Figure 4: UC-San Diego Blue Line Timetable Branding



Figure 5: San Diego MTS Printed Pocket Trolley Guides – UC-San Diego Branding

MTS Rapid
Great Trolley Connections!
- New Stations
- Longer Hours
- Frequent Service

MTS Rapid
Para viajes limitados en el Trolley y pasados a la mayoría de compañías únicamente para una dirección, póngase de contacto con el personal de Trolley y pasados a la mayoría de los servicios MTS.
Pasaje de una sola dirección: Válido por 2 horas a partir de comprarlo en un punto de venta de Trolley y pasados a la mayoría de los servicios MTS.
Trolley and transfers to most Mt S buses, purchase a Day Pass. Trolley and transfers to most Mt S buses, purchase a Day Pass.
Trolley and transfers to most Mt S buses, purchase a Day Pass.
Trolley and transfers to most Mt S buses, purchase a Day Pass.

FARES

| Adult | Senior/Disabled/Medicare** | Child (5 and under) | Infant (under 5) |
|--------|----------------------------|---------------------|------------------|
| \$2.50 | \$1.25 | FREE | FREE |
| \$5.00 | \$2.50 | FREE | FREE |

For more information visit: www.sdmts.com

Check your Compass Card expiration date! Visit 511sd.com/compass.

SERVICE

| SERVICE | FREQUENCY (minutes) | | | | | | |
|--|-----------------------------|--------|---------|--------------------|-----------------|-------------------|-----------------|
| | WEEKDAYS lunes a viernes | | | SATURDAY sábado | | SUNDAY domingo | |
| UC San Diego Blue Line America Plaza ↔ San Ysidro via National City, Chula Vista and South Bay stations. | Commute | Midday | Evening | Day | Morning/Evening | Day | Morning/Evening |
| Orange Line Santa Fe Depot ↔ El Cajon via Downtown San Diego, Lemon Grove and La Mesa stations. | Commute | Midday | Evening | Day | Morning/Evening | Day | Morning/Evening |
| Green Line 12th & Imperial ↔ Santee via Convention Center, Santa Fe Depot, Old Town, Mission Valley, La Mesa and El Cajon stations. | Commute | Midday | Evening | Day | Morning/Evening | Day | Morning/Evening |

* After 8 a.m., 30 min frequency. ** See 12th & Imperial & Qualcomm Stadium.

All passengers must have a valid ticket or pass in their possession while traveling on the Trolley or in designated fare paid zones. Failure to have a valid fare may result in a court citation.

A Saturday or Sunday Trolley schedule will be operated on the following holidays and observed holidays: New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day and Thanksgiving. Christmas service: every 30 minutes throughout the day on all Trolley lines.

Todos los pasajeros deben tener un pasaje válido o pase en su posesión al viajar en el Trolley o en zonas designadas de pasaje válido. Falta de un pasaje válido podría resultar en una multa.

Se utilizará un horario de Trolley de sábado o domingo en los siguientes días festivos y días festivos de guardar: Día de Año Nuevo, Día de los presidentes, Día de la Independencia, Día del trabajo y Día de acción de gracias. Servicio navideño: cada 30 min durante el día en todas las vías del Trolley.

compass card

Senior/Disabled/Medicare (S/D/M)
All riders using reduced fares must comply with one of the following options:

Option 1 *Recommended by MTS*
MTS offers a picture ID on a Compass Card that provides proof of eligibility. Available at the Transit Store.

Option 2
Riders using a standard S/D/M or Youth Compass Card or a one-way ticket must carry supporting identification to prove eligibility.

For additional benefits of Option 1 and for list of valid forms of ID for Option 2 go to: www.sdmts.com/fares_discounted.asp.

Figure 6: UC-San Diego Blue Line One-Way Ticket



Example 2: Cleveland State Line – Greater Cleveland RTA

Cleveland State University purchased the Naming Rights to the GCRTA West Shore Express BRT Line in 2008. The route, which runs on three branches and connects the western suburbs of Cleveland to the Downtown Core, passes by several local high schools. Cleveland State – with a large commuter student population – found the proximity of the line to these schools attractive as a potential recruitment tool and agreed to pay the RTA \$6.1 million over a 25-year term. Cleveland State also receives signage at two major transit centers, 19 bus stations, 32 bus shelters and 243 bus stops.

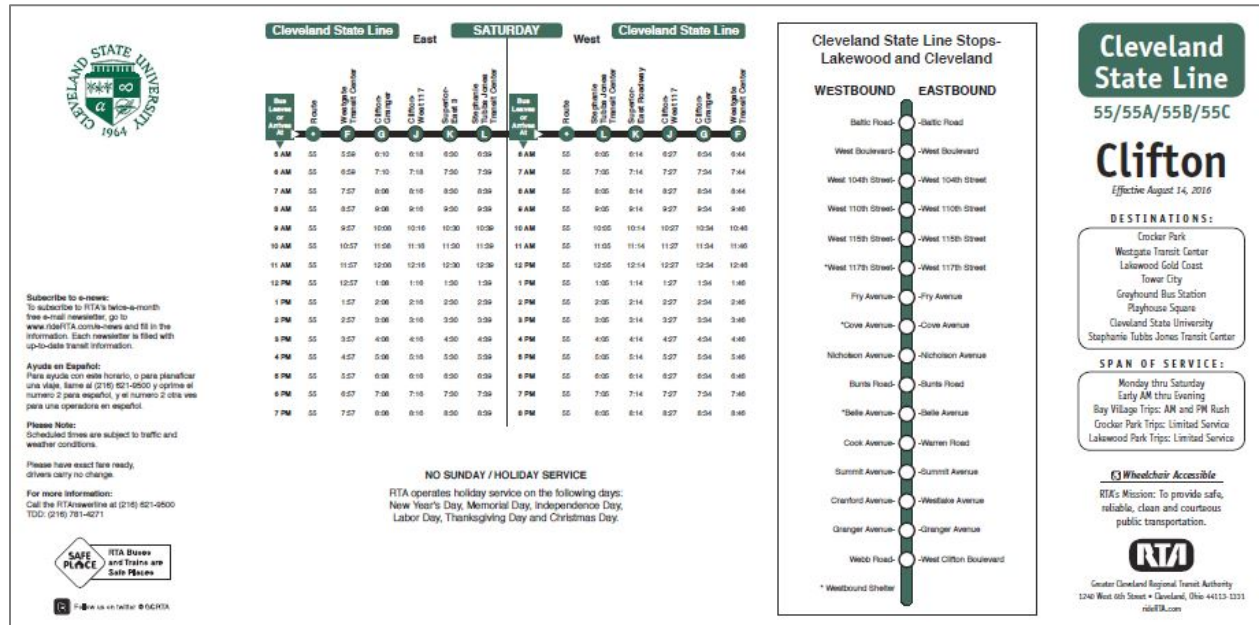
Figure 7: Example of Cleveland RTA Cleveland State University West Shore Express BRT Branding



Figure 8: Cleveland State Line BRT Vehicle Branding



Figure 9: Example of Cleveland State Line Timetable Branding



Example 3: HealthLine – Greater Cleveland RTA

The Euclid Corridor BRT Line was renamed the “HealthLine” through a partnership between the Greater Cleveland RTA and two major hospital systems in the area – University Hospitals and the Cleveland Clinic. The route connects downtown Cleveland to neighborhoods to the east, including University Circle and East Cleveland, where the UH and Clinic campuses are located. The competing hospitals agreed to each pay half of the \$11 million total commitment over a 20-year term. In addition, several stops along the HealthLine have also been sold, for a total of \$1.5 million over 10-year terms.

Figure 10: HealthLine BRT Vehicle Branding



Figure 11: Example of HealthLine Timetable Branding

Proof of Payment

Stations along the route have Ticket Vending Machines (TVM) where you can purchase a single ride ticket or an All-Day Pass. Please note that the TVMs do not make change. On the HealthLine, you pay your fare before you board. Fares will not be collected on the vehicle except during late night hours, or if the TVM at the station is not working. You must hold on to your ticket or pass once onboard. RTA Fare Enforcement Officers will check to see that you have a valid ticket or pass (Proof of Payment). If you don't, you'll be assessed a Violation Fare. Nonpayment of the Violation Fare will lead to criminal prosecution.

Some farecards and passes need to be activated before you board the HealthLine using activation equipment at the stations. Multi-Trip Farecards (1-Trip, 2-Trip or 5-Trip) must be activated for your current trip. The 7-Day Pass and All-Day Pass only need to be activated on the first trip. A current Monthly Pass or U-Pass does not need to be activated.

Tips for Riding

When crossing Euclid Avenue, always use a designated crosswalk and cross only when signaled. At the station, purchase your fare at the vending machine before the vehicle arrives. As the vehicle approaches the station, stand back from the platform edge; the HealthLine pulls up closer to the curb than a traditional bus. Please allow passengers to exit the vehicle before boarding.

Bicycles and the HealthLine

Bike riders on Euclid Ave. may use the designated bike lanes, both eastbound and westbound, from E. 21st Street to Stokes Blvd. Bikes are also allowed on the HealthLine vehicles. When boarding the vehicle with your bike, enter through the rear door. Stand with your bike near the articulated center of the vehicle, where it "denks." If the vehicle is full, the operator may ask you to wait for the next HealthLine to arrive.

HealthLine East

SATURDAY / SUNDAY / HOLIDAY

West **HealthLine**

| Time | Euclid Ave. (Tower City) | Public Square | Stokes Blvd. | Stokes-Windermere Rapid Station | 109th St. | 105th St. | 101st St. | 97th St. | 93rd St. | 89th St. | 85th St. | 81st St. | 77th St. | 73rd St. | 69th St. | 65th St. | 61st St. | 57th St. | 53rd St. | 49th St. | 45th St. | 41st St. | 37th St. | 33rd St. | 29th St. | 25th St. | 21st St. | 17th St. | 13th St. | 9th St. | 5th St. | 1st St. | | |
|---------|--------------------------|---------------|--------------|---------------------------------|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|---------|---------|------|------|
| 7:00 AM | 7:00 | 7:05 | 7:10 | 7:15 | 7:20 | 7:25 | 7:30 | 7:35 | 7:40 | 7:45 | 7:50 | 7:55 | 8:00 | 8:05 | 8:10 | 8:15 | 8:20 | 8:25 | 8:30 | 8:35 | 8:40 | 8:45 | 8:50 | 8:55 | 9:00 | 9:05 | 9:10 | 9:15 | 9:20 | 9:25 | 9:30 | 9:35 | 9:40 | 9:45 |

HealthLine Connections

Route 1 HealthLine Station

- #1: Euclid St.
- #2: Superior Ave. Stokes-Windermere Rapid Station
- #3: Stokes Blvd.
- #4: 109th St.
- #5: 105th St.
- #6: 101st St.
- #7: 97th St.
- #8: 93rd St.
- #9: 89th St.
- #10: 85th St.
- #11: 81st St.
- #12: 77th St.
- #13: 73rd St.
- #14: 69th St.
- #15: 65th St.
- #16: 61st St.
- #17: 57th St.
- #18: 53rd St.
- #19: 49th St.
- #20: 45th St.
- #21: 41st St.
- #22: 37th St.
- #23: 33rd St.
- #24: 29th St.
- #25: 25th St.
- #26: 21st St.
- #27: 17th St.
- #28: 13th St.
- #29: 9th St.
- #30: 5th St.
- #31: 1st St.

HealthLine Connections

- #32: Stokes-Windermere Rapid Station
- #33: Stokes Blvd.
- #34: 109th St.
- #35: 105th St.
- #36: 101st St.
- #37: Stokes-Windermere Rapid Station
- #38: 118th St.
- #39: 123rd St.
- #40: Superior Ave.
- #41: Stokes-Windermere Rapid Station
- #42: Stokes Blvd.
- #43: 109th St.
- #44: Stokes Blvd.

Spans of Service:
24 Hours a day, 7 Days a Week

RTA's Mission: To provide safe, reliable, clean and courteous public transportation.

RTA
Greater Cleveland Regional Transit Authority
1240 West 25th Street • Cleveland, Ohio 44113-1331 • rtacolor.com

Figures 12 and 13: Examples of Bus Stop Underwriting – Cleveland RTA HealthLine
(PNC Bank is located at the E. 6th Street Station)



C Schedule of Report Findings and Recommendations

The following table provides highlighted recommendations based on the TAP Card Advertising and Sponsorship Feasibility study completed by The Superlative Group. To best understand these recommendations, please refer to the preceding report produced by The Superlative Group for this study. The reports explain the background, objectives, methodology and results of the study in detail.

| TAP Card and Sponsorship Consulting Recommendations | | | | | | |
|---|---|------------------------------------|--------------------------|-------------------|-----------------|----------------------|
| Rec. # | Recommendation Description | Related Findings # | Assigned Staff in Charge | Agree or Disagree | Proposed Action | Est. Date Completion |
| 1 | LACMTA should pursue a holistic sponsorship program for TAP Card assets in lieu of individual advertising campaigns identified in Tasks 1-3, 5-6 of the Superlative agreement. This is supported by numerous industry benchmarks and best practices. | Sections 1.5; 5.3 & 5.4; 7.6; 14.3 | | | | |
| 2 | A TAP Card sponsorship program should bundle assets identified in Tasks 1-3, 5-6 of the Superlative agreement. Benefits could include: <ul style="list-style-type: none"> Sponsor recognition on TAP Cards Sponsor recognition on physical ticket vending machines and assets (e.g., digital screens, readers) Sponsor recognition on Metro website, social media accounts and mobile app (once launched) This is supported by the results of Superlative's valuation process. | Sections 5 & 7 | | | | |
| 3 | Sponsor recognition on Ticket Vending Machine kiosks should be limited to two seconds maximum. | Section 5.3 | | | | |
| 4 | TAP Card personalization could be offered for a fee. TAP Cards are already personalized for a fee but revenue is captured by third parties. | Section 6.3 | | | | |

| | | | | | | |
|---|--|--------------------------|--|--|--|--|
| | Superlative recommends a range of \$4.50 to \$8 surcharge per purchase. | | | | | |
| 5 | The Superlative Group proposes a value range of \$1.5 million to \$2.0 million per annum for Primary Sponsorship of the TAP Card program over a proposed term of 10 years. Assuming inclusion of a CPI escalator of 2.6%, this opportunity could generate between \$16.9 million and \$22.5 million over the life of the term. | Sections 1.5, 5.3 & 14.3 | | | | |
| 6 | Draft asset list that Metro and its leadership would be willing to monetize via Naming Rights and/or Corporate Partnerships. Assets could include: <ul style="list-style-type: none"> • Metro Rail • Metro Bus • Stations • Freeway Service Patrol • Metro Bike Share • Passageway at Union Station • Public restrooms • Parking garages | Sections 8-12; 1.5; 14.3 | | | | |
| 7 | Superlative recommends that LACMTA pursue third-party partnerships for an app-based payment solution that could reduce agency overhead expenses such as physical TAP Card bulk purchasing, printing and distribution. | Section 5.2 | | | | |

D LACMTA System Map



E Transit Naming Rights Benchmarks

Transportation Sector Benchmarks – Lines

| ASSET | AGENCY | SPONSOR | PRICE | START DATE | DURATION (YEARS) | AVG PRICE PER YEAR | OTHER BENEFITS/COMMENTS |
|-------------------------|--|--|--------------|------------|------------------|--------------------|--|
| Light Rail Blue Line | San Diego MTS | University of California, San Diego | \$30,000,000 | 2015 | 30 | \$1,000,000 | Also includes naming rights to (3) major Light Rail stations and highway overpass signage |
| Light Rail Green Line | San Diego MTS | Sycuan Casino | \$25,500,000 | 2017 | 30 | \$850,000 | 10-year initial term with 10-year renewal option. Includes right to parking lots for casino shuttles |
| BRT Line | Greater Cleveland RTA | University Hospitals and Cleveland Clinic | \$11,000,000 | 2008 | 20 | \$550,000 | Currently selling 10-year station sponsorships for \$300,000 each. 5 have been sold |
| Milwaukee Hop Streetcar | City of Milwaukee | Potawatomi Casino | \$10,000,000 | 2017 | 12 | \$833,333 | Naming rights include underwriting all rides for the first year of operation |
| Streetcar Line | M-1 Rail (Detroit) | Quicken Loans | \$10,000,000 | 2016 | Perpetuity | - | Part of \$10 million capital investment in Downtown Detroit infrastructure |
| PULSE BRT | Greater Richmond Transit | VCU Health System and Bon Secours Richmond Health System | \$6,375,000 | 2018 | 15 | \$425,000 | The two health systems split a \$425,000 annual fee |
| BRT Line | Greater Cleveland RTA | Cleveland State University | \$6,100,000 | 2014 | 28 | \$217,857 | \$150,000 per year with 2.9% escalator; CSU also receives signage at (2) major transit centers, (19) bus stations, (32) bus shelters and (243) bus stops |
| A Line Commuter Rail | Denver Regional Transportation District | University of Colorado | \$5,000,000 | 2015 | 5 | \$1,000,000 | Also includes ads on the Flatiron Flyer bus rapid transit line. Optional 5-year extension |
| BRT Line | Greater Cleveland RTA | MetroHealth | \$4,200,000 | 2017 | 25 | \$168,000 | |
| Streetcar Line | Southwest Ohio Regional Transit Authority (Cincinnati) | Cincinnati Bell | \$3,400,000 | 2016 | 10 | \$340,000 | |
| The Rapid | Interurban Transit Partnership (Grand Rapids, MI) | Grand Valley State University | - | 2016 | Perpetuity | - | GCSU helps fund the operations of the Lake Line bus shuttle that runs through its campus |

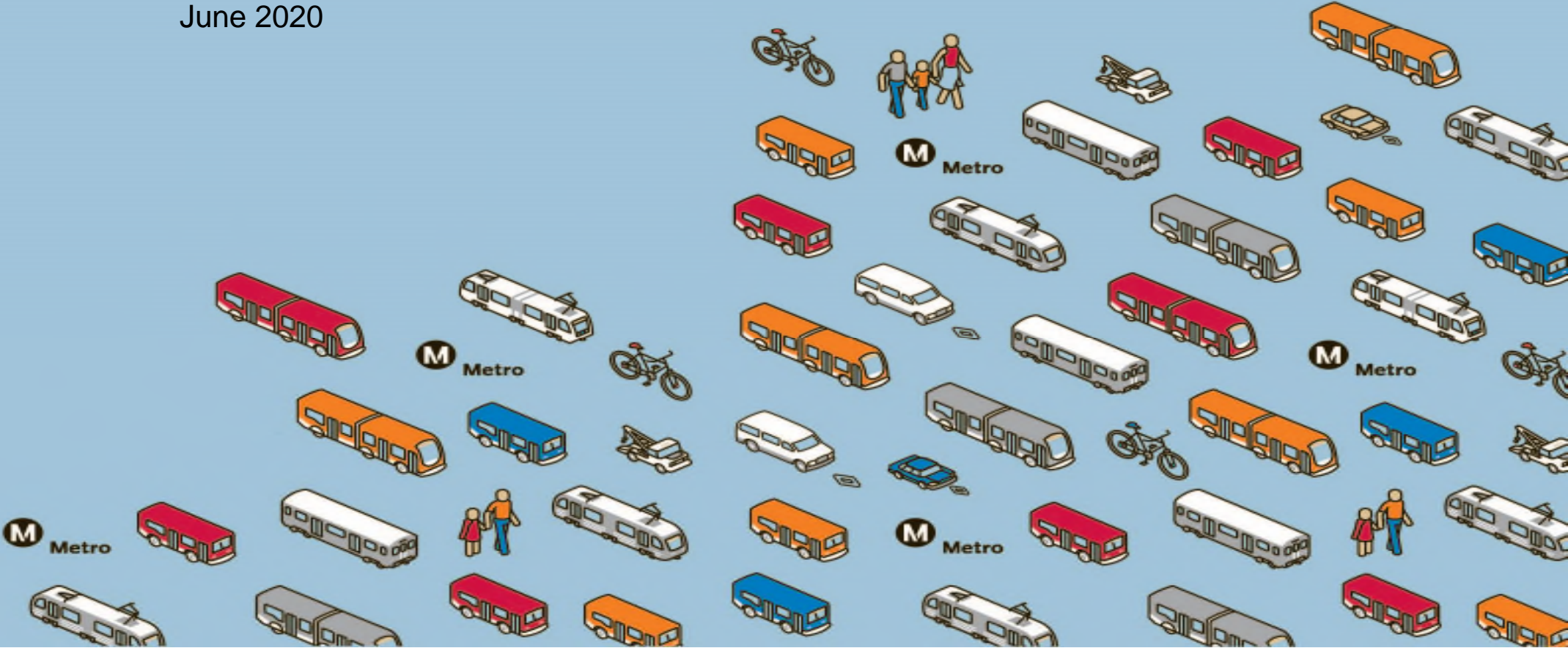
Transportation Sector Benchmarks – Stations

| ASSET | AGENCY | SPONSOR | PRICE | START DATE | DURATION (YEARS) | AVG PRICE PER YEAR | OTHER BENEFITS/COMMENTS |
|---------------------------------------|---|--------------------------------------|---------------|------------|------------------|--------------------|--|
| Transbay Transit Center | Transbay Joint Powers Authority (San Francisco) | Salesforce | \$110,000,000 | 2017 | 25 | \$4,400,000 | Naming Rights include transit center and 5.4-acre rooftop park; connected to Salesforce headquarters; fee includes step-up clauses as rail/bus services expand |
| Monorail station at Convention Center | Las Vegas Monorail Company | Nextel | \$50,000,000 | 2004 | 12 | \$4,166,667 | Terminated in 2008 after Monorail failed to deliver ridership projections |
| Station | Southeastern Pennsylvania Transportation Authority (Philadelphia) | NRG | \$5,250,000 | 2018 | 5 | \$1,050,000 | Previously named AT&T Station for \$5 million over 5 years |
| Station | Southeastern Pennsylvania Transportation Authority (Philadelphia) | Thomas Jefferson University Hospital | \$4,000,000 | 2014 | 5 | \$800,000 | Station naming with an option to renew for \$2.4 million over 4 years |
| Atlantic Ave & Pacific St Stations | Metropolitan Transportation Authority (New York) | Barclays | \$4,000,000 | 2009 | 20 | \$200,000 | Paid by Barclays Center Developer |
| Station | Greater Cleveland RTA | Cuyahoga Community College | \$500,000 | 2018 | 10 | \$50,000 | |
| Station | Dallas Area Rapid Transit | Southern Methodist University | \$463,000 | 2019 | 10 | \$46,300 | |
| Station | Sacramento Regional Transit District | UC Davis Health | \$328,000 | 2019 | 10 | \$32,800 | \$30,000 per year with a 2% escalator |
| Station | Greater Cleveland RTA | Medical Mutual | \$300,000 | 2009 | 10 | \$30,000 | |
| Station | Niagara Frontier Transportation Authority (Buffalo) | Evans Bank | \$160,000 | 2019 | 5 | \$32,000 | |
| Station | Niagara Frontier Transportation Authority (Buffalo) | Merchants Insurance | \$160,000 | 2019 | 5 | \$32,000 | |

Office Of Inspector General – Asset Valuation Study Report

Karen Gorman, Inspector General

June 2020



Advertising and sponsorship opportunities could raise as much as \$685 mil. in revenue over the next 25 years.

Office Of Inspector General – Asset Valuation Study Report

| TAP Card Revenue Potential | |
|----------------------------|--|
| Asset | TAP Card Program |
| Annual Value | Option A: Primary Sponsor: \$1.5 million - \$2.0 million Option B: Advertising Program: \$400,000 - \$750,000 |
| Terms | 10 years for Primary Sponsor Four weeks for advertisers |
| Total Revenue Potential | Primary Sponsor: \$22.5 million Advertising Program: \$7.5 million |
| Target Categories | All categories: identified by size and marketing budget |

Option A: Sponsorship Revenue Potential: proposes a value range of \$1.5 million to \$2.0 million per annum for Primary Sponsorship of the TAP Card program. Assuming a CPI escalator of 2.6%, could generate between \$16.9 mil. - \$22.5 mil. over a 10 years.

Option B: Advertising Revenue Potential Alternatively, proposes a value range of \$100,000 to \$125,000 per four-week advertising campaign. Assuming an estimated 4-6 campaigns per year, could generate between \$400,000 and \$750,000 per annum, or revenues of \$7.5 million over 10 years.



Office Of Inspector General – Asset Valuation Study Report

- A** **A Line (Blue)**
Downtown LA to Long Beach
 - B** **B Line (Red)**
North Hollywood to Union Station
 - C** **C Line (Green)**
Redondo Beach to Norwalk
 - D** **D Line (Purple)**
Wilshire/Western to Union Station
 - E** **E Line (Expo)**
Downtown LA to Santa Monica
 - L** **L Line (Gold)**
East Los Angeles to Azusa
 -  **Metro Busway**
 - G** **G Line (Orange)**
Chatsworth to North Hollywood
 - J** **J Line (Silver)**
San Pedro to El Monte
- Street Service in Downtown LA and San Pedro

Naming Rights and Corporate Sponsorship Revenue Potential

| Rail and Bus Lines | Value Per Annum | | Total Over Term (25 years) | |
|------------------------|--------------------|---------------------|----------------------------|----------------------|
| | Low | High | Low | High |
| Metro Line | | | | |
| A Line (Blue) | \$750,000 | \$1,250,000 | \$25,952,758 | \$43,254,597 |
| Red Line | \$1,000,000 | \$1,750,000 | \$34,603,677 | \$60,556,435 |
| Green Line | \$2,000,000 | \$2,750,000 | \$69,207,355 | \$95,160,113 |
| Gold Line | \$1,000,000 | \$1,750,000 | \$34,603,677 | \$60,556,435 |
| Purple Line | \$500,000 | \$1,000,000 | \$17,301,839 | \$34,603,677 |
| E Line (Expo) | \$750,000 | \$1,250,000 | \$25,952,758 | \$43,254,597 |
| Orange Line | \$500,000 | \$1,000,000 | \$17,301,839 | \$34,603,677 |
| Silver Line | \$500,000 | \$1,000,000 | \$17,301,839 | \$34,603,677 |
| Dodger Stadium Express | \$250,000 | \$500,000 | \$8,650,919 | \$17,301,839 |
| LAX FlyAway | \$150,000 | \$300,000 | \$5,190,552 | \$10,381,103 |
| TOTALS | \$7,400,000 | \$12,550,000 | \$256,067,212 | \$434,276,151 |



Office Of Inspector General – Asset Valuation Study Report

| Major Rail and Bus Stations | Value Per Annum | | Total Over Term (10 years) | |
|-----------------------------|--------------------|--------------------|----------------------------|---------------------|
| | Low | High | Low | High |
| Civic Center/Grand Park | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| Pershing Square | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| 7th Street/Metro Center | \$1,500,000 | \$2,000,000 | \$16,882,393 | \$22,509,857 |
| Pico | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| TOTALS | \$2,250,000 | \$3,500,000 | \$25,323,589 | \$39,392,250 |



Office Of Inspector General – Asset Valuation Study Report

| Additional Stations | Value Per Annum | Value Over Term (10 years) | Quantity | Grand Total Potential |
|--|------------------|----------------------------|------------|-----------------------|
| Tier 1: Highway Stations | \$250,000 | \$2,813,732 | 21 | \$59,088,372 |
| Tier 2: Stations Near Major Roadways | \$100,000 | \$1,125,493 | 24 | \$27,011,832 |
| Tier 3: Stations Near Smaller Roadways | \$50,000 | \$562,746 | 70 | \$39,392,220 |
| TOTALS | \$400,000 | \$4,501,971 | 115 | \$125,492,424 |



Office Of Inspector General – Asset Valuation Study Report

| Other Metro Assets | Value Per Annum | | Total Over Term (10 years) | |
|------------------------------|--------------------|--------------------|----------------------------|---------------------|
| | Low | High | Low | High |
| Freeway Service Patrol | \$2,000,000 | \$3,000,000 | \$22,509,857 | \$33,764,786 |
| Metro Bike Share | \$500,000 | \$1,000,000 | \$5,627,464 | \$11,254,829 |
| Passageway at Union Station | \$200,000 | \$300,000 | \$2,250,986 | \$3,376,479 |
| Public Restrooms | \$150,000 | \$250,000 | \$1,688,239 | \$2,813,732 |
| Sierra Madre Villa Parking | \$250,000 | \$500,000 | \$2,813,732 | \$5,627,464 |
| Atlantic Parking | \$75,000 | \$125,000 | \$844,120 | \$1,406,866 |
| Inwindale Parking | \$75,000 | \$125,000 | \$844,120 | \$1,406,866 |
| APU/Citrus Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Arcadia Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| La Cienega/Jefferson Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Monrovia Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Willow Parking | \$50,000 | \$100,000 | \$562,746 | \$1,125,493 |
| Expo/Sepulveda Parking | \$25,000 | \$50,000 | \$281,373 | \$562,746 |
| TOTALS | \$3,525,000 | \$5,850,000 | \$39,673,623 | \$65,841,333 |



Office Of Inspector General – Asset Valuation Study Report

Conclusions and Recommendations

1. TAP Card Advertising and Primary Sponsorship Options:

Sponsorship of the TAP card program is the recommended approach to monetization of the assets over TAP card advertising. (The OIG believes that both are possible)

2. Naming Rights and Corporate Sponsorships

There is a large number of potential naming rights and sponsorship opportunities.

Priority Opportunities include:

First Tier: i. Metro Rail Lines; ii. Metro Bus Lines; iii. Freeway Service Patrol; iv. Metro Stations; & v. Metro Bike Share.

Second Tier: i. Passageway at Union Station; ii. Public Restrooms; & iii. Parking Garages.



Office Of Inspector General – Asset Valuation Study Report

Other Opportunities:

- Public Toilets
- Freeway Service Patrol
- Bike Share
- Fare Media Wearables

Terms & Conditions

Termination rights for Metro include:

- conduct by sponsor that reflects poorly on Metro's reputation
- changes in circumstances



Office Of Inspector General – Asset Valuation Study Report

Next Steps:

- A. The OIG will submit the consultant’s report at the June Board meeting.
- B. Management will decide if it wants to propose a program.
- C. Any program proposed by management should take into consideration:
 1. the OIG report,
 2. the Agency’s values,
 3. “Covid-19 era values,”
 4. the Board’s stated concerns about such a program,
 5. “character scandal” out clauses & other terms that positively reflect Metro’s ethics,
 6. revenue potential of the assets,
 7. expenses associated with the program,
 8. staff time associated with the program, and
 9. ridership recovery.



OVERALL SYSTEM - GENERAL COMMENTS

ATTACHMENT B

Please provide comments, concerns on the overall Corporate Sponsorship program, policy, process, etc for collaboration.

| Concern (-) | Feedback (+) | Metro Department | Department Stakeholder |
|--|---|------------------|------------------------|
| A new policy with considerations to Vision 2028, and Metro's Equity Platform is required to execute a responsible sponsorship program. | A corporate sponsorship program may generate an estimated \$665M for the agency long-term (over 25 years). This would be free-and-clear funds the agency may use towards station/stop maintenance, improvements, and other programs. | Marketing | Lan-Chi Lam |
| <ul style="list-style-type: none"> Bus and Train wraps. Customers have complained that the wraps that cover windows are a hazard. The wraps prevent people about to board a train or bus from seeing clearly whether there is a hazard inside. The concern with the vehicle wraps for customers has traditionally been that the wrap does not prevent them from seeing from inside the vehicle out. Looking into the vehicle from the platform has never been an issue. Note before wraps are placed, the joint Committee reviews the design for any obvious concerns. | | Operations | Diane Corral-Lopez |
| <ul style="list-style-type: none"> Vehicle Interior Automatic Announcement Systems (AAS). There are a number of operational challenges with using the bus and train interior announcement systems for advertising: <ul style="list-style-type: none"> We have approximately 2400 buses and 400 rail cars. We would need sufficient infrastructure at all the divisions to permit the uploading of new messages; otherwise this will have to be done manually at significant cost and effort. The buses and rail cars have various types of interior AAS equipment. Unless the input is standardized across all the systems, it will be an operational challenge to develop various updates to upload across all vehicle types. | | Operations | Diane Corral-Lopez |
| | Metro should explore every revenue generating opportunity. May also want to consider other forms of advertisements for non-revenue vehicles and along the right-of-way where applicable. | Operations | Diane Corral-Lopez |
| When considering changes to station or line names, Metro needs to ensure that the legibility of the system be maintained or improved through any potential sponsorship per Metro Vision 2028 Goal 2.2: "Metro is committed to improving legibility, ease of use, and trip information on the transit system." | As an example, agencies such as TfL have demonstrated a broad menu of temporary and longer-term creative sponsorship strategies that have been organized to protect brand integrity and navigation tools throughout the system. Link: https://tfl.gov.uk/info-for/business-and-commercial/commercial-opportunities/commercial-partnership-opportunities Arts & Design | Arts & Design | Maya Emsden |
| To ensure that Metro is pursuing the best possible partnerships and maintains transparency with the public, the value of sponsorship opportunities should be evaluated based on real terms, net of any agency costs, including labor/administration costs. A cost/benefit analysis should be included in evaluation criteria. | | Arts & Design | Maya Emsden |
| | Arts & Design should be added to list of owners/stakeholders of assets that are developed and managed by unit (e.g., public art, fleet, signage) | Arts & Design | Maya Emsden |

| | | | |
|--|---|--------------------|---------------|
| Parking kiosk and parking ticket advertising (all park and ride stations except for Union Station) | Parking kioks have solar panels on top and on the sides which need to remain free of wrapping and obstructions to power the kiosks. The kiosks only dispense parking receipts upon request. Parking tickets are not issued. | Parking Management | Stacie Endler |
| | | | |

LINES - RAIL AND BUS

Please provide comments, concerns on the specific rail and bus lines in considering a sponsorship program

| Asset / Program | Asset / Program Owner | Concern (-) | Feedback (+) | Metro Department | Department Stakeholder |
|----------------------|-----------------------|-------------|--|------------------|------------------------|
| A Line (Blue) | Rail Operations | | | | |
| B Line (Red) | Rail Operations | | | | |
| C Line (Green) | Rail Operations | | The C Line is valuated at a high rate due to the various large companies along the route including aerospace, LAX support, LA Lakers, etc. | Marketing | Lan-Chi Lam |
| D Line (Purple) | Rail Operations | | | | |
| E Line (Expo) | Rail Operations | | | | |
| G Line (Orange) | Bus Operations | | | | |
| J Line (Silver) | Bus Operations | | | | |
| L Line (Gold) | Rail Operations | | | | |
| Dodgers Express | Bus Operations | | | | |
| SoFi Stadium Express | Bus Operations | | | | |
| BRT Lines | Bus Operations | | | | |
| All Bus Lines | Bus Operations | | | | |

ADDITIONAL ASSETS AND PROGRAMS

Please provide comments, concerns on additional assets and programs in considering a sponsorship program

| Asset / Program | Asset / Program Owner | Concern (-) | Feedback (+) | Metro Department | Department Stakeholder |
|------------------------|-----------------------|---|--|----------------------|------------------------|
| FREEWAY SERVICE PATROL | Congestion Reduction | | | | |
| | | | FSP vehicles are seen by thousands of motorists each day while they rove LA County freeways during the peak commuting periods. | Congestion Reduction | John Takahashi |
| | | | Placards to display advertising media may be applied to the sides of the pylon on each truck. The pylon is the large metal bracket where the amber/red light bar is mounted on top of the truck. | Congestion Reduction | John Takahashi |
| | | FSP vehicles have limited space to display advertising after program identifying decals are afixed. By law, these vehicles are required to display (3" lettering) company name, address, phone number, and CA number. | | Congestion Reduction | John Takahashi |
| | | FSP vehicles are owned and operated by tow service providers located throughout the county. Will the application of advertising media be done at these locations? | | Congestion Reduction | John Takahashi |
| | | FSP trucks experience body damage due to the type of services it performs. It is expected that any media applied to these trucks will also be damaged over time. A media replacement program should also be in place to address this concern. | | Congestion Reduction | John Takahashi |
| | | The FSP program is a statewide congestion mitigation program that provides assistance to motorists through a partnership between Metro, CHP, & Caltrans. Currently FSP programs statewide have adopted Metro's decal guidelines. Although this is not a requirement for the other programs, the intent was to provide motorists a visual seamless transition of FSP from county to county. Any changes to the current decal configuration or truck paint color, as a courtesy, should be communicated to our partner agencies CHP & Caltrans before implementation. | | Congestion Reduction | John Takahashi |
| | | | We are supportive of the concept and in the past, have had discussions around corporate sponsorship of the FSP program with other FSP operators in California. As John Takahashi indicated, we have to be mindful of the FSP related restrictions as we move forward. We can definitely use the funding as costs continue to rise and there is a local match requirement. Thanks for reaching out. | Congestion Reduction | Shahrzad Amiri |
| METRO BIKESHARE | Countywide Planning | | | | |
| | | | It would be ideal to plan/schedule a sponsorship partnership to key program expansion - more cities, more neighborhoods, more bikes, more docks, etc | Marketing | Lan-Chi Lam |
| PUBLIC RESTROOMS | | | | | |
| | | | | | |

| | | | | | |
|------------------------------|---------------------|--|--|--|--|
| PARKING STRUCTURES | Countywide Planning | | | | |
| | | | | | |
| Sierra Madre Villa Parking | Countywide Planning | | | | |
| | | | | | |
| Atlantic Parking | Countywide Planning | | | | |
| | | | | | |
| Irwindale Parking | Countywide Planning | | | | |
| | | | | | |
| APU/Citrus Parking | Countywide Planning | | | | |
| | | | | | |
| Arcadia Parking | Countywide Planning | | | | |
| | | | | | |
| La Cienega/Jefferson Parking | Countywide Planning | | | | |
| | | | | | |
| Monrovia Parking | Countywide Planning | | | | |
| | | | | | |
| Willow Parking | Countywide Planning | | | | |
| | | | | | |
| Expo/Sepulveda Parking | Countywide Planning | | | | |
| | | | | | |

It's only a crazy dream until you do it.

ATTACHMENT C



ADVERTISING & COMMERCIAL SPONSORSHIP UPDATE

Executive Management Committee
August 20, 2020
File #2020-0456

Revenue Generation / Marketing
Lan-Chi Lam, Director of Revenue Generation
Direct: 213.922.2349

It's only a crazy dream until you do it.

IN RESPONSE TO

- COVID 19 Call to Action - Call to increase system-generated revenues
- Office Inspector General's Asset Valuation Report - Estimating \$665M sponsorship business opportunities

COMMERCIAL SPONSORSHIP UPDATE

- Status of Policy Development, Business Program, and Rollout Timeline

ADDITIONAL ADVERTISING OPTIONS

1. Alcohol and Cannabis
2. Digital Exterior Bus Ads

No Board action is warranted with this Receive & File.

However, staff is seeking Board feedback and will return with policy, program, or contract changes as directed.

Commercial Sponsorship

POLICY DEVELOPMENT

- **Draft policy has been written**

Marketing staff have been working directly with stakeholder departments on policy input & development; addressing conflicts and concerns

- **Will serve as a stand-alone policy**

But work in concert with existing Property Naming Policy and System Advertising Policy

- **All agency assets and programs are eligible**

Assets and programs *on-the-table* for consideration including Bus and Rail Lines, Stations, Programs, Shuttles, etc

- **New business program**

Developing: Proposal process, Review Committee, Contract support, Labor support, Funds distribution



Metro

Commercial Sponsorship

POLICY KEY STRUCTURE

- **Defining agency assets**
Facilities, Services, Programs, Amenities, Events
- **Defining sponsorship terms**
Temporary, Short-term, and Long-term
- **Eligibility and Criteria**
Business / financial standings, Proposal evaluation
- **Sponsor Responsibilities**
Financial costs and social/community inclusion
- **Guidelines for system integration**
System legibility, customer ease of use, logistics



Commercial Sponsorship

TIMELINE / SCHEDULE

| FY20 | | | | | | | | | | | |
|----------|----------|-----------|----------|----------|----------|----------|----------|----------|------------|----------------------|--------------------|
| JUL 2019 | AUG 2019 | SEPT 2019 | OCT 2019 | NOV 2019 | DEC 2019 | JAN 2020 | FEB 2020 | MAR 2020 | APRIL 2020 | MAY 2020 | JUNE 2020 |
| | | | | | | | | | | COVID Call to Action | Asset Value Report |

| FY21 | | | | | | | | | | | |
|----------|-----------|--|----------|----------|----------|---|----------|----------|------------|----------|-----------|
| JUL 2020 | AUG 2020 | SEPT 2020 | OCT 2020 | NOV 2020 | DEC 2020 | JAN 2021 | FEB 2021 | MAR 2021 | APRIL 2021 | MAY 2021 | JUNE 2021 |
| | CS Update | CS: Program rollout to revenue operations (Policy, Contracts, Support) | | | | Advertising Update (MAG, Revenue share) | | | | | |

- Policy may be ready for Board review/approval as early as SEPT/OCT
- Explore modifying current Advertising contracts to expedite revenue operations

- Provide Board with update on state of advertising business due to COVID-19
- Review temporary Revenue Share option or return MAG payments

Additional Advertising Options

1. ALCOHOL AND CANNABIS

- **TACTICS** – Metro currently employs all advertising techniques: ads on bus & rail fleet, ads in the stations, station take-overs, and going digital.
- **CONTENT** – National survey, these transit agencies currently permit alcohol
 - MTA, CTA, DART, NJT, MARTA, MBTA, Metro Transit Minneapolis, Miami-Dade, SEPTA, and WMATA
 - SFMTA allows drink responsible messaging only
- MARTA permits cannabis advertising
- Both items are prohibited under the current System Advertising Policy (COM 6) and would require revisions for this allowance.
 - Staff seeking Board feedback and will return with industry regulation, restrictions, and policy information as directed

Additional Advertising Options

1. ALCOHOL AND CANNABIS

Estimated annual sales and earns

| | ALCOHOL |
|------|---------------------------|
| Bus | \$1,000,000 – \$1,500,000 |
| Rail | \$450,000 – \$600,000 |

| | CANNABIS |
|------|-----------------------|
| Bus | \$300,000 |
| Rail | \$300,000 – \$400,000 |

Total Sales \$2,050,000 – \$2,500,000

Metro Payments \$1,127,500 – \$1,375,000
(55% revenue share)



Additional Advertising Options

2. DIGITAL EXTERIOR BUS ADS

- **FEASIBILITY PILOT** – Outfront can install 1 digital screen on bus exterior
 - Demonstrate equipment and logistics feasibility
 - Proof of content for the advertising market
- Upon pilot completion and outcome
 - Outfront can *digitize* 100 buses (with bus fleet oversight)
 - Outfront bares cost of equipment, installation, and maintenance
- Industry survey: Transport for London employs digital exterior bus ads
- Staff seeking Board feedback and will return with state regulation, restrictions, and policy information as directed

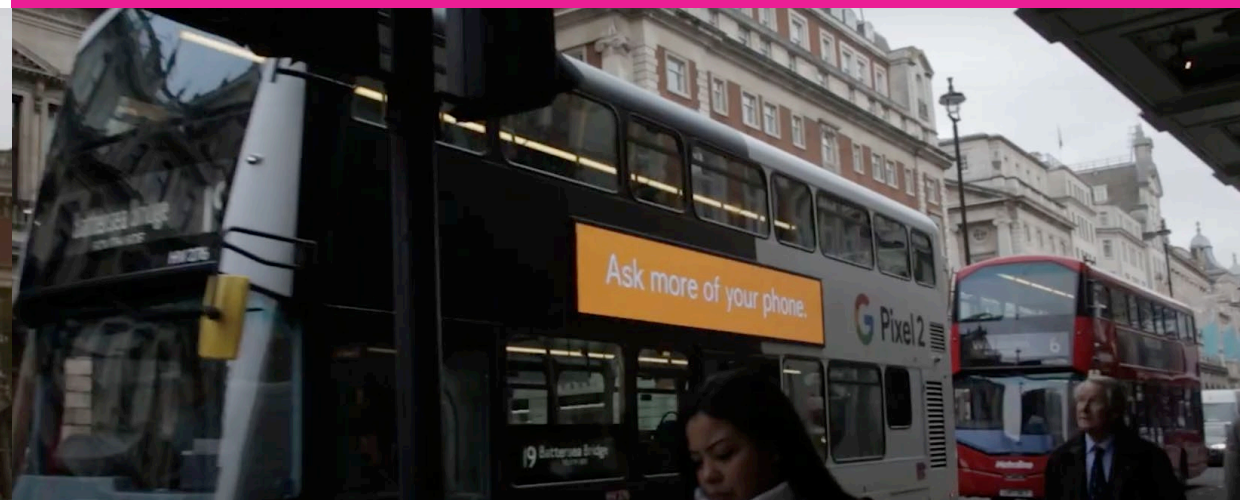
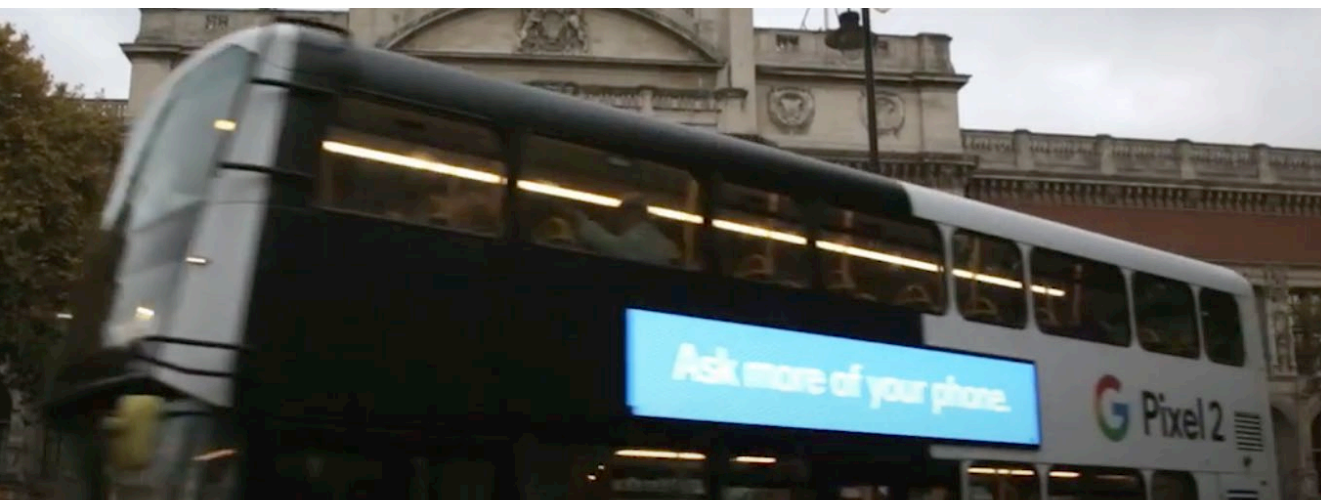
Additional Advertising Options

2. DIGITAL EXTERIOR BUS ADS

Estimated annual earns

| | STATIC | DIGITAL |
|-------------|---------------|--|
| Bus x 1 | \$15,000 | \$90,000 – \$135,000 (6x – 9x of static earn) |
| Buses x 100 | \$1,500,000 | |

\$9,000,000 - \$13,500,000
Metro Payments (55% revenue share)



It's only a crazy dream until you do it.

ATTACHMENT C



ADVERTISING & COMMERCIAL SPONSORSHIP UPDATE

Executive Management Committee
August 20, 2020
File #2020-0456

Revenue Generation / Marketing
Lan-Chi Lam, Director of Revenue Generation
Direct: 213.922.2349

It's only a crazy dream until you do it.

IN RESPONSE TO

- COVID 19 Call to Action - Call to increase system-generated revenues
- Office Inspector General's Asset Valuation Report - Estimating \$665M sponsorship business opportunities

COMMERCIAL SPONSORSHIP UPDATE

- Status of Policy Development, Business Program, and Rollout Timeline

ADDITIONAL ADVERTISING OPTIONS

1. Alcohol and Cannabis
2. Digital Exterior Bus Ads

No Board action is warranted with this Receive & File.

However, staff is seeking Board feedback and will return with policy, program, or contract changes as directed.

Commercial Sponsorship

POLICY DEVELOPMENT

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Commercial Sponsorship

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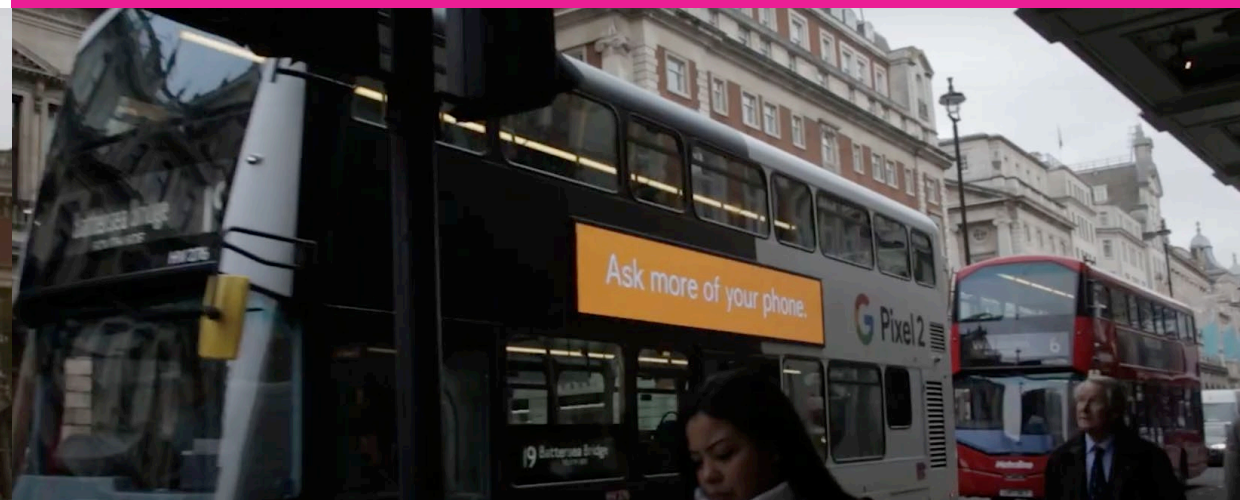
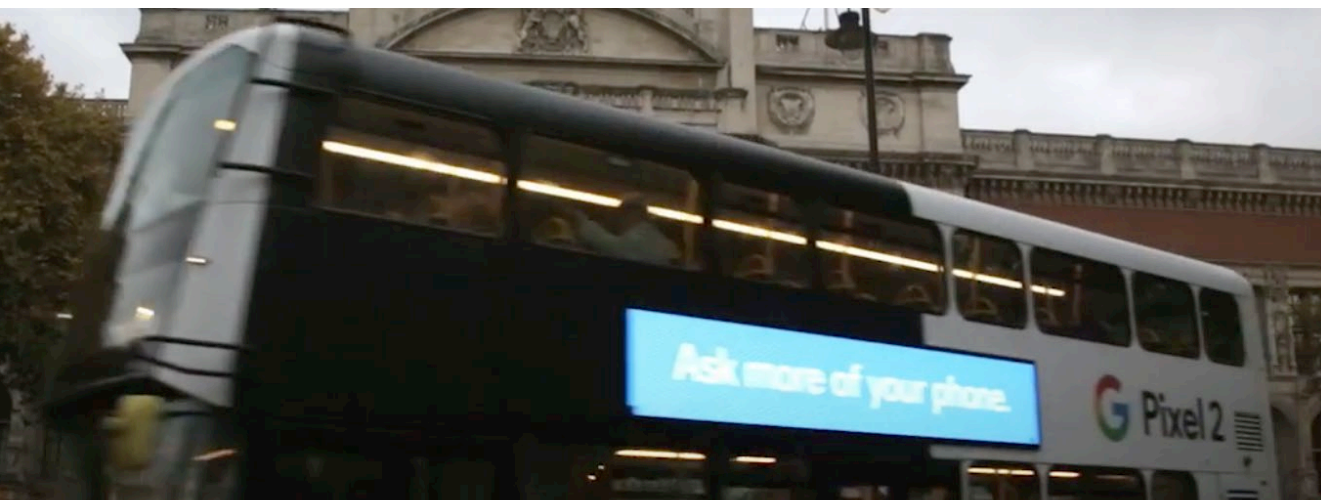
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\$9,000,000 - \$13,500,000
Metro Payments (55% revenue share)





Board Report

File #: 2020-0471, **File Type:** Motion / Motion Response

Agenda Number: 45.

EXECUTIVE MANAGEMENT COMMITTEE AUGUST 20, 2020

SUBJECT: REPORT ON MOTION TO “UPLIFT THE HUMAN SPIRIT THROUGH METRO ART”
ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE a report and approach to “Uplift the Human Spirit Through Metro Art” in response to the June 2020 Board motion (Attachment A).

ISSUE

At their June 2020 meeting, in a motion titled “Uplifting the Human Spirit Through Metro Art”, the Board directed staff to return with a report on how Metro can a) Integrate Metro Art programs into our trains, busses; b) Champion artistic experimentation including provocative works that are responsive to the issues and concerns of our time; and c) Think about how artists might be included in the Reimagining of transportation. This report provides the requested response.

BACKGROUND

As the Board discussed during the June 2020 Board meeting, we are currently in the midst of a pandemic and a civil rights movement. Metro staff were asked to leverage the arts as a way to bring people together in ways that are inspiring, welcoming, and add humanity to our public spaces and to strategically implement arts programming to balance Metro safety and recovery messaging, mitigate anxieties, and to reimagine the future of transportation in our region.

Metro has incorporated a small percentage (Attachment B) of transit construction costs to the integration of art into capital projects since the 1980s. The agency has received recognition for the Metro Art program’s interdisciplinary approach, broad range of artists commissioned and community engagement in the process. Strong support has been demonstrated by funding awarded by federal, state and local sources as well as the respect and care given the works by the public. Over half of the artists Metro Art has commissioned are artists of color.

DISCUSSION

The Board motion asks Metro to consider ways in which the arts might play a role that goes beyond

transit infrastructure.

Periodically, and when resources and space are made available, Metro Art has exhibited artwork in unused advertising spaces throughout the system, including the fleet. Examples have included Poetry in Motion, Through the Eyes of Artists neighborhood posters, More People Than You Know portrait series, and Art on TAP. Metro Art Presents and the experimental MetroLab series have provided opportunities for musicians, dancers, poets and other arts and cultural practitioners to connect with communities and to cultivate ridership. These programs have been effective additional ways to commission local artists to create works that are both relevant and responsive.

To address the Board motion in the immediate term we will work to reprioritize available resources to quickly and effectively integrate arts and culture into current agency Transit Operations and Recovery plans.

Immediate initiatives to be implemented in the next six months might include:

1. Champion artistic expression of local visual artists through posters within Metro's allocation of advertising spaces, including on buses and trains, when/where space is available
2. Partner with community based cultural organizations to interpret and document this pivotal moment
3. Curate cultural programming to foster connections with the public, and
4. Commission local artists to creatively convey 'new manners', safety messaging and mobility stories to surprise and delight riders

One additional full-time contingent staff will be necessary to explore external funding opportunities, write grant proposals and develop, manage, conduct outreach, document and communicate about these pilot initiatives. Current staff are at capacity as a result of significantly increased transit infrastructure project delivery schedules.

Moving forward, these pilot projects will inform an updated Metro Art policy that will formalize the role of the arts beyond transportation infrastructure, utilizing the following guiding principles:

1. Put people first
 - a. Uplift customer journeys and local communities through artistic expression
 - b. Provide paid opportunities for artists at all levels of their careers
 - c. Engage riders and stakeholders through shared sense of ownership
 - d. Provide workforce development and career pipeline opportunities
2. Connect to creative communities throughout LA County
 - a. Celebrate connections to diverse local arts and cultural destinations
 - b. Present curated partnerships and sponsorships
 - c. Foster and facilitate arts tours and highlight creative communities
 - d. Facilitate creative outreach and engagement.
3. Champion innovation

- a. Collaborate with internal departments to integrate the arts across transportation modes and initiatives
- b. Leverage strategic funding opportunities
- c. Support artistic experimentation
- d. Explore new technologies and advance best practices

In response to the broader Board Motion regarding Reimagining transportation, Metro Art staff will seek to partner with other agency departments to pursue ways of incorporating arts and culture into existing agency plans and initiatives such as NextGen, BRT Vision & Principles Study, Long Range Transportation Plan, Customer Experience Plan, Equity Framework and the Recovery Task Force response.

FINANCIAL IMPACT

Item is presented for information only with no financial impact at this time. Staff will reprioritize available resources and work cross-departmentally to identify internal and external funding opportunities to support pilot projects.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The information in this Report supports Metro's strategic goals of delivering outstanding trip experiences for all users of the transportation system (goal #2) and enhancing communities and lives through mobility and access to opportunity (goal #3). This work aligns with Metro's Equity Platform, specifically Pillar Two: Listen and Learn, and Pillar Three: Focus and Deliver. Arts-based strategies will be utilized to improve relationships, partnerships and actions to advance more equitable transportation outcomes. Community-driven conversations will be used to develop best practices, inform strategic community-focused partnerships, and build capacity to better address the needs of historically underserved communities.

NEXT STEPS


Staff will pursue the work as described above and will return to the Board in six to eight months with a report detailing pilot projects launched in response to the Board motion, lessons learned, and an updated Metro Art policy that formally expands the role of the arts beyond transportation infrastructure to uplift the customer experience.

ATTACHMENTS

Attachment A - June 2020 Board Directive
Attachment B - Transit Agency Percent for Art Programs

Prepared by: Maya Emsden, Deputy Executive Officer (213) 922-2720

Reviewed by: Yvette Rapose, Chief Communications Officer (213) 418-3154



Phillip A. Washington
Chief Executive Officer

Metro

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



Board Report

File #: 2020-0427, **File Type:** Motion / Motion Response

Agenda Number: 36.

EXECUTIVE MANAGEMENT COMMITTEE JUNE 18, 2020

Motion by:

DIRECTORS BUTTS, SOLIS, GARCETTI, AND HAHN

Uplifting The Human Spirit Through Metro Art

On Saturday June 6th the L. A. Times published in its Saturday Section (F) 14 different artworks from different artists under the title “California Artists Express the Pain of Injustice.”

I’ve been periodically reminded by my staff that Metro has a long history in the forefront as a leader in integrating public art into transit construction projects. Our Metro Rail stations are famous for their artworks. We even have people taking tours of the station artworks.

As I mentioned in my State of the Agency remarks, we are currently faced with two concurrent tragedies and the artwork published in the Times spoke to the moment of the outpouring of grief and anger across our county and nation.

Mayor Garcetti spoke of re-imagining LA County transportation and I would propose that we consider ways in which the arts might play a role in that transformation that goes beyond transit infrastructure.

The Arts are a powerful means of bringing people together across borders of all kinds. Much of the inspiring news coverage/media attention at present is often about how the artists are expressing and conveying the longstanding pain of injustice.

As we are undertaking strategies to encourage people to return and use public transportation wisely and more often, I would like to see us explore ways to formally incorporate arts programming into areas beyond construction. As people ride busses and trains in this troublesome era, we should balance Metro safety messaging with welcoming creative artworks that mitigate anxieties and add a touch of humanity. Let us use this tragedy to help uplift the human spirit through art.

SUBJECT: UPLIFTING THE HUMAN SPIRIT THROUGH METRO ART

RECOMMENDATION

APPROVE Motion by Directors Butts, Solis, Garcetti, and Hahn that the Board direct the CEO to return in the August Board cycle with a Report back on how Metro can:

- Integrate Metro Art programs into our trains, busses;
- Champion artistic experimentation including provocative works that are responsive to the issues and concerns of our time; and
- Think about how artists might be included in the Reimagining of transportation

Examples of Transit Agency % for Art Allocations

| | |
|---------------------------------|-------------|
| Sacramento | 2.0% |
| San Francisco | 2.0% |
| Santa Clara | 2.0% |
| Miami-Dade | 1.5% |
| Portland | 1.5% |
| Atlanta | 1.0% |
| New York City | 1.0% |
| Seattle | 1.0% |
| Los Angeles County Metro | 0.5% |

FTA Circular 9400.1A recommends that transportation projects allocate “a minimum one-half of 1% of construction costs, but should not exceed 5% of construction costs”.



Uplifting the Human Spirit Through Metro Art

EMC Item 45
August 2020

RICHARD WYATT
City of Dreams/River of History
Union Station

June Board Motion/*Comments*:

“Uplift the Human Spirit Through Metro Art”

- Integrate Metro Art programs into our trains, buses
- Champion artistic experimentation including provocative works responsive to the issues & concerns of our time
- Think about how artists might be included in the Reimagining of transportation

- *Support local artists*
- *Reinvigorate the arts in a post-pandemic world*
- *Provide access to arts and culture for underserved communities*

Capital Projects (% for Art)



CHRISTINE ULKE
El Aliso de Los Angeles
Division 13

Current Arts Impacts

Americans for the Arts Report 8/11/20

- 94% report income loss
- 63% have become fully unemployed
- 76% use their art to raise morale and create community cohesion

Brookings Institute Report 8/11/20

- Creative economy is one of the sectors most at risk
- California will be hit hardest in terms of absolute losses
- Small stop-gap measures will not undo the damage; a substantial and sustained recovery strategy is required
- Opportunity to develop strategies to hire local artists and create online platforms



Leimert Park

Through the eyes of artist Sam Jax
Jax visually evokes one of L.A.'s best-kept secrets. When also can you experience jazz, hip-hop, blues, poetry, artwork and great food? Here, it all rolls out in the park to play close or distant!

M Metro

Visit metro.net and Go Metro to Leimert Park.



East L.A.

Through the eyes of artist Antonio Rodriguez
Rodriguez transports his East Los Angeles community home to downtown and offers an intimate glimpse of family and life.

M Metro

Visit metro.net and Go Metro to East L.A.



Griffith Park

Through the eyes of artist Bob Zoell
Bob Zoell's Griffin Park is a colorful, fun and whimsical landscape that captures the spirit of the city. The artist's imagination is brought to life through a variety of animals, plants and objects. The artwork is a celebration of the city's natural beauty and the joy of outdoor recreation.

M Metro

Visit metro.net and Go Metro to Griffith Park.



Inglewood

Through the eyes of artist Mikako Kimura
A kaleidoscope of vibrant colors swirls over the landscape, vibrant and lush. The artwork is amplified through a variety of colors, patterns and textures. The artist's imagination is brought to life through a variety of animals, plants and objects. The artwork is a celebration of the city's natural beauty and the joy of outdoor recreation.

M Metro

Visit metro.net and Go Metro to Inglewood.

“Integrate Metro Art Into Trains, Buses”



Long Beach

Through the eyes of artist Christine Nguyen
An intricate, expressive underwater playfully intertwines life, sea creatures and more with iconic Long Beach landmarks, including the Aquarium Islands, El Dorado Beach, Corner and The Water Pyramid at California State University, Long Beach.

M Metro

Visit metro.net and Go Metro to Long Beach.



Pasadena

Through the eyes of artist Walter Aulin
A scene of bustling people and activity. A central figure pushes a cart, calling to mind the many busy and energetic that contribute to the development and thriving of the city.

M Metro

Visit metro.net and Go Metro to Pasadena.



Gardena

Through the eyes of artist Jonathan Anderson
Beneath suspended power lines, a vibrant green garden blooms around a central figure working the land, calling to mind the many busy and energetic that contribute to the development and thriving of the city.

M Metro

Visit metro.net and Go Metro to Gardena.



Little Tokyo

Through the eyes of artist Shizu Saldamando
The iconic red Yagura Tower and West Gate of Japanese Village Plaza emerge from a vivid collage of wabi paper and vibrant coral red paper, a striking visual contrast to create a contemporary neighborhood landscape.

M Metro

Visit metro.net and Go Metro to Little Tokyo.

On Subways as Riders Return: Odes to Their Resilience

Leaders of the “Poetry in Motion” program hope verse can help to comfort and encourage people as they return to the trains in greater numbers.



“Champion
artistic
experimentation
including
provocative
works
responsive to
the issues &
concerns of our
time”

NONI OLABISI
1995 Commemorative Poster
Metro Green Line



Metro Green Line
Summer 1995

Rosa Parks' contribution to the history of transportation and civil rights is honored in this powerful work by artist Noni Olabisi.

This is a copy of the poster by Noni Olabisi commissioned by the Metro A&T Program in celebration of the opening of the Metro Green Line.

“Think about how artists might be included in the Reimagining of transportation”



HELEN LUNDEBERG
1939 WPA Mural: *History of Transportation*
Inglewood, CA

“Think about how artists might be included in the Reimagining of transportation”



MICHAEL ALVAREZ
Artist-Led Community Workshops
Lulu Washington Dance Theatre
KAOS Network

Initiatives to be implemented in the next six months might include:

1. Champion artistic expression of local visual artists through onboard posters as space is available
2. Partner with community-based arts and cultural organizations to interpret and document this pivotal moment
3. Curate cultural programming to foster connections with the public
4. Commission local artists to creatively convey 'new manners,' safety messaging & mobility stories to surprise and delight riders

Next Steps

- Initiate pilot projects to “Uplift the Human Spirit”
- Engage local artists and arts organizations
- Report back on pilot projects and expanding the role of the arts beyond infrastructure in Reimagining transportation



Board Report

File #: 2020-0576, **File Type:** Oral Report / Presentation

Agenda Number: 4.

**REGULAR BOARD MEETING
AUGUST 27, 2020**

SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER

RECOMMENDATION

RECEIVE report by the **Chief Executive Officer**.



Fareless System Initiative (OPERATION FSI)

Exploratory/Action Task Force



Metro

FARELESS SYSTEM INITIATIVE (OPERATION FSI) – MAKING THE CASE

Public Transportation is a public service and should be treated no different than other City/County services.

**Age-Adjusted Death Rates due to COVID-19 per 100K
August 16, 2020**

| | | Mortality Rate |
|---------------------------------|--------------------------|----------------|
| Los Angeles County Total | | 48 |
| Race/Ethnicity | Asian | 37 |
| | Black/African American | 55 |
| | Hispanic/Latino | 73 |
| | White | 27 |
| Area Poverty | <10% area poverty | 25 |
| | 10% to <20% area poverty | 48 |
| | 20% to <30% area poverty | 65 |
| | 30% to 100% area poverty | 101 |

Opportunity

CEO believes that Metro has a moral obligation to explore how a fareless system can aid those that have been hit hardest by the pandemic.

If approved, this initiative will change the social and economic fabric of our region and like firefighting and police services would be fully paid out of the public purse as a social and public right and common good.

FARELESS SYSTEM INITIATIVE (OPERATION FSI) – OVERARCHING GOALS

- Equity/Economic Parity
- Congestion Relief
- Rethinking public streets and town squares

FARELESS SYSTEM INITIATIVE (OPERATION FSI) – STUDY PRIORITIES

- Funding Opportunities
- Determining Agency Costs
- Impacts of Fareless Rides
- As a Mitigation for Targeting BIPOC on the System
- Increased Ridership vs. Challenges of the Unhoused
- Implementation



Metro

FARELESS SYSTEM INITIATIVE (OPERATION FSI) – IN THE MEANTIME...

- Traffic Reduction Study
- Comprehensive Pricing Study
- Fare Collection Continues

FSI EXPLORATORY (OPERATION FSI) – TASK FORCE MEMBERS

Co-Leads:

- doreen Morrissey, Planning
- Dennis Tucker, Human Capital & Development

Members:

- Shawn Atlow, Planning
- Shonda Breland, Bus Operation
- Bahram Chaudhry, ITS
- Ernesto Chaves, Program Management
- Koreyne Clarke, Office of Management & Budget
- Devon Deming, Communications (Commute Services)
- Michael Flores, Vendor/Contract Management
- Imelda Hernandez, Safety Security & Law Enforcement
- Elba Higueros, Office of the CEO
- Roderick Hodge, Rail Operation
- Desarae Jones, Communications (Government Relations)
- Mark Linsenmayer, Congestion Reduction
- Rafael Martinez, Risk, Safety & Asset Management
- Ayda Safaei, Communications (Construction Relations)
- Teyanna Williams, Human Capital & Development
- Jonaura Wisdom, Office of Civil Rights & Inclusion



Metro

FARELESS SYSTEM INITIATIVE (OPERATION FSI) – NEXT STEPS

- Exploratory Task Force will convene on September 1, 2020
- Recommendation to the CEO, SLT and ultimately to the Board before the end of calendar year 2020



Thank you



Metro



Board Report

File #: 2020-0416, File Type: Contract

Agenda Number: 11.

FINANCE, BUDGET AND AUDIT COMMITTEE AUGUST 19, 2020

SUBJECT: REAL ESTATE APPRAISAL SERVICES BENCH

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER authorizing the Chief Executive Officer to:

- A. APPROVE the establishment of 19 contract agreements for professional services under the Real Estate Appraisal Services Bench, with the contractors recommended in Attachment A-1 for a five-year base period in the amount of \$34,500,000, with two, one-year options, for \$3,500,000 and \$2,064,500, respectively, with a funding amount not to exceed cumulative total of \$40,064,500, subject to resolution of protest(s) if any.
- B. AWARD Task Orders within the approved not-to-exceed cumulative total value of \$34,500,000.

ISSUE

The Los Angeles County Metropolitan Transportation Authority ("LACMTA") Real Estate staff requires a bench contract for appraisal services with three (3) disciplines: Real Estate; Furniture, Fixtures and Equipment; and Business Goodwill.

LACMTA has an on-going need for appraisal services in support of new transit and highway projects, enhanced bus and rail operations, and a host of other administrative and transportation improvements projects. Some major transportation projects include:

- Westside Purple Line Subway Extension Section III
- Link US
- Eastside Transit Corridor Phase 2
- Sepulveda Transit Corridor
- West Santa Ana Branch Transit Corridor
- Orange Line BRT Improvement
- East San Fernando Valley Transit Corridor
- Other miscellaneous projects including bus, rail, and highway projects

These projects will be designed and constructed over the next eight years and will require the appraisal of various personal and real property interests.

LACMTA is required by federal, state and municipal agency regulations to make offers of “Just Compensation” for the acquisition of real and personal property based on “fair market value” as recommended by competent, independent appraisers.

Depending on the scope of services, the project manager will decide which appraisal discipline will be utilized. A task order will be awarded to a contractor in a specific discipline at the completion of a competitive procurement process.

The Real Estate Appraisal Services Bench will allow task orders to be awarded more efficiently since the initial qualification reviews have been completed. The use of a bench streamlines the procurement process and allows staff timely access to professional resources to meet project schedules.

BACKGROUND

LACMTA’s existing Real Estate Appraisal Services Bench was issued on August 5, 2013 and expires on February 28, 2022. An RFIQ was issued to interested firms in October 2019 to provide appraisal services in three separate appraisal disciplines: Real Estate; Furniture, Fixtures & Equipment; and Business Goodwill.

LACMTA received twenty-seven (27) responses to the RFIQ broken down into the following appraisal disciplines: twenty-two (22) for Real Estate, three (3) for Furniture, Fixtures & Equipment; and two (2) for the Business Goodwill.

DISCUSSION

Findings

The current Real Estate Appraisal Services Bench has been utilized over the past seven years and has proven to be a very successful method in reducing staff resources expended on the procurement of service contracts and allowing for projects to be completed in a more efficient manner.

Considerations

Staff is recommending the total funding value of \$40,064,500 million for this new Real Estate Appraisal Bench. The funding value is based on projected project needs and an increased demand for appraisals services over the next seven years.

However, there may be unforeseen requirements for other project changes or schedule acceleration which may exceed existing assumptions and exhaust the approved total contract value before the end of the contract period. Under these circumstances, if needed, staff will return to the Board requesting for additional contract funding.

Equity Platform

Expanding LACMTA's infrastructure to better serve the communities in need of public transportation.

DETERMINATION OF SAFETY IMPACT

This item does not have an impact on LACMTA safety standards.

FINANCIAL IMPACT

Adoption of the Real Estate Appraisal Services Bench will have no impact on the existing FY20 budget. Funding for FY21 has been budgeted in projects requiring appraisal services across numerous cost centers. Each task order awarded to a contractor will be funded with the source of funds identified for that project. Since this is a multiyear contract, the project manager will be responsible for budgeting costs in future years, including any options exercised.

Impact to Budget

The funding for the task orders is dependent upon the specific project. Generally, all projects accessing the Real Estate Appraisal Services Bench will be partially funded from Measures R and M. Additional funding for LACMTA projects comes from various state and federal sources including the Federal Transit Administration (FTA).

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Real Estate Appraisal Services Bench will allow task orders to be awarded more efficiently since the initial qualification reviews would already have been completed. It is critical to expedite the procurement process in order to meet tight project schedules and complete long-range planning projects.

Recommendation supports strategic plan goals:

1. Provide high-quality mobility options that enable people to spend less time traveling;
2. Deliver outstanding trip experiences for all users of the transportation system;
3. Enhance communities and lives through mobility and access to opportunity;
4. Transform LA County through regional collaboration and national leadership; and
5. Provide responsive, accountable, and trustworthy governance within the LACMTA organization.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the recommendations. This is not recommended as the alternatives would be to:

- a. Award task orders as separate procurements which will dramatically increase the procurement times for the individual task orders, and/or
- b. increase the size of the Real Estate staff in order to perform the work in-house. LACMTA has historically had difficulty recruiting appraisal staff with the necessary experience and

expertise to perform the various types of appraisal assignments envisioned in the coming years.

Both alternatives will hamper the Real Estate division's ability to respond quickly to project needs resulting in significant delays and cost increases. The current project schedules anticipate the majority of appraisal work to take place over the next 3 to 5 years.

NEXT STEPS

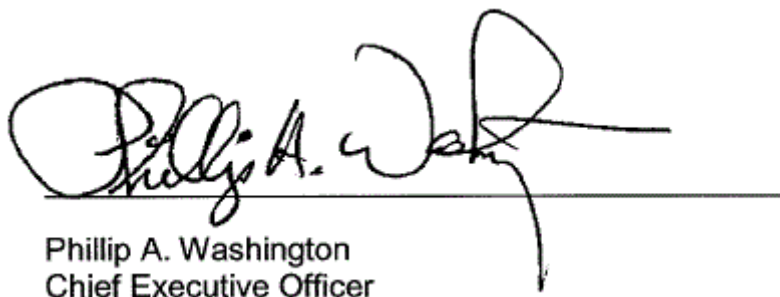
Upon Board approval, staff will establish and execute the bench contracts. As needed, staff will solicit responses to individual task orders from specific disciplines. SBE, DVBE and/or DBE goal requirements will be set for each individual task order.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment A-1 - Recommended Firms by Discipline
Attachment B - DEOD Summary

Prepared by: Craig Justesen, Director, Countywide Planning & Development, (213) 922-7051
John Potts, Executive Officer, Countywide Planning & Development, (213) 418-3397

Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920
Debra Avila, Chief Vendor/Contract Management Officer (213) 418-3051



Phillip A. Washington
Chief Executive Officer

RECOMMENDED FIRMS BY DISCIPLINE
REAL ESTATE APPRAISAL SERVICES BENCH

| Discipline | Contractors |
|---|--|
| 1. Real Estate Appraisals | 1. BTI Appraisal |
| | 2. CBRE, Inc. |
| | 3. Cushman & Wakefield Western, Inc. |
| | 4. Elizabeth M. Kiley dba Integra Realty Resources – Orange County |
| | 5. Epic Land Solutions, Inc. |
| | 6. Hennessey & Hennessey LLC |
| | 7. Integra Realty Resources – Los Angeles |
| | 8. Keith Settle and Company, Inc. |
| | 9. Lea Associates, Inc. |
| | 10. Norris Realty Advisors |
| | 11. Pacific Real Estate Consultants, Inc. |
| | 12. R.P. Laurain & Associates, Inc. |
| | 13. Riggs & Riggs, Inc. |
| | 14. Santolucito Doré Group, Inc. |
| | 15. Thompson & Thompson Real Estate Valuation and Consulting |
| 2. Furniture, Fixtures and Equipment Appraisals | 1. BTI Appraisal |
| | 2. Desmond, Marcello & Amster, LLC |
| 3. Business Goodwill Appraisals | 1. Desmond, Marcello & Amster, LLC |
| | 2. Donna Desmond Associates |

PROCUREMENT SUMMARY

**REAL ESTATE APPRAISAL SERVICES BENCH
PS66091000 through PS66091018**

| | | |
|----|---|--|
| 1. | Contract Number: PS66091000 through PS66091018 | |
| 2. | Recommended Vendor: Various (see Attachment A-1) | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order <input checked="" type="checkbox"/> RFIQ | |
| 4. | Procurement Dates: | |
| | A. Issued: October 21, 2019 | |
| | B. Advertised/Publicized: October 21, 2019 | |
| | C. Pre-Proposal Conference: November 1, 2019 | |
| | D. Proposals Due: January 16, 2020 | |
| | E. Pre-Qualification Completed: In-process | |
| | F. Conflict of Interest Form Submitted to Ethics: April 22, 2020 | |
| | G. Protest Period End Date: August 25, 2020 | |
| 5. | Solicitations Picked-up/Downloaded: 56 | Proposals Received: 27 |
| 6. | Contract Administrator: Mark Marukian | Telephone Number: 213-418-3313 |
| 7. | Project Manager: Michael Daniels | Telephone Number: 213-922-3584 |

A. Procurement Background

This Board Action is to approve Contract Nos. PS66091000 through PS66091018 issued to provide Real Estate Appraisal Bench services. Board approval of contract awards are subject to resolution of any properly submitted protest.

Contracts will be issued to the qualified contractors for professional services required in support of the following real estate acquisition discipline requirements: (1) Real Estate Appraisals, (2) Furniture, Fixtures & Equipment Appraisals and (3) Business Goodwill Appraisals.

The Request for Information and Qualifications (RFIQ) was issued on October 21, 2019 in accordance with Metro's Acquisition Policy. The RFIQ was issued with a Disadvantaged Business Enterprise (DBE) goal of 8%. Task orders will be issued on a competitive, firm fixed price basis.

Work will be authorized through the issuance of separate task orders. Individual task order requests under the Bench Contracts will be issued to all qualified Contractors within a specific discipline and will be competed and awarded based on the specific statement of work.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on November 13, 2019, updated DBE participation language and extended the proposal due date.

- Amendment No. 2, issued on December 3, 2019, updated Submittal Requirements and List of Current Projects forms.

A pre-proposal conference was held on November 1, 2019 and was attended by 23 participants representing 19 firms. A follow up meeting was held on November 20, 2019 to provide further clarification on DBE requirements and firm certifications. During the solicitation phase, 40 questions were asked, and responses were released prior to the proposal due date.

A total of 56 firms downloaded the RFP and were included in the planholders list. A total of 27 proposals were received on January 16, 2020.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of Metro’s Real Estate Department staff was established. The PET convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- | | |
|--|------------|
| • Appraisal Experience | 40 percent |
| • Review of Sample Reports | 30 percent |
| • Education/Experience and Professional Qualifications | 25 percent |
| • Expert Witness Experience | 5 percent |

The evaluation criteria are appropriate and consistent with criteria developed for other, similar real estate appraisal services bench procurements. Several factors were considered when developing these weights, giving the greatest importance to appraisal experience.

The technical evaluation of the 27 proposals received concluded in June 2020. Of the 27 proposals, eight were considered non-responsive as a result of not providing required DEOD forms, not meeting the established DBE goal, and/or not meeting DBE good faith efforts.

All remaining 19 responsive proposals are within the competitive range and are being recommended for the bench contracts. After internal reviews and discussion, the PET determined interviews were not necessary. There are 17 firms that represent the 19 proposals.

The 17 responsive firms within the competitive range are listed below in alphabetical order:

1. BTI Appraisal
2. CBRE, Inc.

3. Cushman & Wakefield Western, Inc.
4. Desmond, Marcello & Amster, LLC
5. Donna Desmond Associates
6. Elizabeth M. Kiley dba Integra Realty Resources – Orange County
7. Epic Land Solutions, Inc.
8. Hennessey & Hennessey LLC
9. Integra Realty Resources – Los Angeles
10. Keith Settle and Company, Inc.
11. Lea Associates, Inc.
12. Norris Realty Advisors
13. Pacific Real Estate Consultants, Inc.
14. R.P. Laurain & Associates, Inc.
15. Riggs & Riggs, Inc.
16. Santolucito Doré Group, Inc.
17. Thompson & Thompson Real Estate Valuation and Consulting

Qualifications Summary of Recommended Firms

BTI Appraisal

Established in 1974, BTI Appraisal is headquartered in the heart of Downtown Los Angeles with an office in Orange County. BTI Appraisal is involved in covering the disciplines of real estate, machinery and equipment, business, and goodwill valuation services.

In their proposal, BTI described their experience representing a wide range of governmental entities in the United States and abroad for eminent domain partial and full takes, review appraisals, redevelopment, insurance coverage, lending purposes, bond insurance, relocations, fair market lease rates analysis, bill boards, subsurface and air rights, natural disaster losses, and historical dates of value.

CBRE, Inc.

Since 2008, CBRE is publicly traded and has been a Fortune 500 company. As one of the largest appraisal firms in the world, CBRE has over 90 valuation offices across the United States and has been involved in numerous property appraisals in the United States affected by public projects including transportation, heavy rail, light rail, and high-speed rail projects.

In their proposal, CBRE and its appraisers have worked with numerous public agencies and thoroughly understands local, state, and federal requirements associated with right of way appraisal assignments.

Cushman & Wakefield Western, Inc.

Cushman & Wakefield Western Inc. headquartered in Los Angeles, California, is a wholly owned subsidiary and has performed appraisal services in California

providing real estate valuation and advisory services for numerous California public agencies.

In their proposal, Cushman & Wakefield described their experience with providing real estate valuation and consulting services related to condemnation actions and eminent domain proceedings for various types of properties within California.

Desmond, Marcello & Amster LLC

Founded in 1968, Desmond, Marcello & Amster LLC (DM&A) has provided clients in both the public and private sectors with expertise in the valuation of closely-held businesses, professional practices, and specific intangible assets, such as business goodwill and tangible assets, such as furniture, fixtures and equipment (FF&E).

In their proposal, DM&A has demonstrated that they possess over 50 years of experience appraising businesses, completing thousands of goodwill loss appraisals and has prepared FF&E appraisals for acquisition and eminent domain purposes for over 30 years for both government agencies and private parties.

Donna Desmond Associates

Founded in 1997, Donna Desmond Associates is a business valuation firm specializing in valuing goodwill loss in eminent domain proceedings and since that time, has worked closely with agencies and their consultants to provide goodwill appraisals.

In their proposal, Donna Desmond Associates has been involved in goodwill appraisals throughout California and has provided Metro with multiple goodwill appraisals with various projects for Metro right of way, along with other California transportation agencies such as Orange County Transportation Agency, Riverside County Transportation Commission, and San Bernardino County Transportation Authority.

Elizabeth M. Kiley d.b.a Integra Realty Resources – Orange County

Elizabeth M. Kiley, Inc. was founded on February 17, 2002 and operated with the dba Kiley Company until August 1, 2019 when it was purchased by Beth B. Finestone. Elizabeth M. Kiley, Inc. now operates under the dba Integra Realty Resources – Orange County (IRR-OC). IRR-OC has been involved in appraising properties subject to eminent domain under both State and Federal rules.

In their proposal, IRR-OC described their experience in valuing properties subject to full and partial acquisitions with the requirements of public agencies and right of way firms. They demonstrated appraising of most types of real property including but not limited to, office buildings, shopping centers, industrial properties, hotels and motels, multifamily residential properties, single-family residences, schools and business.

Epic Land Solutions, Inc.

Founded in 2002, Epic Land Solutions, Inc. is a full-service real property appraisal and right of way services firm appraising a wide range of properties throughout the west coast focusing on acquisition and eminent domain work.

Epic Land Solutions, Inc. has served a wide range of public agency clients, including municipalities, counties, water districts, school districts, public utilities, airports, housing authorities, and transportation agencies.

Hennessey & Hennessey LLC

Since 1979, the primary emphasis of Hennessey & Hennessey LLC has been appraisal for eminent domain purposes for public agencies, specializing in appraising properties for negotiated acquisitions, surplus property dispositions, and litigation, as well as appraisal reviews and related services.

In their proposal, Hennessey & Hennessey LLC demonstrated an understanding of the process and complexity involved in eminent domain law. Hennessey & Hennessey LLC have valued permanent easements for various purposes, as well as temporary construction easements, and compensation for loss of use. Hennessey & Hennessey LLC has worked on numerous projects for eminent domain purposes with transportation authorities including Orange County Transportation Agency, Riverside County Transportation Commission, San Bernardino County Transportation Authority, California High-Speed Rail Authority, various cities, and other agencies.

Integra Realty Resources – Los Angeles

Integra Realty Resources – Los Angeles (IRR-LA) is an independently owned firm since 1999. IRR-LA has been in business providing real estate and consulting services for over 20 years. IRR-LA conducts real estate valuation and counseling services for a broad range of property types, addressing diverse client needs.

In their proposal, IRR-LA described their experience with governmental agencies, lending institutions, investment advisory firms, corporations, developers, investors, and the legal profession. The IRR-LA team has significant experience in valuing full and partial acquisitions associated with right of way projects conducting appraisals of investment-grade properties, including office buildings, shopping centers, industrial developments, hotels and motels, apartment and condominium complexes, mobile home parks, and industrial and residential subdivision acreage.

Keith Settle and Company, Inc.

Founded in 1987 and incorporated in 2009, Keith Settle and Company Inc. is a real estate appraisal firm with its principal line of business being real estate/appraisal services with one office located in Sherman Oaks, California.

In their proposal, Keith Settle and Company Inc. demonstrated over 30 years of real estate appraisal services experience appraising a wide variety of property, including commercial, industrial, and residential real estate throughout the Southern California region. Keith Settle and Company Inc. has appraised property for full takings, partial takings, and easements, for government entities. Keith Settle and Company Inc. also has experience testifying in court in support of litigation.

Lea Associates, Inc.

Since 1976, Lea Associates, Inc. has been in continuous operation as a full-service real estate consulting firm which provides real property appraisal services. Lea Associates, Inc. operates through one office in the Westwood area of Los Angeles.

In their proposal, Lea Associates, Inc. demonstrated over 50 years of extensive experience in the appraisal of all types of real property involved in eminent domain settings, on an acquisition level and under condemnation proceedings. Lea Associates, Inc. has provided multiple services with government agencies, including Los Angeles Department of Water and Power, United States General Service Administration, Metropolitan Water District of Southern California, and has worked on Metro Purple Line and Crenshaw/LAX Transit Corridor Projects.

Norris Realty Advisors

Founded in 2000, Norris Realty Advisors, a commercial real estate valuation and consulting firm, has provided both valuation and advisory services to a wide variety of clients, including consulting for mortgage financing purposes, pension fund advisors, insurance companies, governmental agencies, high net worth trust and estate valuation, as well as expert witness and taxation issues.

In their proposal, Norris Realty Advisors, described that they have been involved in several highly complex and unusual valuation assignments, with a specialization in forensic valuation, litigation support, right-of-way, and infrastructure consulting. Norris Realty Advisors has worked with the City of Anaheim, Los Angeles Department of Water and Power, City of Los Angeles, and Metro.

Pacific Real Estate Consultants, Inc.

Since 1987, Pacific Real Estate Consultants, Inc. is a small business that provides real estate appraisal and consulting services to government agencies, cities, lenders, insurance companies, attorneys, accountants, developer's, and individuals.

In their proposal, Pacific Real Estate Consultants, Inc. described having governmental and private agency project experience and background to perform a wide variety of real estate appraisal and consulting services. Pacific Real Estate Consultants, Inc. specializes in all types of real property with an emphasis on income properties, land, partial interest valuations, and the appraisal of special purpose types of property. They have worked on multiple projects with the City of Los Angeles, City of Tustin, and Metro.

R.P. Laurain & Associates, Inc.

R.P. Laurain & Associates, Inc. was established in January 1969, for the purpose of providing professional real estate appraisal services. R. P. Laurain & Associates, Inc. was incorporated November 5, 1979. This appraisal firm has been involved in a variety of real estate appraisal and consultation assignments including many right-of-way projects of full and partial acquisition studies, special use private and public properties, as well as studies for specialized acquisitions of aerial easements, aviation easements, and subway tunnel easements.

In their proposal, R.P. Laurain & Associates, Inc. demonstrated having over 45 years of expertise conducting acquisition and eminent domain appraisal studies. R.P. Laurain & Associates, Inc. has provided services for local, state and federal governmental agencies, of which real estate appraisal services have been conducted for Metro for over 25 years.

Riggs & Riggs, Inc.

Riggs & Riggs, Inc. is a California corporation established in 1995 that provides appraisal and consulting services and has an extensive background in preparing appraisal and consulting assignments for right of way projects both for negotiation and condemnation purposes.

In their proposal, Riggs & Riggs, Inc. demonstrated having over 19 years of right of way appraisal experience. In addition, Riggs & Riggs, Inc. has conducted numerous projects in analyzing and preparing complex right of way assignments, including estimating the value of partial acquisitions of fee, permanent easements, and temporary construction easement interests, as well as estimate severance damages and benefits for public projects.

Santolucito Doré Group, Inc.

Santolucitio Doré Group, Inc., formed in 2015, specializes in real estate appraisal services for public agencies. Santolucitio Doré Group, Inc. is in California and has background in performing appraisals and appraisal reviews for acquisition, right of way, and eminent domain purposes.

In their proposal, Santolucito Doré Group, Inc. described having experience working on multiple public projects throughout California and providing appraisal services, such as cost estimating for budgetary purposes and alternative design analysis, full and partial acquisition appraisals, appraisal reviews, litigation support, and expert testimony.

Thompson & Thompson Real Estate Valuation and Consulting

Incorporated in January 2020, Thompson & Thompson Real Estate Valuation and Consulting is a California corporation that specializes in eminent domain appraisal and litigation support and provides services within California and Arizona. Thompson & Thompson Real Estate Valuation and Consulting has experience providing appraisal services for public and private agencies, including transportation agencies.

In their proposal, Thompson & Thompson Real Estate Valuation and Consulting demonstrated their experience conducting litigation and complex valuations (appraisal and appraisal review) specializing in eminent domain for direct condemnation and inverse condemnation. They described working on multiple projects various agencies including California Department of Transportation, Riverside County Transportation Commission, Orange County Transportation Authority, and Metro.

C. Cost/Price Analysis

The RFIQ contained neither price nor a specific statement of work (SOW). Each future RFP task order will contain a detailed discipline specific SOW which will be competed with the firms within the applicable discipline. Bench contractors will propose a price according to the requirements in the task order SOW and pricing will be determined fair and reasonable based on an independent cost estimate (ICE), a cost/price analysis, fact finding, and negotiations as applicable.

D. Background on Recommended Contractor

All 17 firms listed above, under Qualifications Summary, are recommended for award. These firms have been evaluated and are determined to be responsive and responsible to perform work on Metro assignments on an as-needed, task order basis.

DEOD SUMMARY

REAL ESTATE APPRAISAL SERVICES BENCH / PS66091

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established an 8% Disadvantaged Business Enterprise (DBE) goal for this Task Order Contract. Seventeen (17) firms were selected as prime consultants: BTI Appraisal, CBRE, Cushman & Wakefield Western, Inc., Desmond, Marcello & Amster, LLC, Donna Desmond Associates, Elizabeth M. Kiley, Inc. dba Integra Realty Resources – Orange County, Epic Land Solutions, Hennessey & Hennessey, LLC, Integra Realty Resources – Los Angeles, Keith Settle & Company, Lea Associates, Inc., Norris Realty Advisors, Pacific Real Estate Consultants, Riggs & Riggs, Inc., R. P. Laurain & Associates, Santolucito Dore Group, Inc., and Thompson & Thompson. Each firm committed to or exceeded the 8% DBE goal for this Task Order Contract.

In response to a specific Task Order request with a defined scope of work, prime consultants will be required to identify DBE subcontractor activity and actual dollar value commitments for that Task Order. Overall DBE achievement in meeting the commitments will be determined based on cumulative DBE participation of all Task Orders awarded.

| | | | |
|----------------------------|---------------|----------------------------------|---------------|
| Small Business Goal | 8% DBE | Small Business Commitment | 8% DBE |
|----------------------------|---------------|----------------------------------|---------------|

Discipline: Real Estate Appraisal Services**BTI Appraisal**

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---------------------------|------------------|--------------------|
| 1. | Coresivity, Inc. | Asian Pacific | 8% |
| Total Commitment | | | 8% |

CBRE

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---------------------------|------------------|--------------------|
| 1. | Hennessey & Hennessey LLC | Caucasian Female | 8% |
| Total Commitment | | | 8% |

Cushman & Wakefield Western, Inc.

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---------------------------|------------------|--------------------|
| 1. | Hennessey & Hennessey LLC | Caucasian Female | 70% |
| Total Commitment | | | 70% |

Discipline: Real Estate Appraisal Services (cont.)

Elizabeth M. Kiley dba Integra Realty Resources – Orange County

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|--|------------------|--------------------|
| 1. | Integra Realty Resources – Orange County (DBE Prime) | Caucasian Female | 100% |
| Total Commitment | | | 100% |

Epic Land Solutions

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|--|------------------|--------------------|
| 1. | Integra Realty Resources – Orange County | Caucasian Female | TBD |
| 2. | Keith Settle & Company | African American | TBD |
| Total Commitment | | | 8% |

Hennessey & Hennessey LLC

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---------------------------------------|------------------|--------------------|
| 1. | Hennessey & Hennessey LLC (DBE Prime) | Caucasian Female | 30% |
| Total Commitment | | | 30% |

Integra Realty Resources – Los Angeles

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|--|------------------|--------------------|
| 1. | Integra Realty Resources – Orange County | Caucasian Female | 8% |
| Total Commitment | | | 8% |

Keith Settle & Company

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|------------------------------------|------------------|--------------------|
| 1. | Keith Settle & Company (DBE Prime) | African American | 100% |
| Total Commitment | | | 100% |

Discipline: Real Estate Appraisal Services (cont.)

Lea Associates, Inc.

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|--|------------------|--------------------|
| 1. | Integra Realty Resources – Orange County | Caucasian Female | 8% |
| Total Commitment | | | 8% |

Norris Realty Advisors

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---------------------------|------------------|--------------------|
| 1. | Aynzela, Inc. | Caucasian Female | 8% |
| Total Commitment | | | 8% |

Pacific Real Estate Consultants, Inc.

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---------------------------|------------------|--------------------|
| 1. | Hennessey & Hennessey LLC | Caucasian Female | 8% |
| Total Commitment | | | 8% |

Riggs & Riggs

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---------------------------|------------------|--------------------|
| 1. | Hennessey & Hennessey LLC | Caucasian Female | 8% |
| Total Commitment | | | 8% |

R. P. Laurain & Associates

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---------------------------|------------------|--------------------|
| 1. | Hennessey & Hennessey LLC | Caucasian Female | 8% |
| Total Commitment | | | 8% |

Santolucito Dore Group, Inc.

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|--|------------------|--------------------|
| 1. | Santolucito Dore Group, Inc. (DBE Prime) | Caucasian Female | 100% |
| Total Commitment | | | 100% |

Thompson & Thompson

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|--|------------------|--------------------|
| 1. | Integra Realty Resources – Orange County | Caucasian Female | 8% |
| Total Commitment | | | 8% |

Discipline: Furniture, Fixtures, and Equipment

BTI Appraisal

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---------------------------|------------------|--------------------|
| 1. | Coresivity, Inc. | Asian Pacific | 8% |
| Total Commitment | | | 8% |

Desmond, Marcello, & Amster, LLC

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|--|------------------|--------------------|
| 1. | n/a (submitted Good Faith Efforts documentation) | n/a | n/a |
| Total Commitment | | | n/a |

Discipline: Business Goodwill

Desmond, Marcello, & Amster, LLC

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|--|------------------|--------------------|
| 1. | n/a (submitted Good Faith Efforts documentation) | n/a | n/a |
| Total Commitment | | | n/a |

Donna Desmond Associates

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|--------------------------------------|------------------|--------------------|
| 1. | Donna Desmond Associates (DBE Prime) | Caucasian Female | 100% |
| Total Commitment | | | 100% |

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**

File #: 2020-0174, **File Type:** Contract**Agenda Number:** 16.

**PLANNING AND PROGRAMMING COMMITTEE
AUGUST 19, 2020****SUBJECT: CRENSHAW NORTHERN EXTENSION****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the Crenshaw Northern Extension Advanced Alternatives Screening Study; and
- B. AUTHORIZING the Chief Executive Officer (CEO) to award and execute a 30-month, firm fixed price Contract No. AE64930000 to Connect Los Angeles Partners, a joint venture between WSP USA, Inc. and AECOM Technical Services, Inc., for environmental analysis (CEQA) and advanced conceptual engineering (ACE) in the amount of \$50,367,851, subject to resolution of protests, if any. However, only the amount of \$2.19M is requested in the FY21 budget for Professional Services in Cost Center 4350 (Special Projects), Project 475558 (Crenshaw Northern Extension). Upon approval of this action, staff will ensure necessary funds are allocated to the project in coherence with the Continuing Resolution until the FY21 budget is adopted in September.

ISSUE

Work has been completed on the Crenshaw/LAX Northern Extension Advanced Alternatives Screening Study (Attachment A) in accordance with Board direction received in September 2018 (Item #50, Legistar File #2018-0589). The study included public outreach (Attachment B) and a review of preliminary project alternatives with recommendations for a refined set of alternatives to advance into environmental review.

On August 12, 2019 Metro issued a Request for Proposals (RFP No. PS63932) seeking a qualified contractor for environmental and engineering services for the Crenshaw Northern Extension Corridor Project. The principal goal is to make the project shovel-ready for any potential new sources of construction funding that could accelerate project delivery under the Measure M program.

The City of West Hollywood has been an active partner with Metro during the early feasibility and alternatives analysis studies and has prepared a Crenshaw/LAX Northern Extension Funding and

Project Delivery Strategic Plan (Attachment C) in accordance with Metro's Early Project Delivery Policy. The City of Los Angeles has also participated.

Board approval is needed to award Contract No. AE64930000 to allow the contractor to begin work on the environmental clearance. In accordance with the CEO's Call to Action Financial Recovery Plan, funding included in the Draft FY21 budget has been reduced to \$2.1 million for this project to meet austerity targets established for the Countywide Planning and Development Department. Availability of additional funding to continue advancing the study will be considered in the FY21 mid-year budget and in future FY22 and FY23 budgets.

BACKGROUND

The Crenshaw/LAX Northern Extension Project is a Measure M project with a groundbreaking date of FY 2041 and project completion date in FY 2047. Originally, \$2.24 billion in Measure M funds (\$2015) were allocated for this project.

History

A northern extension was first identified as a part of planning studies for the Crenshaw/ LAX Line project in 2009. Studies at that time considered an extension of the Crenshaw/LAX Line north of the Metro Expo Line to the Metro Purple Line on Wilshire Boulevard, with the potential to ultimately extend farther north to the Metro Red Line in Hollywood. Funding for the extension was not identified at that time and therefore the northern terminus of the Crenshaw/LAX project was set at the Exposition/Crenshaw Station and further studies of the northern extension were deferred.

In February 2016, the Crenshaw Northern Extension project was included in Metro's "Operation Shovel Ready Initiative" list of projects for advancement through early stages of project planning. The Crenshaw Northern Extension Feasibility Study was initiated in May 2016. Following the passage of the Measure M in November 2016, it was further expanded to include an Alternatives Analysis.

The Feasibility/Alternatives Study defined and analyzed four potential alignment alternatives that could extend the Crenshaw/LAX Line northward from the Metro Expo Line to the Metro Purple Line on Wilshire Boulevard and onward to the Metro Red Line in Hollywood, as well as one alignment alternative that would extend from the Expo Line to the Red/Purple Line Wilshire/Vermont Station, with a connection to Hollywood via transfer to the existing Metro Red Line, but would not serve West Hollywood.

In July 2018, the Crenshaw Northern Extension Feasibility/Alternatives Analysis Study was completed and presented to the Metro Board as a Receive and File item. Metro staff were directed by the Board to meet with the cities of West Hollywood and Los Angeles to review next steps in the planning process and report back. Those meetings resulted in the following requests from both cities.

The City of West Hollywood's fundamental requests of Metro included:

- Find all reasonable and appropriate approaches to streamline the process to expedite bringing

the project to a state of readiness that would enable it to be delivered much earlier than scheduled, should the opportunity exist to do so;

- Move aggressively on the schedule to complete the work effort;
- Prepare a Project Environmental Impact Report (EIR), rather than a Program or Staged EIR, to reduce the potential for needing additional environmental clearance in the future and bolster efforts to accelerate delivery. Procure the environmental work as a joint National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) document, with an option for invoking the NEPA scope of services;
- Prepare additional studies to support subsequent NEPA review and clearance in the future, to streamline that transition, when appropriate and authorized by the Federal Transit Administration;
- Simplify the public engagement process by eliminating low-performing alternatives early, packaging similar alternatives and conducting latter outreach efforts with the benefit of additional technical information;
- Deliver the project as a single, complete phase, as early as possible.

The City of Los Angeles' input regarding the proposed, continued work on the Crenshaw Northern Extension project included:

- Public engagement should be adequate and address all alternatives;
- West Hollywood should consult with the City of Los Angeles on its Funding and Delivery Strategy;
- Study land use and demographics, which would inform an understanding of the process to winnow the alternatives.

Both cities agreed that Metro should set a threshold for deciding when to enter the procurement process for preliminary engineering (30 percent design), while understanding that Metro should only undertake this work when efforts to accelerate project delivery appear promising.

Based on the above input, in September 2018, the Board authorized the initiation of an Advanced Alternative Screening Study which has now been completed (Attachment A) with further engineering design, community outreach and the completion of a procurement process for environmental clearance.

DISCUSSION

There has been a long-standing interest among West Hollywood local elected officials and stakeholders to accelerate the delivery of the Crenshaw Northern Extension project. Within the provisions allowed under Measure M, Metro staff committed to exploring a viable path forward to accelerate the project, consistent with adopted Board Early Project Delivery Strategy, led by the City of West Hollywood. A significant finding emerging out of the 2018 Feasibility/Alternatives Analysis Study was the fact that the cost of all five alternatives exceed Measure M funding allocations, some by approximately double. This funding gap is even greater, should even longer segments of the

routes require below-ground, subway construction than initially identified. Any potential acceleration strategy at this juncture would have to address that factor, either through mitigating cost, securing new revenue, or a hybrid of both.

Advanced Alternatives Screening Study (2019-20)

To better support the City of West Hollywood in identifying project delivery options and a funding strategy in collaboration with Metro, this study has conducted broad public outreach and further technical study to narrow and refine the alternatives. This work effort has focused on more detailed design, a transit-oriented communities study, initial environmental screening and cost estimation to support public engagement and winnowing of the alternatives.

Two separate rounds of community meetings were conducted in early 2019 through spring 2020 throughout the study area to raise awareness about the Crenshaw Northern Extension Study and gather input on the alternatives.

The study has documented the corridor's existing conditions, conducted community outreach, and identified and screened potential alternatives by way of an Advanced Alternatives Screening Report. The study identified five main problems demonstrating that the study area needs high-capacity north-south transportation infrastructure based on the existing travel conditions, transportation infrastructure performance and travel demand.

- **Transit Network:** Transit options within the study area are limited to east-west rail services and buses that operate on congested roadways. North-south travel on the rail network requires transfer through downtown Los Angeles, thus decreasing network efficiency. The lack of high capacity roadways/highways in the study area, combined with existing congestion levels and the inability to expand the existing roadway network all negatively impact existing bus service. The addition of a north-south transit line in the study area has the potential to (1) effectively serve local population, employment, and activity centers within the study area, and (2) form part of a well-connected transit system for regional transit users travelling to or through the study area.
- **Congestion & Transit Reliability:** Commuters' willingness to use transit is negatively impacted by long and unpredictable travel times due to traffic congestion. The project must increase the efficiency and convenience of transit trips by providing faster, more reliable service in an exclusive guideway that is not affected by local roadway congestion.
- **Travel Demand:** High demand exists for trips within the study area as well as trips between the study area and surrounding region. Projected increased travel demand will place additional strain on an already overburdened system and further increase travel times. The project would provide a high-capacity, grade-separated transit service to meet growing travel demand.
- **Demand for High-Quality (Fast and Reliable) Transit Service:** The study area consists largely of transit-supportive land uses that attract a high volume of transit trips from within the study area and the entire region. Despite existing high levels of transit use, transit ridership is constrained by slow speeds, circuitous travel routes, high travel times, and unreliability due to congestion.
- **Transit Dependency:** The study area has a significant proportion of transit-dependent

residents compared to the average of L.A. County. Transit-dependent residents are disproportionately impacted by long travel times and crowding on the existing transit system. The Project has the potential to address these mobility challenges by providing reliable, high-speed and high-capacity transit service that serves as a critical link in the regional transit network, enhancing mobility within the study area and the broader region, particularly to the north (San Fernando Valley/North County) and south (South LA, LAX, and South Bay). The study area's urban character and land use densities lead to both high transit ridership and a much higher percentage of people riding transit as compared to the rest of the region.

The Advanced Alternatives Analysis alternatives are projected to attract approximately 88,000 to 91,000 daily trips on the project over the no-build scenario based on the results of ridership projections from the Metro Regional Travel Demand Model. This projected ridership is at the same level as Metro's heavy rail lines and some heavily utilized rail lines in the nation (like MBTA Orange Line in Boston). The Crenshaw Northern Extension project closes a gap in the rail system and thereby greatly improves transit mobility from the San Fernando Valley to the South Bay and Gateway cities.

Community and Stakeholder Outreach

Metro staff conducted an extensive community outreach effort (Attachment B), completing 32 community outreach meetings including neighborhood councils, neighborhood associations, Westside COG, C/LAX Community Leadership Council, major retail and employment centers, and public events such as Black History Month in Leimert Park and Ciclavia "Hollywood to West Hollywood", two online surveys and one informational video. Additionally, staff attended numerous briefings and attended various pop-up events. Through these efforts, staff obtained 171 emails, 224 in-person comments and 675 survey responses.

A majority of stakeholders and community members indicated a strong desire for the western alignments (San Vicente/Hybrid) because it included major destinations and job centers. There was also a smaller group that favored the La Brea alternative due to the direct connectivity through the region.

Best Performing Alternatives

All alternatives studied in the Advance Alternatives Screening Analysis have high ridership projections and great potential in serving low-income riders. While the benefits are comparable among all alternatives, the issues of constructability (including engineering constraints) did result in notable differences in project costs and impacts.

Based on the findings described above related to ridership, costs, Transit Oriented Communities/First-Last Mile, and engineering constraints, the following recommendations are made (see Figure 1):

- San Vicente Alternative (Hybrid)
 - Hybrid Alignment- Modify the San Vicente Alignment by deletion of the section between Fairfax Avenue and Beverly Boulevard. Replace this segment with a new hybrid

alignment that would travel north on Fairfax between San Vicente and Beverly Boulevard where it would turn west to rejoin San Vicente Boulevard near the Cedars-Sinai Medical Center and the Beverly Center Shopping Center. The original San Vicente alignment included a poorly performing station at Wilshire Boulevard where a transfer connection to the Metro Purple Line D would require passengers to walk approximately 1,300 feet between San Vicente Boulevard and La Cienega Boulevard. Additionally, the alignment through the Carthay Circle community would have required an aerial configuration that would be incompatible with the Historic Preservation Overlay Zone (HPOZ) status. The Fairfax alignment between San Vicente and Beverly Boulevard would provide a significantly better connection to the Purple Line at Wilshire/Fairfax and much better land use connectivity to Museum Row, Farmers Market, the Grove and CBS Television City.

- Delete La Cienega Optional Segment- The optional alignment section along La Cienega between Beverly Boulevard and Santa Monica Boulevard is recommended for deletion in favor of the San Vicente Hybrid Alignment described above. This option would have required that the station serving Cedars-Sinai Medical Center, Beverly Center and the Beverly Connection would have required significant impacts to properties north and east of the intersection of Beverly/La Cienega in order to construct the cut and cover subway station. In order to avoid such impacts, the station would need to be constructed much farther east of the intersection of Beverly/La Cienega creating much fewer direct connections to the major land uses in the area.
- Hollywood Bowl Extension- Introduce an extension from Hollywood/ Highland Station to the Hollywood Bowl.
- Initial Operable Segments- Include further study of three initial operable segments: 1) Crenshaw/Expo Station to Wilshire/Fairfax Station; 2) Crenshaw/Expo Station to San Vicente/Santa Monica Station; 3) Crenshaw/Expo Station to Hollywood/Highland-Hollywood Bowl Station.
- Fairfax Alternative
 - Retain this alternative for further study.
 - Initial Operable Segments- Include further study of three initial operable segments: 1) Crenshaw/Expo Station to Wilshire/Fairfax Station; 2) Crenshaw/ Expo Station to Fairfax/Santa Monica Station; 3) Crenshaw/ Expo Station to Hollywood/Highland-Hollywood Bowl Station.
 - Hollywood Bowl Extension- Introduce an extension from Hollywood/ Highland Station to the Hollywood Bowl.
- La Brea Alternative
 - Retain this alternative for further study
 - Dismiss Aerial Segment- Dismiss further consideration of an aerial configuration due to community opposition, roadway and property impacts, and the potential for substantial

visual and aesthetic effects. Retain an underground configuration in the La Brea corridor due to high cost effectiveness and the high level of regional connectivity provided by the alternative.

- Initial Operable Segments- Include further study of three initial operable segments: 1) Crenshaw/Expo Station to Wilshire/La Brea Station; 2) Crenshaw/Expo Station to Hollywood/Highland-Hollywood Bowl Station.
- Hollywood Bowl Extension- Introduce an extension from Hollywood/ Highland Station to the Hollywood Bowl.
- Vermont Alternative
 - Dismiss this alternative from further consideration. The Vermont Alternative does not meet several key goals of the project. Other alignments under consideration provide much greater travel time savings for trips to, from and between major study area activity centers/ destinations, offering a speedier connection to Line D (Purple Line) and significantly less travel times to points further north throughout Central Los Angeles and the San Fernando Valley, and west.
 - In addition, action by the Metro Board calls for a separate transit study that would extend south along the Vermont corridor instead of this alignment that would divert Vermont trains off of Vermont south of Wilshire Boulevard. Separate studies indicate that the Vermont Corridor is the heaviest used bus corridor in the Metro system and should be served by a separate, high-capacity transit line that stays on the Vermont Corridor.

Figure 1: Recommended Screening of Alternatives



Environmental Review

Initiating the Draft EIR will allow Metro to continue to study, analyze, and seek additional community input on these alternatives pursuant to CEQA. Federal funds have not been identified for this project. Environmental review pursuant to NEPA would occur only if federal funds were applied to this project. Staff propose to initiate the CEQA analysis first in order to identify a Locally Preferred Alternative, thoroughly analyze and document potential impacts, and advance the design of the alternatives in order to streamline the NEPA analysis should federal funds become available.

Equity Platform

The study area has a significant proportion of transit-dependent residents compared to the average of L.A. County. Transit-dependent residents are disproportionately impacted by long travel times and crowding on the existing transit system. The project has the potential to address these mobility challenges by providing reliable, high-speed and high-capacity transit service that serves as a critical link in the regional transit network, enhancing mobility within the study area and the broader region, particularly to the north (San Fernando Valley/North County) and south (South LA, LAX, and South Bay). The study area's urban character and land use densities lead to both high transit ridership and a much higher percentage of people riding transit as compared to the rest of the region.

Metro will continue to engage the community in order to plan, design a project that improves access to opportunities and reflects the needs of the communities and the overall region.

DETERMINATION OF SAFETY IMPACT

These actions will not have any impact on the safety of Metro customers and/or employees because this project is in the planning process phase and no capital or operational impacts result from this Board action.

FINANCIAL IMPACT

The amount of \$2.19M is requested in the FY21 budget for Professional Services in Cost Center 4350 (Special Projects), Project 475558 (Crenshaw Northern Extension). Upon approval of this action, staff will ensure necessary funds are allocated to the project in coherence with the Continuing Resolution until the FY21 budget is adopted in September. Project will also be reassessed during the FY22 and FY23 budget process. Since this is a multi-year program, the Cost Center manager and Chief Planning Officer will be responsible for budgeting in future years.

Impact to Budget

The funding source for the project is Measure M 35%. These funds are earmarked for the Crenshaw Northern Extension project and are not eligible for Metro bus and rail capital and operating expenditures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The project will support the goals of the strategic plan by enhancing communities and lives through mobility and access to opportunity by adding a new high-quality mobility option, closing a gap in the rail network that provides outstanding trip experiences and enhances communities and lives through mobility and access to opportunity.

ALTERNATIVES CONSIDERED

The Metro Board could decide not to take action. This alternative is not recommended, as this would impact commencing the project's environmental clearance process and risk delay in the delivery of the Project through Metro's Early Project Delivery Strategy.

NEXT STEPS

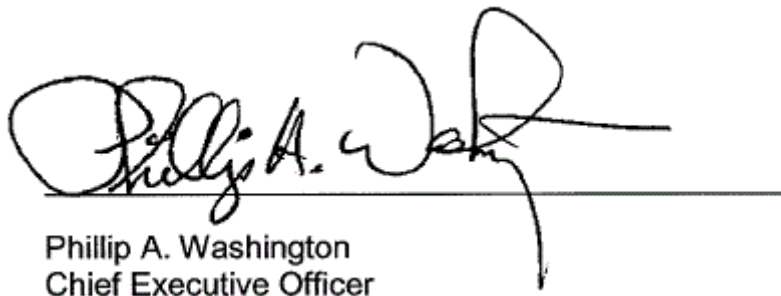
Upon Board approval, staff will execute Contract No. AE64930000 with Connect Los Angeles and initiate the Draft Environmental Impact Report/Advanced Conceptual Engineering and community engagement.

ATTACHMENTS

Attachment A - Crenshaw Northern Extension Advanced Alternatives Screening Study
Attachment B - Community Outreach & Meeting Report
Attachment C - Crenshaw/LAX Northern Extension Funding and Project Delivery Strategic Plan
Attachment D - Procurement Summary
Attachment E - DEOD Summary

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Metropolitan Transportation Authority

Advanced Alternative Analysis Study Executive Summary

CRENSHAW NORTHERN EXTENSION



February, 2020

Prepared for:

Prepared by:



Metro

AECOM



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1 Background

The project currently under evaluation is an extension of the Crenshaw/LAX project to destinations north of the current terminus at Crenshaw and Exposition. The original concept of the Crenshaw/LAX Line was first introduced in the 1990s to better serve transit-dependent residents and to stimulate economic growth in South Los Angeles. Metro completed the Draft Environmental Impact Report (DEIR) for this transit line in 2009 and selected a light rail alternative as the Locally Preferred Alternative based on public input and environmental analysis. While the original plan was to connect from Wilshire Boulevard (Blvd.) to LAX, due to budget constraints the portion north of Exposition Blvd. was deferred and considered as a future extension of the original Crenshaw/LAX Line. Also in 2009, Metro released a feasibility report of this northern extension to Wilshire Blvd.¹ (Final Feasibility Study - Wilshire/La Brea Light Rail Transit Extension), which determined that future extensions of the Crenshaw/LAX line would consider north/south alignments including La Brea, Fairfax and La Cienega Blvds., given great compatibility with land use, plans, and cost-effectiveness measures. Further potential extensions heading north of Wilshire Blvd. into West Hollywood and/or the Hollywood area were also briefly discussed in this report (Figure ES - 1).

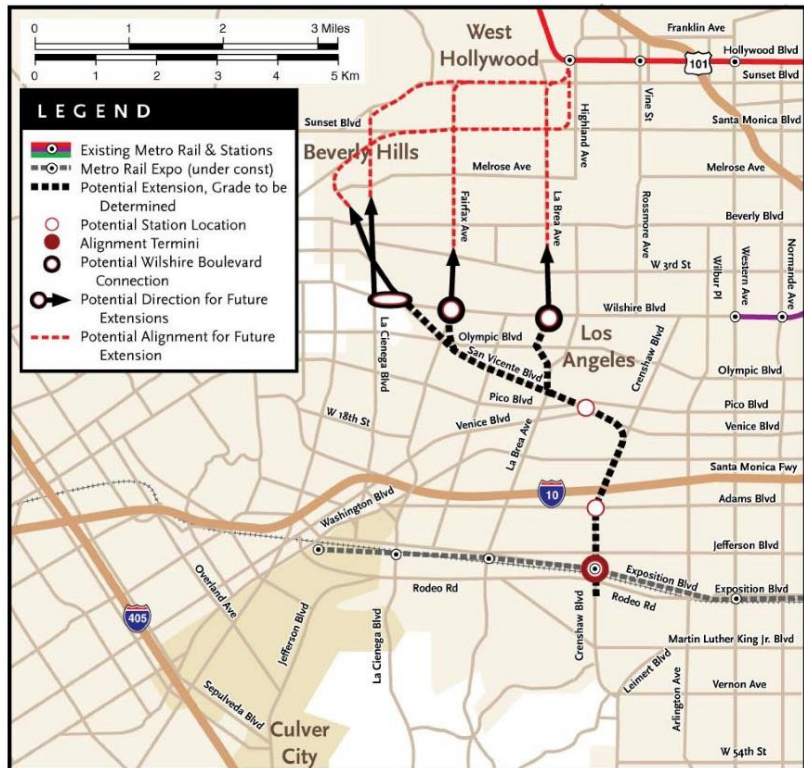


Figure ES - 1 Potential Alignments for Extension of Crenshaw Line from the 2009 Wilshire/La Brea LRT

According to the 2009 feasibility report, the ridership on the Crenshaw/LAX Line was forecast to increase up to 150% if the line were extended to the Purple Line at Wilshire/La Brea, suggesting notable demand for additional transit connectivity and providing grounds to further refine and analyze the alignment alternatives. Building on the alignments identified in the 2009 feasibility report, seven years later, Metro initiated the Crenshaw Northern Extension Feasibility/Alternatives Analysis Study in 2018 (2018 Feasibility Study²) to analyze the northern extension of the Crenshaw/LAX Line from the Metro Expo Line to connect to the Purple and Red Lines via Mid-City Los Angeles, West Hollywood and Hollywood.

Based on review of the existing street right-of-way, traffic conditions, track geometry, and other engineering criteria, five alternatives were established (including San Vicente, La Cienega, Fairfax, La Brea and Vermont Alternatives, as shown in Figure ES - 2). These alternative configurations were then initially analyzed on their ability to provide reliable transit service while attempting to maximize use of

¹ Metro. May 2009. Crenshaw Transit Corridor Project Final Feasibility Study - Wilshire/La Brea Transit Extension" (PDF). Available at http://media.metro.net/projects_studies/crenshaw/images/Feasibility%20Study%20Wilshire-La%20Brea%20LRT%20Extension%20-%20Report.pdf

² Metro. June 2018. Crenshaw Northern Extension Feasibility/Alternative Analysis Study Final Report. https://media.metro.net/projects_studies/crenshaw_northern_extension/images/executive_summary_crenshaw_north.pdf

at- or above-ground guideways to limit capital cost. The alignments were then further refined considering operations, potential for environmental sensitivities, urban design, and stakeholder feedback. While this study concluded with a set of preliminary alternatives with the most cost-effective and potentially feasible configurations, additional study was still needed to further define the feasibility of at-grade operation. Similarly, more detailed engineering analysis was needed to confirm the viability for aerial alignments given specific roadway constraints related to traffic and transit access as well as other issues of concern such as turn radius, property impacts, and community fit.



Figure ES - 2 Crenshaw Northern Extension Feasibility/Alternatives Analysis Study Universe of Alternatives

Upon completion of the 2018 Feasibility Study, in 2019 Metro initiated the Advanced Alternative Analysis study intended to inform stakeholders and communities about alternative alignments being considered, gather input to further refine and screen alternatives, incorporate Metro’s Transit-Oriented-Communities and First/Last Mile policies into the screening process, update ridership, further refine engineering feasibility of alignment configurations, and most importantly, to determine which alternatives should be carried forward into the environmental process.

2 Purpose and Need

The Crenshaw/LAX Line Northern Extension project (the Project) has significant potential local and regional benefits serving as a critical north-south link between Metro's east-west rail lines and providing reliable travel time and transit connectivity not currently available north of the Expo Line. The purpose and need for the Project have not changed from what was established in the 2018 Feasibility Study. A summary description is provided below.

As stated in the 2018 Feasibility Study, the study area is a major travel destination with high-density tourism spots, shopping and employment centers. The study area is also currently faced with some of the region's worst surface traffic due to the relatively narrow right-of-way on its arterial network, a network that dates back to the early twentieth century, and the high volume of trips traveling within and through the study area. As the population and employment within the study area grow further, these conditions will continue to intensify and will impact economic development, quality of life, and the environment. The 2018 Feasibility Study identified five main mobility problems demonstrating that the study area is in need of high-capacity north-south transportation infrastructure based on the existing travel conditions, transportation infrastructure performance and travel demand:

- **Transit Network:** Transit options within the study area are limited to east-west rail services and buses that operate on congested roadways. North-south travel on the rail network requires transfer through downtown Los Angeles, thus decreasing network efficiency. The lack of high capacity roadways/highways in the study area, combined with existing congestion levels and the inability to expand the existing roadway network all negatively impact existing bus service. The addition of a north-south transit line in the study area has the potential to (1) effectively serve local population, employment, and activity centers within the study area, and (2) form part of a well-connected transit system for regional transit users travelling to or through the study area.
- **Congestion & Transit Reliability:** Commuters' willingness to use transit is negatively impacted by long and unpredictable travel times due to traffic congestion. The project must increase the efficiency and convenience of transit trips by providing faster, more reliable service in an exclusive guideway that is not affected by local roadway congestion.
- **Travel Demand:** High demand exists for trips within the study area as well as trips between the study area and surrounding region. Projected increased travel demand will place additional strain on an already overburdened system and further increase travel times. The Project would provide a high-capacity, grade-separated transit service to meet growing travel demand.
- **Demand for High-Quality (Fast and Reliable) Transit Service:** The study area consists largely of transit supportive land uses that attract a high volume of transit trips from within the study area and the entire region. Despite existing high levels of transit use, transit ridership is constrained by slow speeds, circuitous travel routes, high travel times, and unreliability due to congestion.
- **Transit Dependency:** The study area has a significant proportion of transit-dependent residents compared to the average of L.A. County. Transit-dependent residents are disproportionately impacted by long travel times and crowding on the existing transit system. The Project has the potential to address these mobility challenges by providing reliable, high-speed and high-capacity transit service that serves as a critical link in the regional transit network, enhancing mobility within the study area and the broader region, particularly to the north (San Fernando Valley/North County) and south (South LA, LAX, and South Bay). The study area's urban character and land use densities lead to both high transit ridership and a much higher percentage of people riding transit as compared to the rest of the region.

A north-south connection is greatly needed for the study area to facilitate local and regional trips more efficiently, so that riders will not need to make detours through the downtown area. Such a connection can also improve transit efficiency by providing direct connections to Metro rail lines. The investment in the original Crenshaw/LAX Line will be better leveraged, and the regional network from the Valley to South Los Angeles will also be complete with this connection (Figure ES - 3).

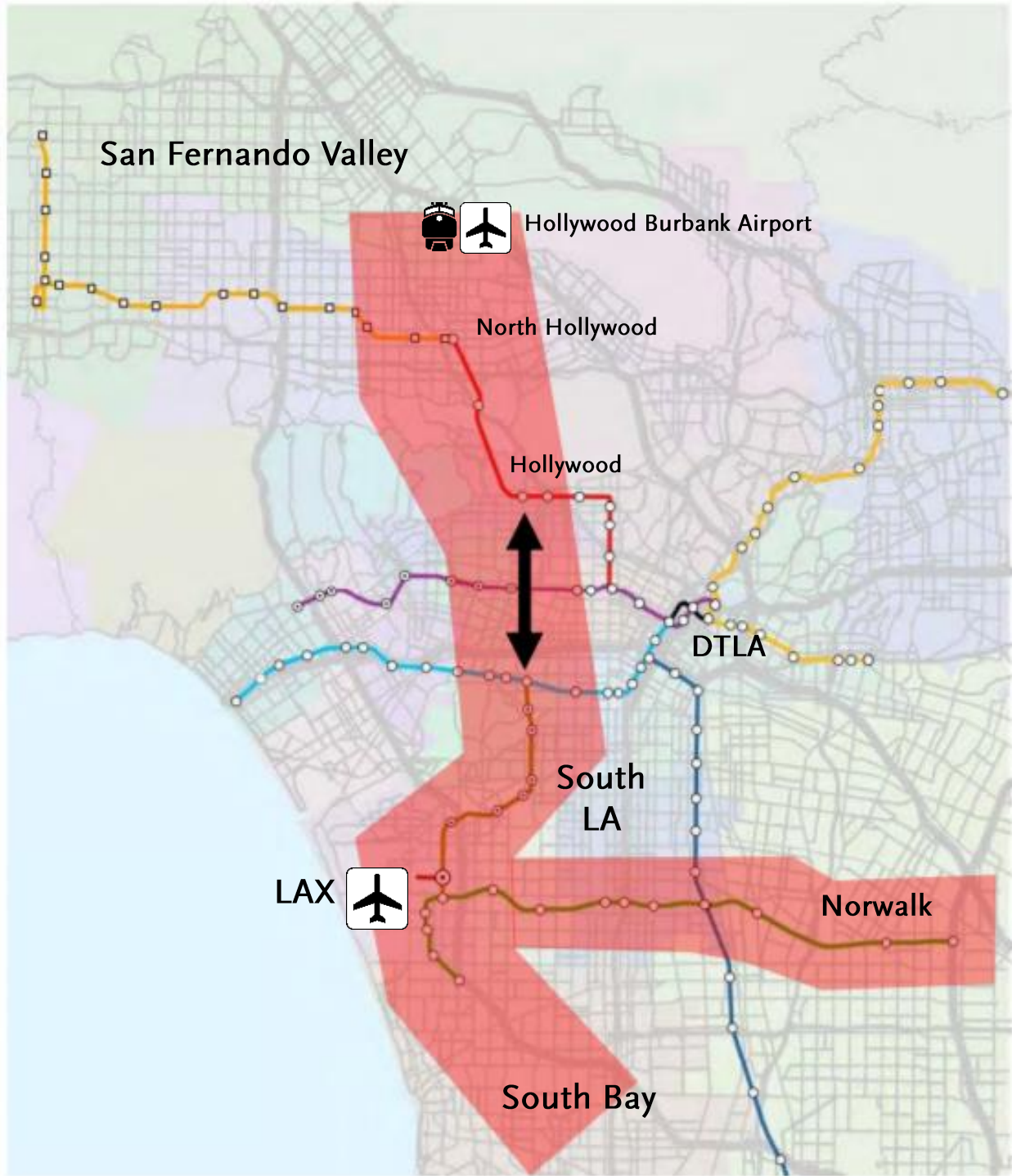


Figure ES - 3 Regional Connectivity with Project

Table ES - 1 provides examples of anticipated travel times between several key origins and destinations that can be realized with the development of the Project. Travel times between key locations can be dramatically improved with the Project. For example, a transit trip between Hollywood and CBS/The Grove that currently takes 24 minutes could be completed in 5 minutes with the Project. Similarly, trips between LAX and CBS/The Grove and Leimert Park and Beverly Hills could be reduced by about half or more, providing significant travel time savings.

Table ES - 1 Anticipated Travel Times between Major Destinations with the Project

| Between | And | Without Project | With Project |
|-----------------------|-----------------------|-----------------|--------------|
| Hollywood | LAX | 64 | 32-39 |
| Hollywood | CBS/The Grove | 24 | 5-9 |
| Hollywood | Culver City | 52 | 24-31 |
| Hollywood | Inglewood | 60 | 27-34 |
| Hollywood | Cedars-Sinai | 44 | 8 |
| Hollywood | Westwood | 35 | 17-21 |
| LAX | CBS/The Grove | 90 | 31 |
| LAX | Cedars-Sinai | 102 | 32 |
| LAX | Miracle Mile | 84 | 27-29 |
| LAX | WeHo Rainbow District | 105 | 32-34 |
| West Adams | CBS/The Grove | 35 | 11 |
| Leimert Park | CBS/The Grove | 47 | 17 |
| Leimert Park | Beverly Hills | 59 | 21-22 |
| Leimert Park | Westwood | 44 | 25-26 |
| Leimert Park | Cedars-Sinai | 53 | 18 |
| WeHo Rainbow District | LACMA | 35 | 15 |
| WeHo Rainbow District | Hollywood | 34 | 6 |
| North Hollywood | Culver City | 58 | 34-41 |
| North Hollywood | Expo/Crenshaw | 50 | 22-29 |
| Burbank Airport | Culver City | 84 | 56-63 |

3 Alternatives Considered

3.1.1 2018 Feasibility Study

Preliminary alternatives developed during the 2018 Feasibility Study built upon alignments studied in the 2009 Wilshire/La Brea LRT Extension Feasibility Study and served as the starting point for Advanced Alternatives Analysis. These included the following route alternatives between Expo/Crenshaw and Hollywood/Highland:

- **San Vicente Boulevard:** Mid-City to Hollywood/Highland via San Vicente Blvd. and Santa Monica Blvd.
- **La Cienega Boulevard:** Mid-City to Hollywood/Highland via San Vicente Blvd., La Cienega Blvd., and Santa Monica Blvd.
- **Fairfax Avenue:** Mid-City to Hollywood/Highland via San Vicente Blvd., Fairfax Ave., and Santa Monica Blvd.
- **La Brea Avenue:** Mid-City to Hollywood/Highland via La Brea Avenue.
- **Vermont Avenue:** Crenshaw to Wilshire/Vermont via Olympic Blvd.

The Vermont Avenue alternative was included in the universe of 2018 Feasibility Study alternatives as it provided the shortest connection to both the Red and Purple Lines at the Wilshire/Vermont Station, whereas all other alternatives connect to the Metro Purple Line along Wilshire Blvd. and the Metro Red Line at the Hollywood/Highland Station.

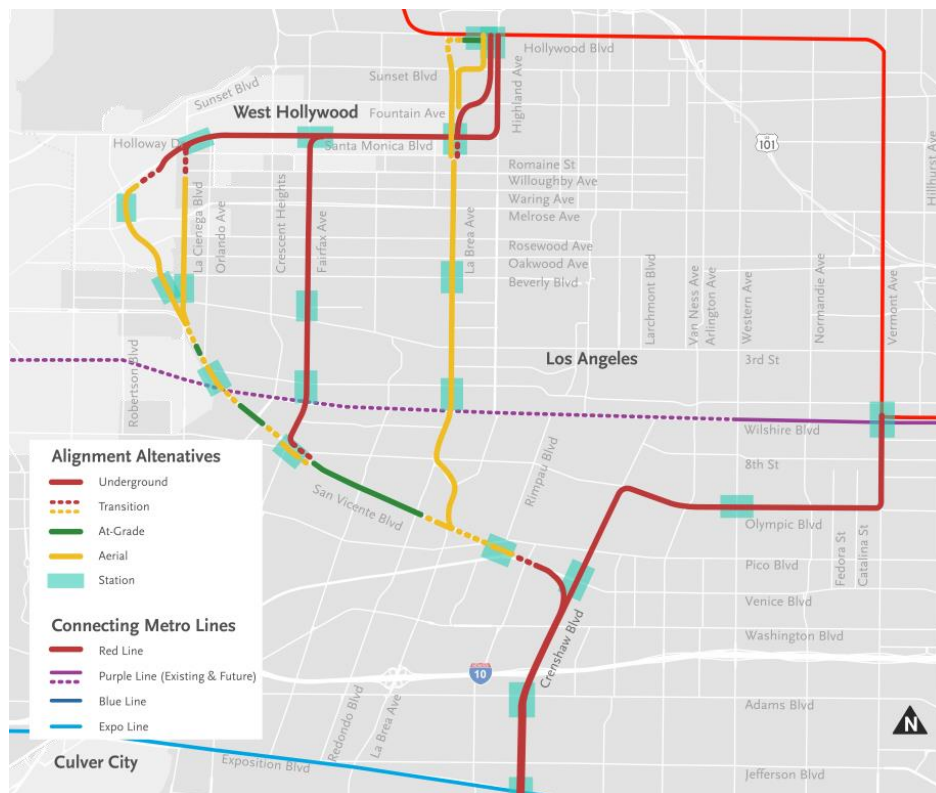


Figure ES - 4 Alternative Alignment Baseline Configurations in the Feasibility/Alternative Analysis Study

With the establishment of the preliminary routes as mentioned above, baseline alignments were developed on the rationale of maximizing at- or above-ground configuration in order to reduce capital cost (Figure ES - 4). At the 2018 Feasibility Study phase, the alignments did not address detailed issues related to constructability, urban form, or community fit. Alternatives were primarily evaluated based on performance measures related to ridership and cost-effectiveness.

At the conclusion of the 2018 Feasibility Study process, the Vermont Alternative was recommended for dismissal from further consideration due to poor performance relative to the other alternatives and its inability to meet several aspects of the project's purpose and need. All other alternatives were recommended to be further evaluated in the next phase of the project. Since no public outreach occurred as part of the 2018 Feasibility Study effort, however, the Vermont Alternative was included in initial public outreach conducted as part of the Advanced Alternatives Analysis as described below.

3.1.2 Advanced Alternatives Analysis

A critical first step for the Advanced Alternatives Analysis was to engage with stakeholders and the public through a series of outreach meetings. The 2018 Feasibility Study process did not include public engagement, so Metro wanted to share information developed during that study and get feedback from the public on alternatives and issues that should be evaluated as part of the Advanced Alternatives Analysis. Although the Vermont Alternative was recommended for dismissal during the 2018 Feasibility Study, it was included along with all other alternatives shared to obtain public input on all alternatives that were considered.

Four outreach meetings were held in spring 2019, at the outset of the Advanced Alternatives Analysis. Information shared at these meetings included alternative alignment corridor locations, summary of performance of alternatives as identified during the 2018 Feasibility Study, and descriptions of additional performance measures (ridership, cost, travel time savings, Transit Oriented Communities (TOC) and First and Last Mile (FLM) characteristics), proposed to be utilized as part of the Advanced Alternatives Analysis screening.

Several public meeting participants expressed an interest in exploring further extending the project north to connect to the Hollywood Bowl. Although not initially considered as part of the project goals and purpose and need, this idea was determined to have merit, particularly related to the constructability of alternatives in light of the limited number of options for tunnel boring machine (TBM) launch sites near the Hollywood/Highland Station location. Metro recommends that a potential extension north to the Hollywood Bowl be considered as part of all alternatives that advance to the environmental and advanced conceptual engineering phase of project development. Although not specifically considered or evaluated as part of the Advanced Alternatives Analysis, an extension to the Hollywood Bowl will be addressed as part of analysis during the next phase and will be accommodated by the conceptual design of alternatives included in the Advanced Alternatives Analysis that connect with the Red Line at Hollywood/Highland Station.

Three new alternatives were also suggested by the communities at the initial public outreach meetings conducted in spring 2019. The suggestions included continuing the alignment to Burbank Airport, interlining with the Expo Line, and a new [REDACTED] and San Vicente Blvd. After closer investigation, the first two community-suggested alternatives were dismissed from further study by not meeting the purpose and need established for the Project as well as engineering and right-of-way constraints along the Expo line.

The hybrid alignment was [REDACTED] and need. Therefore, it was included for additional analysis as a design option to the San Vicente Alternative. The alternative is a hybrid of alignment characteristics of both the Fairfax and San Vicente

Alternatives investigated in the 2018 Feasibility Study, while providing service to additional regional cultural, retail, and employment destinations along both alternatives, including LACMA, the Grove, the Beverly Center, Cedars-Sinai, etc. (Figure ES - 5).



Figure ES - 5 San Vicente Alternative Design Option 2 – Hybrid Alignment Map

During the fall of 2019, four additional outreach meetings were conducted. Information shared with the public at these meetings included updated results from performance measures, station location options for each alternative corridor, information on the funding analysis undertaken by the City of West Hollywood as part of Metro’s Early Project Delivery Strategy, and criteria analyzed as part of the TOC/FLM analysis for the current phase of study. Feedback received from the public at this second round of meetings was largely supportive of the project. No new alternatives were recommended as part of the second round of outreach meetings that require additional analysis.

Throughout the outreach efforts, communities consistently expressed more interest in western alternatives that provide better access to large activity and employment centers and less support for alternatives in the eastern portion of the study area. As part of outreach meetings, Metro shared with the public that the Vermont Alternative was recommended for elimination for two reasons. First, it does not meet some key goals of the project, and second, recent action by the Metro Board called for a separate transit study along the Vermont corridor. Existing Metro rail service (Expo Line) already provides rail service for a large portion of through trips headed towards Downtown L.A. and points east. The other four alignments under consideration would provide much greater travel time savings for trips to, from and between the major study area activity centers/destinations, offering a speedier connection to the Purple Line and significantly lower travel times to points further north throughout Central Los Angeles and the San Fernando Valley, and west, including major employment centers on the Westside.

Additionally, the Measure M Expenditure Plan includes a high capacity Bus Rapid Transit (BRT) project along the Vermont Corridor which would partially compete with the Vermont Alternative analyzed in the 2018 Feasibility Study. The 2019 Vermont Transit Corridor Rail Conversion & Feasibility Study and Metro Board actions in April 2019 indicate that an underground heavy rail system along this corridor interlining with the Red Line or Purple Lines will be evaluated. In this context, the Vermont Alternative of the 2018 Feasibility Study would preclude a separate rail project that would serve the Vermont corridor south of Wilshire Blvd. and the existing Red Line.

The alternatives considered as part of the Advanced Alternative Analysis build on initial concepts developed during the 2018 Feasibility Study and were modified to reflect the initial screening performance, community and stakeholder input, and Metro Board direction. The five alternatives evaluated as part of this study are illustrated on Figure ES - 6. They include San Vicente (A), San Vicente Design Options for La Cienega (A1) and the Hybrid (A2), Fairfax (B), and La Brea (C).

In addition to the alternatives described above, the Advanced Alternatives Analysis also included a high-level evaluation of the potential locations where a maintenance facility could be constructed that would provide storage and maintenance capacity necessary to accommodate the vehicle fleet associated with the Crenshaw Northern Extension.



Figure ES - 6 Map Alternatives for the Advanced Alternative Analysis Phase

4 Performance of Alternatives

The five alternatives and options were evaluated against several performance measures, including ridership, costs, and TOC/FLM-supportiveness. Issues related to environmental sensitivity and equity concerns were also included as part of the evaluation. Alternatives were also further evaluated for engineering feasibility of vertical configurations, constructability of the full alignment, and phasing of an initial operating segment (IOS) based on potential funding availability.

4.1.1 Ridership Forecasting³

The Advanced Alternatives Analysis alternatives are projected to attract approximately 88,000 to 91,000 daily trips on the project over the no-build scenario based on the results of ridership projections from the Metro Regional Travel Demand Model. It should be noted that the ridership projections from the Metro model focus on home-based work trips. As a result, the model does not necessarily capture all trips that might occur for unique purposes such as tourism and special events. Nevertheless, projected ridership is at the same level as Metro's heavy rail lines and some heavily utilized rail lines in the nation

³ The ridership forecasting results are based on home-based work trips on weekdays, and did not reflect potential impacts from tourism, special events, surrounding land use, etc.

(like the MBTA Orange Line in Boston). Among those, 21,000 to 23,000 trips are by new transit users, who would not have used transit for their trip purpose without this project (Figure ES - 7). The San Vicente Alternative and San Vicente Alternative Option 1 - La Cienega are projected to have the highest daily project ridership and new transit trips, followed by San Vicente Alternative Option 2 – Hybrid, Fairfax, and La Brea Alternatives.

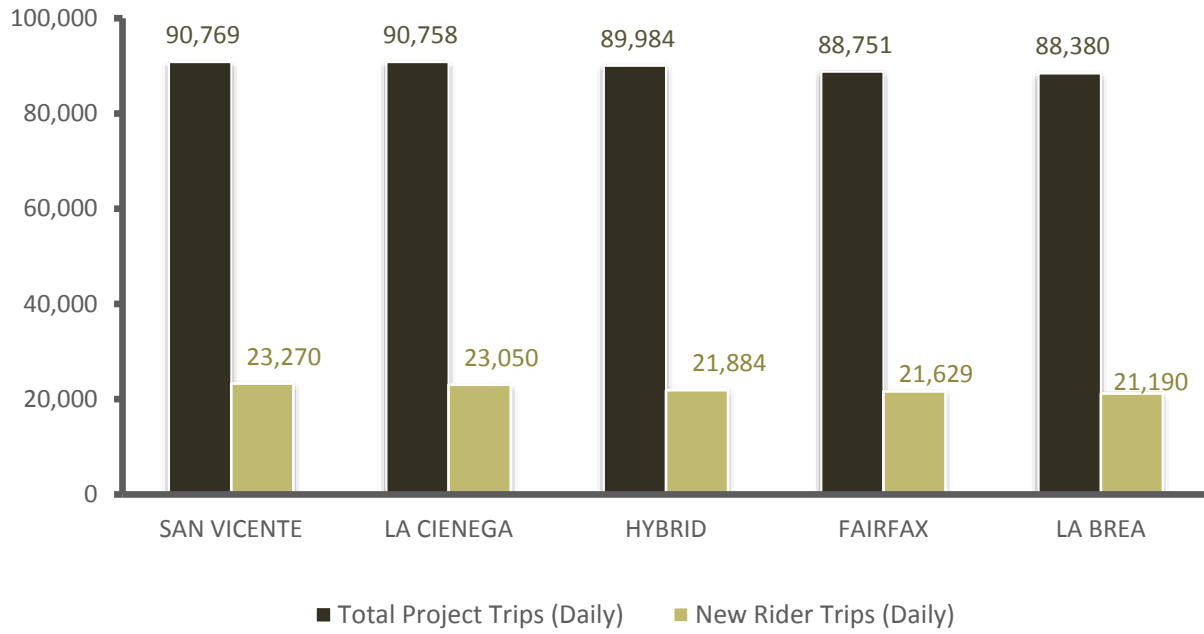


Figure ES - 7 Daily Ridership and New Rider Trips for Alternatives

A similar pattern is illustrated for travel time savings (Figure ES - 8). While all alternatives would result in notable reduced transit travel times and improved transit service compared to existing conditions, the western alignments have greater overall time savings as well as travel time savings per project trip, and thus can provide larger benefits.

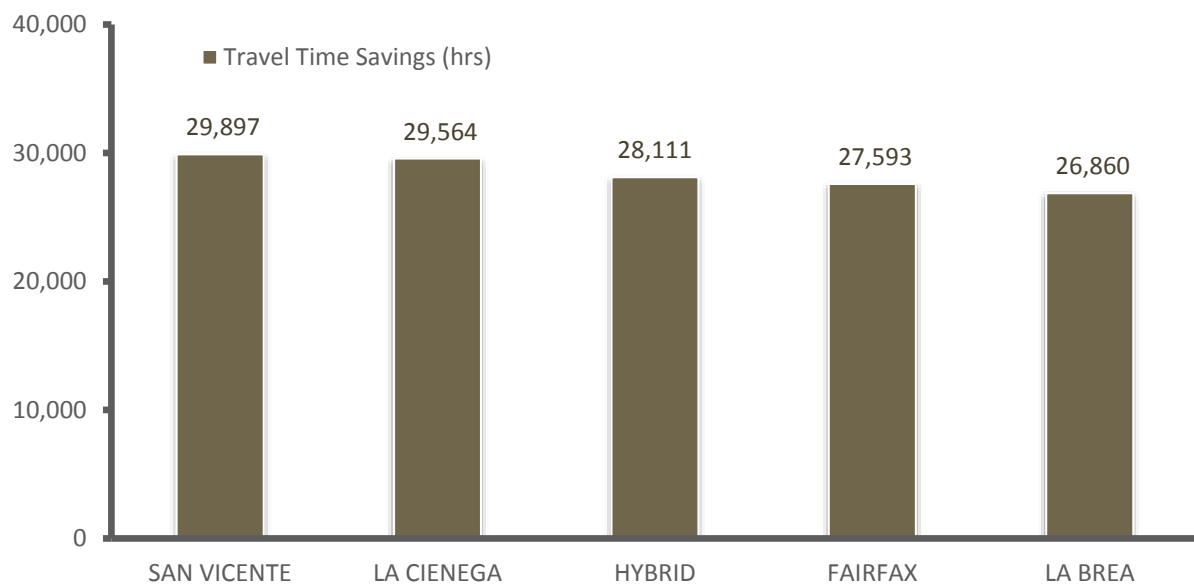


Figure ES - 8 Travel Time Savings by Alternative

Figure ES - 9 provides an illustration of the number of through trips, local trips, and riders who get on or off within the corridor for each alternative. A couple of clear patterns emerge from this information. One is that alignments further east serve a higher level of through trips originating outside the study area and terminating outside the study area. This is likely a result of the lower travel time associated with the more direct alternatives such as La Brea or Fairfax. Another pattern is that the alignments further west serve a much higher level of local trips due to the connectivity they provide with key activity and employment centers. This suggests that the western alignments provide a greater combination of both local trips within and through the study area than that provided by eastern alignments.

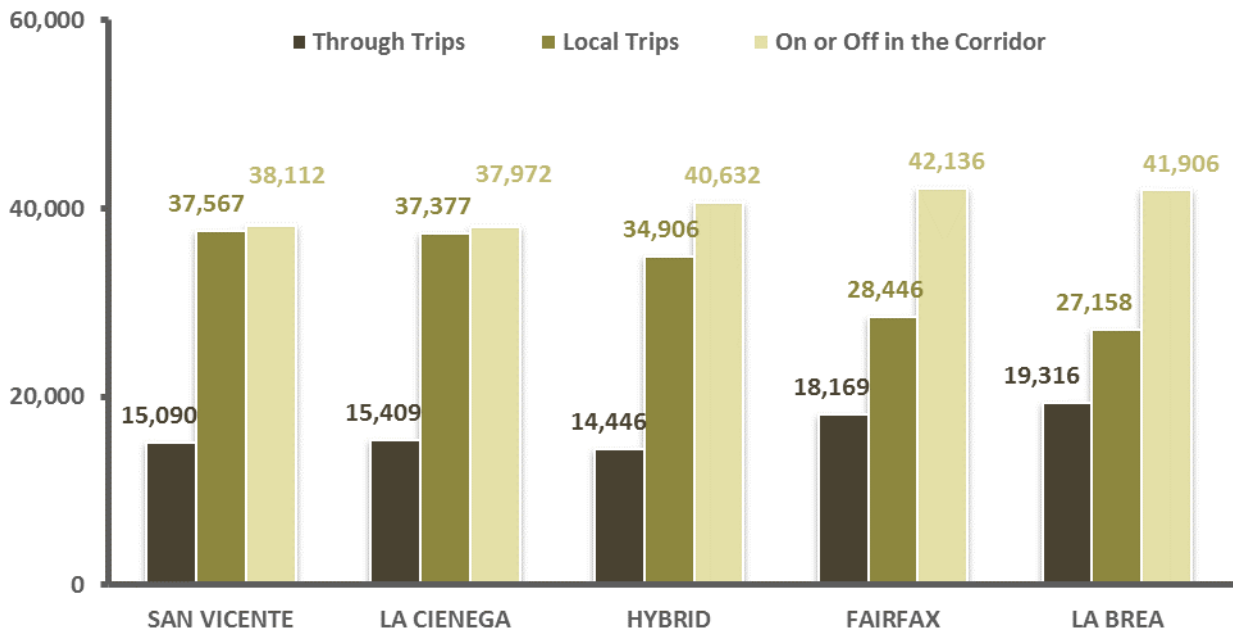


Figure ES - 9 Daily Ridership Breakdown for Alternatives

4.1.2 Socio-economic Analysis

As seen in **Error! Reference source not found.** and Figure ES - 9, the forecasted daily ridership decreases among the alternatives from west to east. The longer, western alternatives have higher ridership because they have more stations and provide better access to more activity, population, and employment centers than the eastern alternatives. This is reinforced by the number of projected jobs and population that could potentially be served by each alternative in 2040 within a half-mile of proposed stations (Figure ES - 10). For example, not including Venice/Vineyard and Santa Monica/La Brea (which are shared by all alternatives), the longer western alignments (San Vicente Alternative and La Cienega and Hybrid Design Option) provide access to twice as many jobs (from 55,700 to 64,500) and more than four times as many residents (from 62,400 to 67,400) compared to the La Brea Alternative (21,600). Conversely, while the Fairfax Alternative provides fewer total jobs (44,500) it is on par with the San Vicente Alternative and Design Options in providing job accessibility on a per mile basis (at 9,300 jobs/mile). In all, the San Vicente Alternative and Design Options serve significantly more people near their proposed station areas - about double the population of the Fairfax Alternative stations areas and more than five times as many people near the stations along the La Brea Alternative.

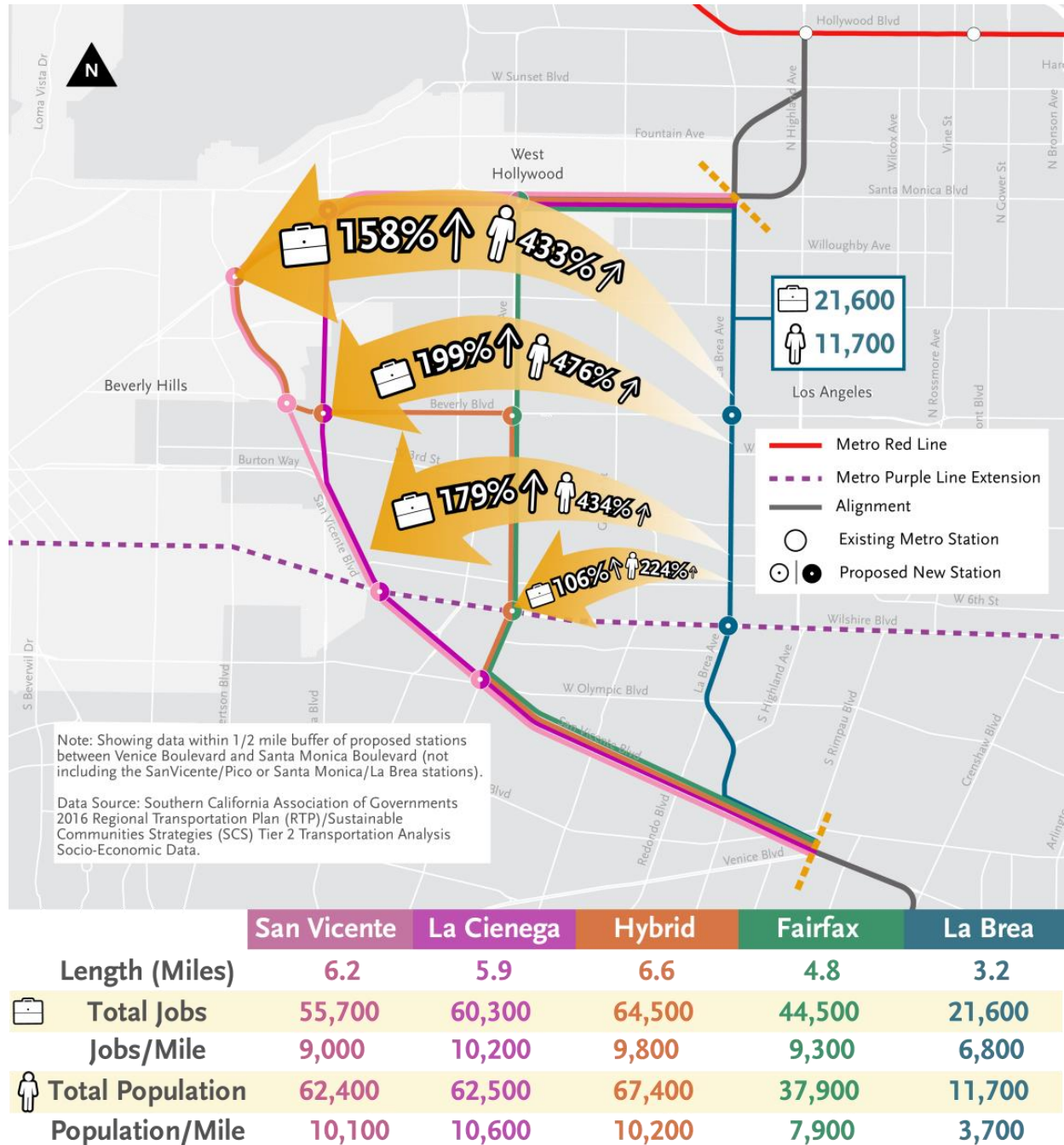


Figure ES - 10 Comparison of Alternatives Access to Employment and Population in 2040

In addition, the western alignments go through more census tracts that are considered transit dependent, where high percentages of zero-car, low-income, and/or low-income senior citizen households are present, presenting extensive opportunities to provide robust transit options for vulnerable and transit dependent residents (Figure ES - 11).

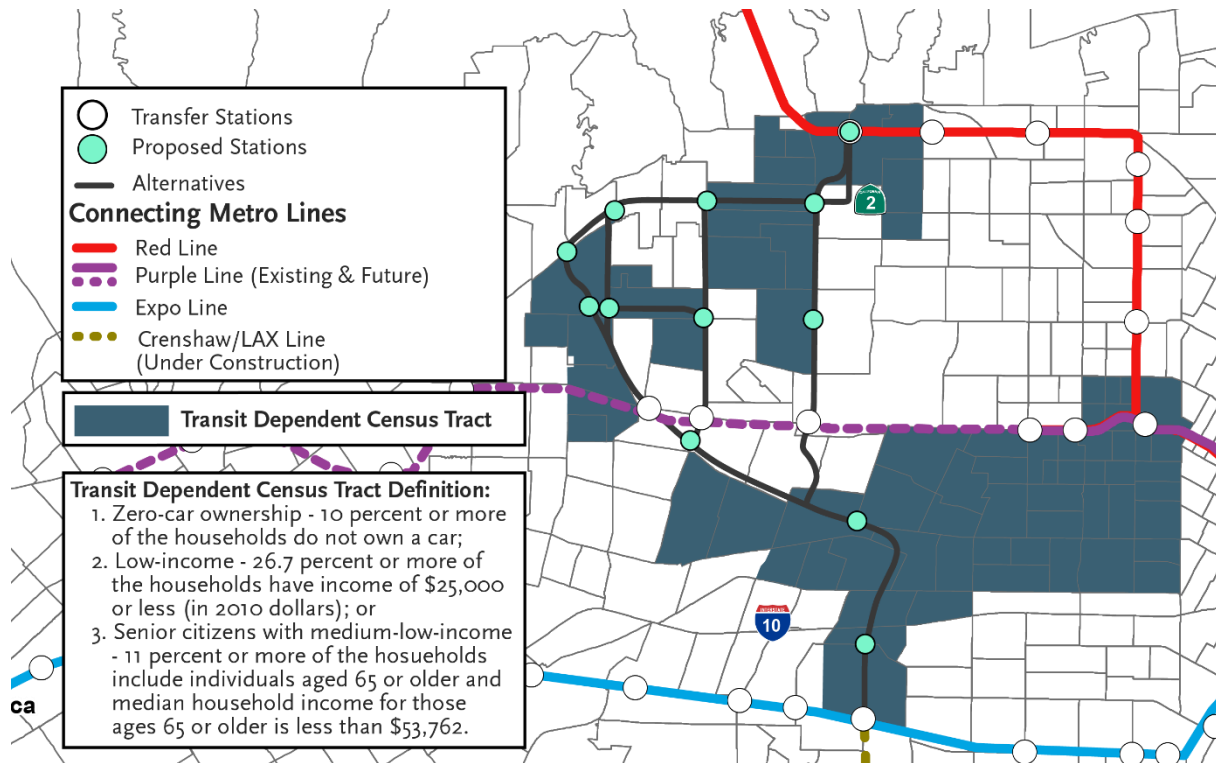


Figure ES - 11 Crenshaw Northern Extension study area Transit Dependency by Census Tract

4.1.3 Cost Estimating

The capital cost of the project alternatives ranges from \$3 to \$6.5 billion (Figure ES - 12). While the La Brea Alternative has fewer project trips and serves less transit-dependent populations compared to the San Vicente Alternative and Design Options, it has the lowest capital cost (\$3.0 to \$4.4 Billion, depending on the design configuration). The same pattern exists for annual operations & maintenance (O&M) costs. As the project length, travel time, and estimated revenue-hours of operation increase, the annual O&M costs also increase. As a result, the La Brea Alternative has the lowest annual O&M costs at \$42 million and the San Vicente Alternative Design Option 2 – Hybrid has the highest at \$75 million (Figure ES - 13).

Alignment and guideway vertical configurations have the potential to dramatically impact capital and operating costs. This is reflected in the range of costs presented which capture a best-case baseline condition (as reflected in the 2018 Feasibility Study alignments where at and above-grade configuration was maximized), to a fully underground configuration where all guideway and stations are in subway (avoiding environmental and other impacts).

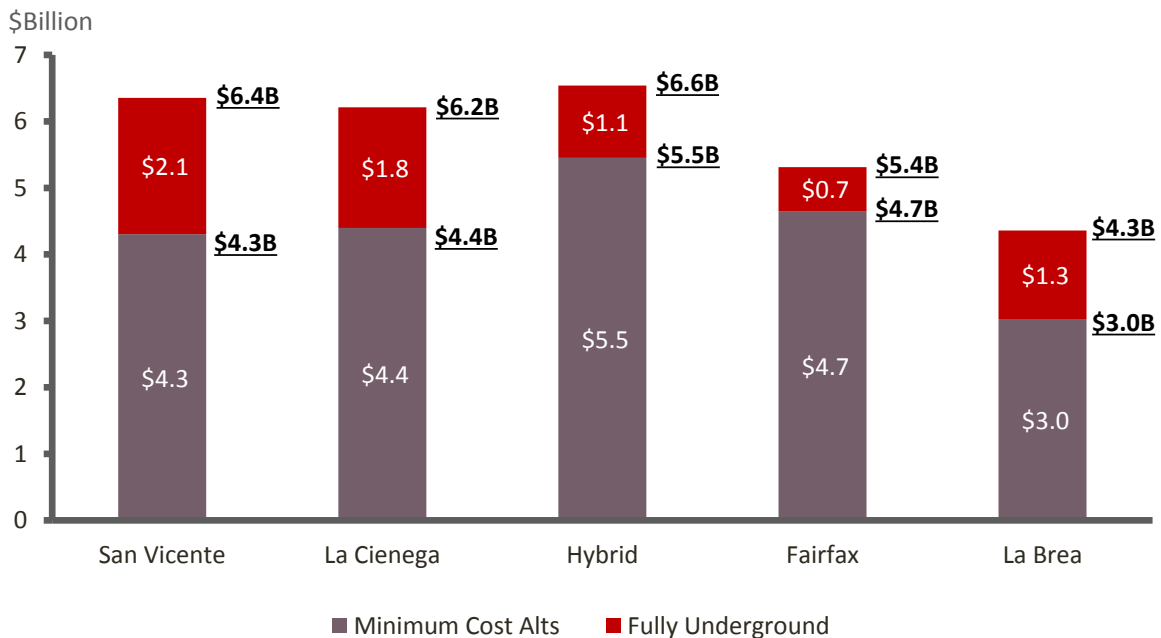


Figure ES - 12 Capital Cost Estimates for Project Alternatives

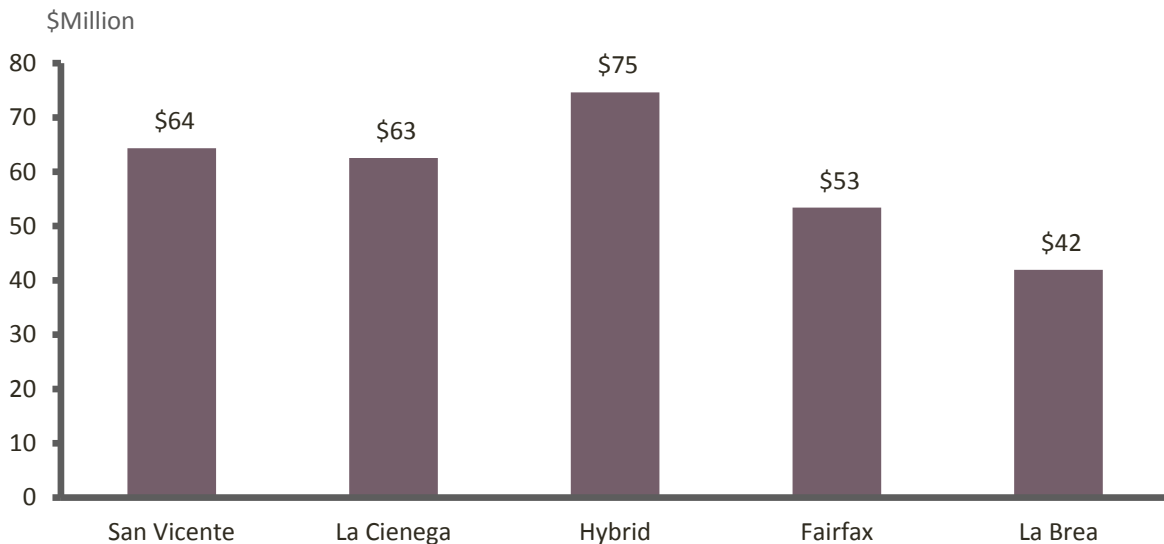


Figure ES - 13 O&M Cost per Project Trip by Alternative

4.1.4 Engineering Constraints and Limitations

The alternative configurations have notable engineering constraints for design and construction that substantially impact the feasibility and cost-effectiveness of at-grade or aerial configurations for certain segments. Some constraints are universal, for example, it's difficult to find a potential TBM launch site (at minimum 3 acres) on the north side of Wilshire Blvd. for all alternatives. This limitation makes certain potential underground segments infeasible if construction were to require cut and cover methodology as opposed to boring. The infeasibility is a function of cost for land and the potential for significant environmental impacts. Specific engineering constraints and limitations for the alternative configurations that were developed during the 2018 Feasibility Study process to minimize cost were

further evaluated as part of the Advanced Alternatives Analysis. The constraints and limitations specific to each alternative corridor are described below:

- **San Vicente Alternative:** Four primary engineering constraint issues exist along the unique portion of the San Vicente Alternative that limit viability of aerial and at-grade configurations developed during the 2018 Feasibility Study. First, the combination of aerial and at-grade configuration through the Carthay Circle area would allow for only a limited amount (approximately 1,300 feet) of actual at-grade operation due to the need for aerial transitions necessary to cross the Fairfax/Olympic/San Vicente (asterisk) intersection and the aerial crossing of Wilshire Blvd. This would result in the need for aerial structure within the Historic Preservation Overlay Zone (HPOZ) established for Carthay Circle which would be in conflict with the HPOZ designation of the area. Second, an aerial crossing of Wilshire Blvd. would require placement of the Wilshire Station north of Wilshire Blvd. while the Purple Line station is located west of San Vicente Blvd. This would necessitate a walk of about 1,300 feet for passengers who would transfer between the Crenshaw Northern Extension and the Purple Line stations in this location which is a concern due to the large volume of passenger transfers (potentially 20,000 plus) forecast between the two lines. Third, an aerial configuration north of Wilshire Blvd. through the Cedars Sinai/Beverly Center area would be extremely difficult to construct based on the level of existing and proposed future development. Combined with a likely need for straddle bents to accommodate a wide crossing of La Cienega Blvd., the aerial alignment in this area is considered too impactful to be viable. The fourth constraint pertains to the option for underground alignment through the Carthay Circle portion of the alignment. There are not identifiable adequate locations for potential TBM launch or extraction sites within this area that would foster development of an initial operating segment (IOS) between the Exposition Line and the Purple Line.
- **San Vicente Alternative Design Option 1 – La Cienega:** The primary constraint associated with an aerial alignment on La Cienega Blvd. is the limited right-of-way width. An aerial station or a transition from aerial to underground alignment would result in the need to reduce travel lanes from three to two in each direction or would require major real estate impacts due to the need to acquire adjacent property. For those reasons, an alignment utilizing La Cienega Blvd. would need to be underground prior to reaching La Cienega Blvd.
- **San Vicente Alternative Design Option 2 – Hybrid:** The primary design constraint for this alternative is also related to the roadway right-of-way width, but for this alternative it is the widths along Beverly Blvd. (approximately 70 feet) and Fairfax Ave (as low as 55 feet). The limited width results in similar impacts related to either travel lane reduction or property acquisition. As a result, this alternative would need to be underground starting just south of the Fairfax/Olympic/San Vicente (asterisk) intersection and would continue underground to the northern terminus. The alternative avoids the issues described above for the San Vicente Blvd. Alternative and also could provide an opportunity to utilize either La Cienega or San Vicente Blvd. north of Beverly Blvd.
- **Fairfax Alternative:** The 2018 Feasibility Study recognized that the Fairfax corridor is not viable for aerial or at-grade configuration due to limited right-of-way width that exists along the street combined with high volumes of ADT. Additional engineering constraints identified during the Advance Alternatives Analysis include those associated with potential stations at Wilshire/Fairfax and Santa Monica/Fairfax. At Wilshire/Fairfax, the 2018 Feasibility Study identified the station location north of Wilshire but did not consider in detail the impacts for construction of a cut and cover station on the adjacent land use or the impacts associated with the depth of station required to be beneath the planned Purple Line in this location. The adjacent

land use includes important cultural and historic properties that would likely represent significant environmental impacts due to the extent and duration of construction that would be required to build the deep station. Furthermore, construction of a potential IOS to Wilshire Blvd. would be substantially more viable if the station were to be located on the south. As a result, it is recommended that the station should be moved to the south side of Wilshire Blvd. where better construction staging opportunities exist relative to adjacent land use. At the intersection of Santa Monica Blvd. and Fairfax Blvd. the most desirable location for a station is directly under the intersection with access provided from the intersection quadrants. Due to the need for the alignment to turn east on Santa Monica Blvd. from Fairfax Blvd., the placement of a station would have to be located near Genesee Ave., approximately 1,000 feet to the east of the intersection, due to turn radii limitations associated with TBM equipment. An alignment option was developed that would allow placement of the station directly at the intersection, but it would result in substantial impact to adjacent land use due to the diagonal station placement required and the cut and cover construction method utilized for station construction.

- La Brea Alternative: Three primary engineering constraints limit the viability for aerial configuration through this corridor. First, the turn from San Vicente Blvd. to La Brea Blvd. would require either a tight radius configuration that would slow operations or property acquisition in order to accommodate a flatter curve and higher speed operation. Second, a series of roadway turns exist along La Brea Blvd. between San Vicente Blvd. and Olympic Blvd. that would likely require straddle bent structures due to limitations for placement of columns, thus impacting adjacent land use and necessitating right-of-way acquisition while significantly limiting speed through this segment. Finally, aerial configuration would require acquisition of additional right-of-way in order to maintain current traffic lane configurations, particularly at station locations. The existing average daily traffic (ADT) volumes along La Brea Blvd. are the highest of those in any corridor under consideration at over 27,000 ADT. Therefore, traffic lane elimination or reduced width is not considered viable due to potentially significant impacts associated with increased congestion or land acquisition. Alternatively, the existing traffic lane configuration could be preserved, but reduction of sidewalk width would be necessary to accommodate aerial stations. This condition presents limitations for aerial station development at Wilshire, Beverly, and Santa Monica Blvds. Reduction of sidewalk width would not only conflict with the City of LA's standards for streets and sidewalk widths which require 15 feet at minimum, but also would counter Metro's FLM policies that encourage pedestrian connectivity and the creation of an inviting public realm. An underground configuration along La Brea Blvd. is considered to be the only viable solution for an alignment in this corridor due to roadway and land use impacts associated with the limited right-of-way space in the corridor.

The Southwestern Yard Maintenance and Storage Facility (MSF) serving the Crenshaw/LAX Line and Green Line are unlikely to have additional capacity to accommodate the maintenance and storage needs of this project's full fleet (including overnight storage of vehicles, routine maintenance, and overhauls) and maintenance equipment (for maintaining the guideway and right-of-way). Approximately 9.7 to 13.3 acres at minimum are estimated to accommodate the fleets for the alternatives analyzed during this phase of study. The study area consists of densely developed residential and commercial uses and has few vacant and underutilized properties. An MSF in such an urban setting could pose significant environmental impacts to the neighborhoods or require challenging and costly underground construction. However, several potential sites have been identified outside of the study area along the Crenshaw/LAX corridor in the vicinity of LAX. These sites will be further evaluated during the next phase of the study.

4.1.5 Transit Oriented Communities and First/Last Mile Analysis

To promote transit accessibility for existing neighborhoods, healthy and active lifestyles, improve access to jobs and economic opportunities, and reduce greenhouse gas emissions, a TOC and FLM compatibility analysis was conducted during the Advanced Alternatives Analysis. The TOC/FLM analysis process integrates Metro's TOC/FLM policies and planning principals to ensure that expansion of the transit system connects communities, integrates future, and promotes accessibility via active transportation modes.

The analysis was developed for the area within a half-mile radius around each proposed station (which is roughly a 15-minute walk).

For TOC the analysis consisted of the following elements:

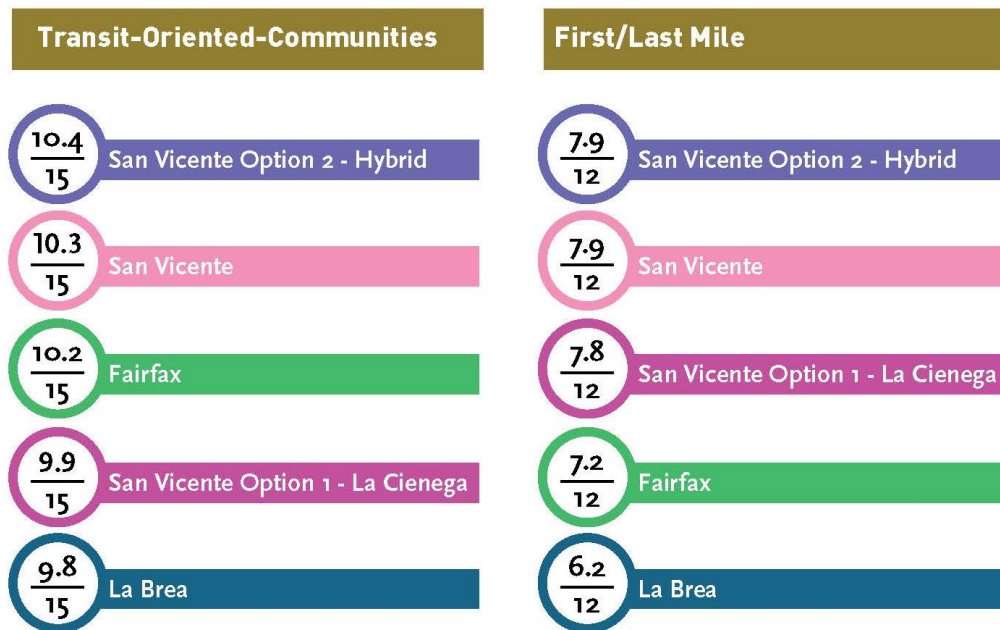
- Transit supportive density expressed through the population and employment surrounding stations including:
 - Activity units – total jobs plus total population divided by acreage of the half-mile catchment area
 - Activity centers – mixed-use areas that draw a high number of visitors such as retail corridors, shopping centers, universities, or medical centers
- The presence of vacant or underutilized parcels
- Transit supportive plans, parking management policies, and affordable/ inclusionary housing policies in place by local municipalities

For FLM, the analysis consisted of the following elements:

- FLM supportive infrastructure including block size (intersection density), pedestrian access, bicycle facilities, ADA, and new mobility access.
- Quality of the public realm
- FLM supportive plans and policies
- Safety and security including active transportation collision rates, lighting, visibility, crossings, and security elements

Results show that the San Vicente Alternative Design Option 2 – Hybrid scored highest and the La Brea Alternative scored lowest. Generally speaking, alternatives and design options are relatively comparable in their existing TOC supportiveness within the corridor. The main differences between alternatives relate to higher densities and activity centers along western alignments and amount of vacant and underutilized parcels. Applicable transit supportive plans and policies relate to a majority of proposed stations, with some cities leading the charge for early adoption of existing plans.

Similar results are seen for FLM supportiveness, with the San Vicente Alternative Design Option 2 - Hybrid and San Vicente Alternatives tied for first place ranking, closely followed by the San Vicente Design Option 1 - La Cienega. The Fairfax and La Brea alternatives are in fourth and fifth positions respectively. The existing conditions and planned investments in West Hollywood have led to higher intersection density levels, existing and planned supportive infrastructure for active transportation modes, and enhancements to the public realm improving accessibility, safety and security, and thus resulting in the difference in the scoring of all alternatives (Figure ES - 14).



Note: Metro will develop TOC baseline studies to analyze additional detail in the next phase of project development.

Figure ES - 14 TOC/FLM Analysis Results by Alternative

4.1.6 Environmental Considerations

A high-level environmental evaluation was completed for the 2018 Feasibility Study based on baseline alternative configurations that maximized the potential above-grade vertical alignment for each alternative. Due to the high-level nature of the analysis conducted to date and the likely changes to alternative vertical configurations from the baseline configurations evaluated during the 2018 Feasibility Study, additional environmental analysis was limited to a similar evaluation for the new San Vicente Alternative Design Option 2 – Hybrid in order to provide a similar base of comparison. Inclusion of this new alternative did not result in any new conclusions overall. Similar to earlier analysis, the longer alignments have potentially greater environmental effects depending upon final vertical configuration. The San Vicente Alternative – Design Option 2 resulted in a slightly higher expectation for potential environmental effects based on its longer length and the baseline vertical alignment that included aerial and underground configuration. Additional detailed environmental analysis was not conducted for the Advanced Alternatives Analysis since vertical alignment has not been confirmed. This will be the subject of the next phase of project development during environmental review.

Several conclusions can be drawn however, from qualitative review of alternatives in light of environmental considerations and the potential for impacts. For example, all alternatives would be anticipated to contribute to lower regional Vehicle Miles Traveled (VMT) and associated improvements in air quality conditions by increasing the volume of travel by public transit and reducing travel by automobile. Similarly, all alternatives would have the benefit of improved travel time and increased accessibility for many individuals, particularly those transit dependent populations present within the study area. Specific additional conclusions for each alternative include:

- San Vicente Alternative: the baseline alternative included substantial at-grade and aerial configuration throughout San Vicente Blvd. Impacts likely to be associated with this configuration include impacts related to visual and aesthetic conditions; noise and vibration, particularly near adjacent residential areas; cultural resource impacts, particularly for areas along the corridor designated as historic preservation overlay zones (HPOZ); and traffic impacts resulting from the

reconfiguration of streets necessary to accommodate a rail guideway and potential columns for aerial structure. Many of these impacts would be substantially mitigated by an underground alignment through this corridor, however, an underground alignment would be likely to have some other impacts including those related to underground gases or hazardous materials such as oil wells/deposits, utility conflicts and relocations, and potential discovery of cultural or paleontological resources requiring special treatment.

- San Vicente Alternative Design Option 1 – La Cienega: the baseline alternative included similar at-grade and aerial configuration throughout San Vicente Blvd. as well as aerial configuration along La Cienega Blvd. Impacts along San Vicente Blvd. between the Venice/Vineyard Station location (between San Vicente and Pico Blvds.,) and La Cienega Blvd. would be identical to those described above for the San Vicente Alternative, including those related to visual and aesthetic conditions, noise and vibration, and cultural resources. Along La Cienega Blvd. this alternative would have high potential for additional impacts related to visual and aesthetic conditions; noise and vibration, particularly near adjacent residential areas; and traffic impacts resulting from the reconfiguration of streets necessary to accommodate guideway columns or related property acquisitions to maintain current street configuration. Many of these impacts would be substantially mitigated by an underground alignment through this corridor, however, an underground alignment would also be likely to have impacts similar to those described for the San Vicente Alternative, but they would occur on La Cienega Blvd. instead of on San Vicente Blvd. between about Burton Way and Santa Monica Blvd.
- San Vicente Alternative Design Option 2 – Hybrid: the baseline alternative included vertical alignment options similar to those for the Fairfax Alternative on the south, an aerial configuration along Beverly Blvd. between Fairfax Blvd. and San Vicente Blvd. and aerial configuration along San Vicente Blvd. north to Santa Monica Blvd. where the alignment would transition to underground. As a consequence of the additional length for this alternative, additional impacts would be anticipated, particularly along Beverly Blvd. where traffic impacts resulting from the reconfiguration of the street necessary to accommodate guideway columns or related property acquisitions to maintain current street configuration would be necessary. Many of these impacts would be substantially mitigated by an underground alignment through this corridor, however, an underground alignment would also be likely to have impacts related to underground gases or hazardous materials such as oil wells/deposits, utility conflicts and relocations and potential discovery of cultural or paleontological resources along Beverly Blvd. in addition to San Vicente Blvd. north of Beverly Blvd.
- Fairfax Alternative: the baseline alternative included an underground configuration due to the limitations of street width in many sections of Fairfax Blvd. Impacts likely to be associated with this configuration include those related to underground gases or hazardous materials, utility conflicts and relocations, and potential discovery of cultural or paleontological resources requiring special treatment. Depending upon the location for access portals to stations, this alternative could also have the potential to impact some recognized historic resources located with the corridor.
- La Brea Alternative: the baseline alternative included aerial configuration throughout the length of the alignment, therefore this alternative would have high potential for impacts related to visual and aesthetic conditions; noise and vibration, particularly near adjacent residential areas; and traffic impacts resulting from the reconfiguration of streets necessary to accommodate guideway columns and station locations or related property acquisitions to maintain current street configuration. Many of these impacts would be substantially mitigated by an underground alignment through this corridor, however, an underground alignment would be likely to have some other impacts including those related to underground gases or hazardous materials, utility conflicts and relocations, and potential discovery of cultural or paleontological resources requiring special treatment.

4.1.7 Phasing

Measure M provides approximately \$2.3 billion in funding for the project. As a result, it is possible that the project will need to be constructed in more than a single construction phase, through Interim Operable Segments (IOS), in order to complete the full extension to Hollywood/Highland and/or the Hollywood Bowl. One potential IOS that would produce considerable benefits is between the Metro Expo Line and the Metro Purple Line (Figure ES - 15).

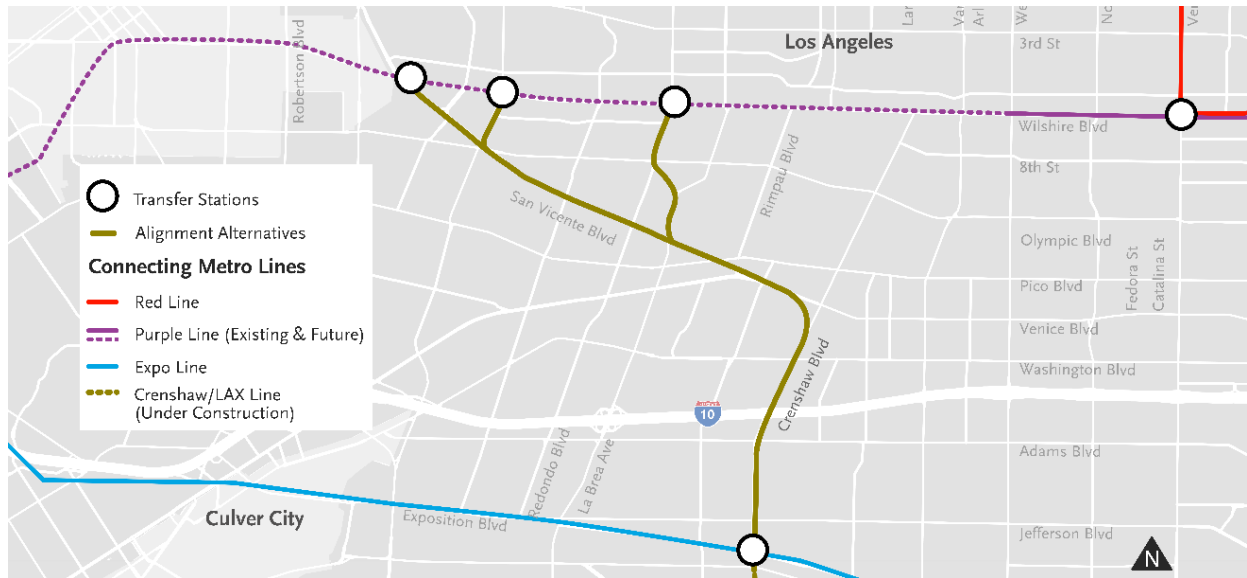


Figure ES - 15 Initial Operable Segments for Alternatives

In contrast to the full alternatives, the total trips on IOS segments between the Expo Line and the Purple Line are higher for the eastern alignments than the western alignments (Figure ES - 16). This is due to the fact that the phased scenario would operate more as a regional serving alignment and less as a locally serving alignment, given the concentration of activity and employment centers north of Wilshire Blvd. Therefore, the alignment with the shortest and fastest travel time connecting the Expo and Purple lines is expected to have the highest ridership among the IOS options.

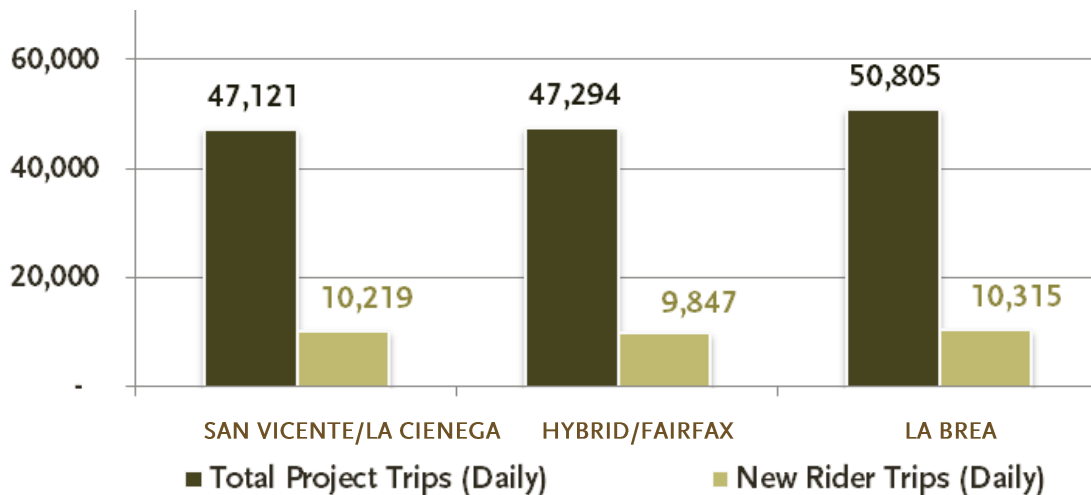


Figure ES - 16 Daily Ridership for Project Phased to Purple Line

As mentioned above, all IOSs to Wilshire Blvd. will fall within the Measure M funding allotment for their respective baseline configurations developed during the feasibility study phase (Figure ES - 17). The Fairfax Alternative IOS will have the highest capital cost, followed by San Vicente and La Brea Alternatives. Fully underground configurations may require additional funding in order to complete an IOS segment to the Purple Line.

If the IOSs were built as fully underground alignments, the costs would exceed the Measure M funding allotment. If additional funds were secured to deliver the initial phase of the project, the project alternatives could be delivered to the Metro Purple Line. The fully underground San Vicente IOS would cost roughly \$3.1 billion, or about \$800M more than the Measure M funding in 2017 value. The fully underground Fairfax IOS would cost roughly \$2.8 billion, or about \$500M more than the Measure M funding in 2017 value. The fully underground La Brea IOS would cost roughly \$2.6 billion, or about \$300M more than the Measure M funding in 2017 value.

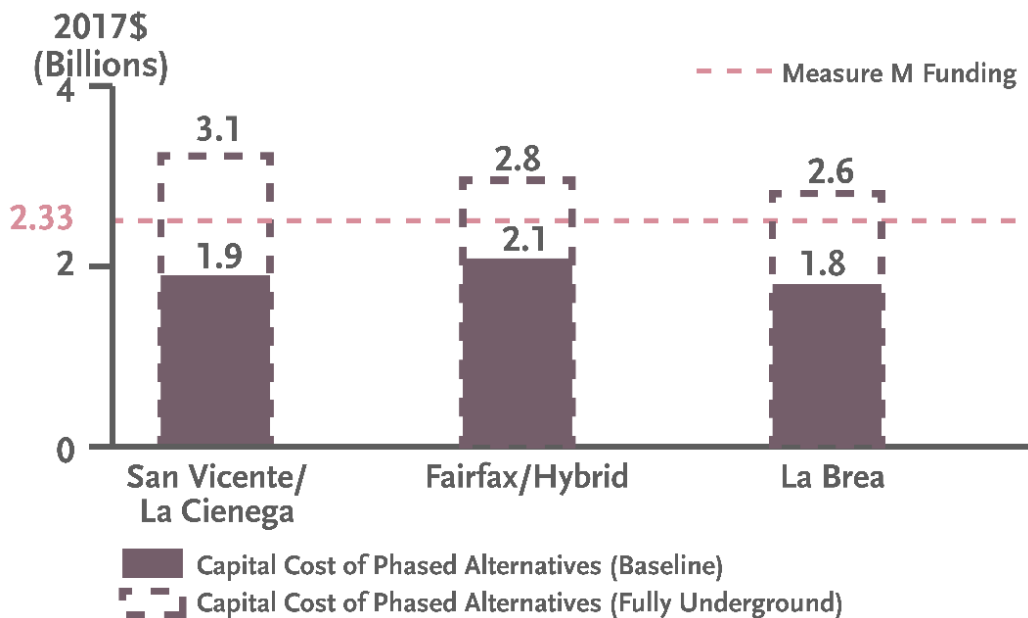






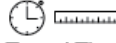




Figure ES - 17 Capital Cost Estimates of Phased Alternative

In addition, there have been discussions on potential acceleration for this project through Metro's Early Project Delivery Strategy, and the City of West Hollywood has conducted early project delivery study with input from City of Los Angeles and Metro. According to the study findings, the potential maximum additional funding sources identified to date within the City of West Hollywood include: \$47 Million from local return, \$447 Million from West Hollywood's sales tax, \$65 Million from advertising and \$573 Million from the Enhanced Infrastructure Financing District (EIFD) funding, totaling \$1.13 Billion. Given the City of West Hollywood's role as a potential funding partner, future environmental review will consider additional IOS segments or multiple segments that provide the opportunity to extend the project to Santa Monica Blvd. within an initial phase and at the earliest date possible.

5 Findings, Recommendations and Next Steps

Below is a summary of the key performance statistics of the alternatives considered in the Advanced Alternatives Analysis (Figure ES - 18).

| | SAN VICENTE | SAN VICENTE DESIGN OPTION 1 - LA CIENEGA | SAN VICENTE DESIGN OPTION 2 - Hybrid | FAIRFAX | LA BREA |
|--|---|---|---|--|---|
|  Key Map |  |  |  |  |  |
|  Travel Time & Distance | 19.0 min 9.6 mi | 18.4 min 9.2 mi | 20.6 min 9.9 mi | 15.7 min 8.0 mi | 12.4 min 6.3 mi |
|  Ridership | 90,800 | 90,800 | 90,000 | 88,800 | 88,400 |
| Low-income Riders* | 32,100 | 32,500 | 32,000 | 32,500 | 32,700 |
|  Cost | \$4.3-\$6.4 B | \$4.4-\$6.2 B | \$5.5-\$6.5 B | \$4.7-\$5.3 B | \$3.0-\$4.4 B |

*Based on home-based work trips

Figure ES - 18 Key Performance Results for the Advance Alternative Analysis Alternatives

Overall, all alternatives have high ridership projections and great potential in serving low-income riders. While the benefits are comparable among all alternatives, the issues of constructability (including engineering constraints) have resulted in notable differences in project costs and impacts.

The San Vicente Alternative has a few segments that will go through sensitive neighborhoods that are traffic-heavy, residentially dense, and environmentally constrained that require additional right-of-way or property acquisition or underground configuration for the majority of the alignment, reducing the cost-effectiveness of the project. While some of the issues could be avoided by utilizing the La Cienega alignment from Beverly Blvd. to Santa Monica Blvd., at- or above-grade configuration is still unlikely due to the built environment, natural conditions, and utilities placement in this area. A hybrid alignment (San Vicente Design Option 2) that travels on Fairfax north to Beverly Blvd. is the seemingly most constructible alignment that will still serve similar neighborhoods and produce considerable benefits. It would also avoid most issues identified for the other design options of this alternative by utilizing different routes or underground configuration.

Most aerial segments of Fairfax and La Brea Alternatives are faced with right-of-way acquisition issues due to tight design curvature and station placement challenges because of street and alignment configurations.

Therefore, despite the small differences between the alternatives and design options in project benefits, the feasibility of the alignments and configurations are largely driven by engineering constraints which will result in considerable differences in costs and other impacts. The alignments developed during the 2018 Feasibility Study phase to maximize at-grade configurations and to reduce costs have been screened and refined further from the feasibility and constructability perspectives in the Advanced Alternative Analysis phase.

5.1.1 Recommendations

Based on the findings described above related to ridership, costs, TOC/FLM, and engineering constraints, the following recommendations are proposed:

1. Dismiss the San Vicente Alternative from further study in favor of the San Vicente Alternative Design Option 2 – Hybrid. This recommendation is based on several issues including the limitations for a quality transfer connection between the extension and the Purple Line at Wilshire and San Vicente where a transfer connection would require passengers to walk approximately 1,300 feet to access the Purple Line. Additional complications include the difficulty of constructing at-grade/aerial alignment along San Vicente Blvd. in the vicinity of Carthay Circle due to its designation as an HPOZ area. Underground construction for operation of an IOS would require a cut and cover method that would be highly disruptive and impactful to adjacent land uses. As a result, the benefits of this alignment will be better captured with the San Vicente Alternative Design Option 2 – Hybrid since it would connect all major activity centers and destinations while avoiding the complicated asterisk intersection of Olympic/Fairfax/San Vicente Blvds. and a suboptimal connection to the Purple Line.
2. Dismiss the San Vicente Alternative Design Option 1 – La Cienega in favor of a new design option associated with the San Vicente Alternative Design Option 2 – Hybrid whereby the alignment would turn north from Beverly Blvd. under La Cienega Blvd. This recommendation is based on the recommendation above for dismissal of the San Vicente Alternative in favor of Design Option 2 - Hybrid.
3. Retain the San Vicente Alternative Design Option 2 – Hybrid for further study due to its the high level of connectivity for destinations/activity centers, the highest rating of all alignments for combined TOC/FLM, public popularity, and general constructability and quality transfer connection with the Purple Line. The alternative would include options for above ground or underground configuration at Venice/Vineyard Station (between San Vicente and Pico Blvds) and on San Vicente Blvd. between the Venice/Vineyard Station and just south of Olympic Blvd. The alignment would then transition to underground before turning north at Fairfax Blvd. and west under Beverly Blvd. The primary alignment would connect with San Vicente Blvd. and continue underground along Santa Monica Blvd. to the Red Line connection at Hollywood/Highland and potentially further north to the Hollywood Bowl. A design option for the Hybrid Alternative would be to turn onto La Cienega Blvd., remaining below grade north to Santa Monica Blvd. and to Hollywood/Highland and/or the Hollywood Bowl.
4. Retain the Fairfax Alternative for further study as an option to the San Vicente Alternative Design Option 2 – Hybrid. This recommendation is based on the common alignment characteristics of the two alternatives up to the vicinity of Beverly Blvd. Although there are fewer destinations/activity centers located along Fairfax Blvd. north of Beverly Blvd., and potential engineering challenges associated with development of a station location at the intersection of Fairfax and Santa Monica Blvd., the alternatives would still serve the primary destinations/activity centers within the Fairfax corridor and would provide a faster end-to-end travel time than the San Vicente Alternative Design Option 2 – Hybrid.
5. Retain the La Brea Alternative, but dismiss further consideration of an aerial configuration due to community opposition, roadway and property impacts, and the potential for substantial visual and aesthetic effects. Retain an underground configuration in the La Brea corridor due to high cost effectiveness and the high level of regional connectivity provided by the alternative.

6. Dismiss the Vermont Alternative as recommended at the conclusion of the 2018 Feasibility Study. The Vermont Alternative does not meet several key goals of the project. For example, other alignments under consideration would provide much greater travel time savings for trips to, from and between the major study area activity centers/destinations, offering a speedier connection to the Purple Line and significantly lower travel times to points further north throughout Central Los Angeles and the San Fernando Valley, and west. In addition, action by the Metro Board calls for a separate transit study along the Vermont corridor including a potential underground heavy rail system interlining with the Red Line or Purple Lines. In this context, the Vermont Alternative as developed under the 2018 Feasibility Study would preclude a separate rail project that would serve the Vermont corridor south of Wilshire Blvd. and the existing Red Line.
7. For all agreed-upon recommendations noted above (including La Brea Alternative, Fairfax Alternative and Hybrid Alternative La Cienega option), connections to the Hollywood Bowl will be considered and studied in the next phase of work.

Figure ES - 19 illustrates the proposed preliminary configurations for the three alternatives and one design option to be further screened in the next phase of study.



Figure ES - 19 Proposed Preliminary Configurations of Alternatives

6 Next Steps

The next steps for the Advance Alternative Analysis include the Metro Board's consideration and acceptance of the recommendations noted above and the initiation of the CEQA environmental process and advanced conceptual engineering. A funding plan would then need to be in place before preliminary engineering and final design/construction.



Attachment B – Community Outreach & Meeting Report

From the beginning of the study, Metro staff conducted a robust community outreach effort to engage residents and employees through the Study Area and beyond, including transit riders, neighborhood and homeowner associations, neighborhood councils, Westside Cities Council of Governments, Crenshaw/LAX Leadership Council, and major retail, medical and employment centers. To meet residents and other potential riders in their community, project staff helped distribute information about the project through informational booths setup at Black History Month events in Leimert Park, Taste of Soul in the Crenshaw District, PRIDE in West Hollywood, and Ciclavia’s “Meet The Hollywoods” Additionally, staff organized briefings for elected officials’ staff. Through outreach efforts that began in Winter 2018 to Winter 2020, staff received 171 emails, 224 in-person comments, and 675 survey responses.

As part of the additional outreach in Winter 2020, project staff held 32 direct meetings with ownership and management of major destinations and employment centers, community groups and residents in the project study area.

Spring 2019 Outreach

Four community open house styled meetings were held throughout the Crenshaw Northern Alignment Advanced Alternatives Screening Study area in Spring 2019 (March 21, 23, 26 & 28). The report below captures outreach activities during this periods and partial outreach activities following the meetings. Additionally, it captures high level information on the reach and engagement captured by e-mail distribution and Facebook ads. A summary of preferred alternatives is captured based on attendee feedback in either the comment cards or the question cards. The report captures data as of April 1, 2019.

General Summary of information captured from all four meetings:

- 82 relevant social media comments derived from four separate Metro Facebook Crenshaw Northern Extension event invitation posts and one The Source Metro Facebook post.
- 33 Crenshaw Northern Extension project email comments.
- 24 comments responding to two articles regarding the project posted on The Source.Metro.net.
- One phone voicemail from an individual who has utilized the Crenshaw Northern Extension Project Telephone Hotline.

As part of the Crenshaw Northern Extension’s Advanced Alternatives Screening Study, Metro’s outreach efforts to solicit public input yielded robust and diverse public comments and participation.

In Spring 2019 outreach efforts were focused around four community meetings held within the Crenshaw Northern Extension study area. In anticipation of the four initial community meetings, one elected official briefing and one media briefing were conducted prior to the start of the four community meetings.



Throughout the study period, there was ample participation by elected officials and their staffs, local media, community leaders, residents, business owners and the general public. From all of the meetings and community engagement, there was a demonstrated the desire and need to accelerate completion of this project. Although the comments and questions were diverse and varied the following common themes should be recognized:

- Acceleration of the project was frequently asked about and advocated for.
- The desire to explore innovative acceleration funding sources through partnerships with real estate developers was frequently asked about and advocated for.
- Specific alignment preferences were articulated and advocated for with Alignment A (San Vicente/La Cienega) most frequently cited due to the alignment's close proximity to job centers.
- Grade separation concerns were articulated with strong advocacy for not completing this project with at-grade alignments.
- Gentrification and displacement issues were cited as concerns.
- The issue of parking and neighborhood parking impacts in locations near stations were frequently cited as areas of concern.
- Rail transit line connectivity was frequently cited as a concern when studying connecting rail transit lines.
- Expedient completion of the Crenshaw/LAX line was often asked about and advocated for.
- Equity in Metro hiring and contracting was mentioned as a concern.

Fall 2019 Outreach

Community Meetings and Outreach Summary

Metro hosted a second round of outreach meetings to update the community on what changed with public input from the first round of community meetings in Spring 2019. The first round of community meetings in Spring 2019 was focused on introducing the Crenshaw Northern Extension project with alternatives that have been studied as feasible extensions to the Crenshaw Transit light rail line. The meetings were held in geographically sensible areas throughout the Advanced Alternatives Screening Study area, including West Hollywood, Central Los Angeles, Mid-City, Koreatown and West Adams. The purpose of the Fall 2019 outreach and community meetings was to receive feedback from the public on the preferred alternative of the five—including the newly proposed San Vicente Hybrid option—and reveal the potential stations for each alternative. Metro's presentation also included a transit-oriented communities analysis and



a first/last mile analysis to educate the public on the factors being taken into consideration for each alternative.

When preferences for specific alignment alternatives were articulated, A2 San Vicente-Fairfax Hybrid was most often cited as a preferred alternative. In addition to this, the A2 San Vicente-Fairfax Hybrid was most often cited as a preferred alternative by individuals articulating a concern with Historic Preservation Overlay Zones (HPOZ). The following is a breakdown of comments received by alignment preference during the Fall 2019 community meetings:

- 21 comments were supportive of Alternative A2 San Vicente-Fairfax Hybrid
- 6 comments were supportive of Alternative A San Vicente
- 6 comments were supportive of Alternative C La Brea
- 5 comments were supportive of Alternative B Fairfax and;
- 3 comments were supportive of Alternative A1 La Cienega

Below is a summary of attendees and comment and question cards received at the Fall 2019 Advanced Alternatives meetings:

Combined Meeting Report

Total attendees that signed in: 161

Total question cards submitted: 77

Total comment cards submitted: 30

Total comments (post-it notes) submitted on two feedback boards: 68

Total comments on social media: 24

A majority of the attendees expressed overall support for a line that would connect the Crenshaw Transit line north to the Metro Red and Purple lines. Attendees and individuals that submitted comments online articulated that they wanted an alignment that could get them to as many destinations as possible and be built in an accelerated timeframe.

In order to attract a substantial number of stakeholders to the open house meetings, various media outlets were used, such as email blasts with a reach of just over 800 recipients; Metro distributed the same e-blast to Purple Line stakeholders. An elected official briefing was also conducted beforehand, in preparation for the Fall outreach. These meetings garnered continued support for the acceleration of the project, along with common public feedback including:

- Historical Preservation Overlay Zones as they relate to Carthay Circle
- Possible funding sources that would allow an early project delivery
- Neighborhood preservation and pedestrian safety



- Factors that determine grade separation (at-grade, aerial and/or underground)
- Underground (below-grade) vertical preferences
- Community outreach concerns, specifically within Carthay Circle Historical Preservation Overlay Zone
- Demand for station parking lots
- Alternatives that have received the most support
- Accessibility to the Hollywood Bowl
- Ridership figures and comparisons

Winter 2020 Outreach Commerce and Employment Centers

To further enhance outreach in the CNE study area, the project team provided presentations to the ownership and management of some of the largest employers and centers for commerce in Los Angeles. The locations included The Grove, The Farmers Market, Beverly Connections, Cedars-Sinai Medical Center, and The Beverly Center. There was a general consensus of support for northwestern alignments that would either have stations adjacent, under or in the vicinity of their facilities. These meetings garnered continued support for the acceleration of the project, along with feedback including:

- Finding ways to reduce vehicle parking while increasing patron visits
- Partnership to provide employees with more reliable and consistent transit options
- Exploring options to provide station access
- Reducing traffic congestion
- Expanding potential commercial uses to parking structures
- Placing stations near high-density mix-use commercial and residential structures

The following pages provide a more details about the community outreach conducted in Fall 2019



Open House Community Meeting & Outreach Report Fall 2019

I. Community Meetings and Outreach Summary

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A majority of the attendees expressed overall support for a line that would connect the Crenshaw Transit line north to the Metro Red and Purple lines. Attendees and individuals that submitted comments online articulated that they wanted an alignment that could get them to as many destinations as possible and be built in an accelerated timeframe.

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- Historical Preservation Overlay Zones as they relate to Carthay Circle
- Possible funding sources that would allow an early project delivery
- Neighborhood preservation
- Factors that determine grade separation (at-grade, aerial and/or underground)
- Underground (below-grade) vertical preferences
- Community outreach concerns, specifically within Carthay Circle
- Demand for station parking lots

- Alternatives that have received the most support
- Accessibility to the Hollywood Bowl
- Ridership figures and comparisons
- Pedestrian safety

When preferences for specific alignment alternatives were articulated, A2 San Vicente-Fairfax Hybrid was most often cited as a preferred alternative. In addition to this, the A2 San Vicente-Fairfax Hybrid was most often cited as a preferred alternative by individuals articulating a concern with Historic Preservation Overlay Zones (HPOZ). The following is a breakdown of comments received by alignment preference during the Fall 2019 community meetings:

- 21 comments were supportive of Alternative A2 San Vicente-Fairfax Hybrid
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Below is a summary of attendees and comment and question cards received at the Fall 2019 Advanced Alternatives meetings.

Combined Meeting Report

Total attendees that signed in: 161

Total question cards submitted: 77

Total comment cards submitted: 30

Total comments (post-it notes) submitted on two feedback boards: 68

Total comments on social media: 24

Elected officials and/or representatives in attendance at meetings:

1. West Hollywood City Councilmember Lindsey Horvath
2. Former West Hollywood City Councilmember Abbe Land
3. Jay Greenstein, Chief Field and Transportation Deputy, Office of LA City Councilmember Paul Koretz
4. Stewart Lozano, Field Representative, Office of Assemblymember Richard Bloom
5. Angie Aramayo, Central Area Representative, Office of Mayor Eric Garcetti
6. Fernando Morales, West/Metro LA Senior Field Deputy, Office of LA County Supervisor Sheila Kuehl
7. Sonia Lopez, Senior Field Representative, Office of California State Senator Holly Mitchell

The Community Update Meetings were scheduled as follows:

- Meeting #1: West Hollywood
Plummer Park
7377 Santa Monica Boulevard, West Hollywood
Tuesday, October 22, 2019; 6:00– 8:00 pm
58 people signed in at this meeting, and 29 individuals submitted question cards.
Metro received 12 written comments at the end of this meeting.

- Meeting #2: Mid-Wilshire
 Wilshire Crest Elementary School
 5241 W. Olympic Boulevard, Los Angeles
 Thursday, October 24, 2019; 6:00– 8:00 pm
 29 people signed in at this meeting, and 15 individuals submitted question cards.
 Metro received 6 written comments at the end of this meeting.

- Meeting #3: West Adams
 Virginia Road Elementary School
 2925 Virginia Road, Los Angeles
 Saturday, October 26, 2019; 10:00 am – 12:00 pm
 35 people signed in at this meeting, and 19 individuals submitted question cards.
 Metro received 2 written comments at the end of this meeting.

- Meeting #3: Beverly Grove / West Hollywood
 Rosewood Avenue Elementary
 503 N. Croft Avenue, Los Angeles
 Tuesday, October 29, 2019; 6:00– 8:00 pm
 Saturday, October 26, 2019; 10:00 am – 12:00 pm
 39 people signed in at this meeting, and 14 individuals submitted question cards.
 Metro received 10 written comments at the end of this meeting.

II. Overview of Support Tasks and Activities

To support Metro Community Relations, the Lee Andrews Group (LAG), implemented the following activities, and supporting tasks:

| Tasks | Date | Notes |
|-----------------------------------|---|--|
| Take-One content | Electronic file available October 1: Print | Placed on Metro website October 1, 2019. |
| Define Take-One distribution Plan | October 9: Community distribution | <p>Hard copies distributed to the following locations:</p> <ul style="list-style-type: none"> • Robertson Branch Library (50 English/Spanish) • Baldwin Hills Branch Library (50 English/Spanish) • Washington Irving Branch Library (50 English/Spanish) • Pio Pico Branch Library (50 English/Korean & 50 English/Spanish) Memorial Branch Library (50 English/Spanish) • John C. Freemont Branch Library (50 English/Spanish) • Fairfax Branch Library (50 English/Spanish) |

| | | |
|---------------------------------|--|---|
| Website content | Final Content October 8: Live | Anticipate quarterly updates to the website content. |
| Social Media content | October 8- Pre-meeting During meeting Post meeting | Facebook posts 10/8-10/29. <ul style="list-style-type: none"> • 10/22 West Hollywood Meeting Facebook post reached 23.6K Facebook feeds and generated 174 Facebook responses. • 10/24 Mid-City Meeting Facebook post reached 35.6 K Facebook feeds and generated 153 Facebook responses. • 10/26 West Adams Meeting Facebook post reached 29.4K Facebook feeds and generated 249 Facebook responses. • 10/29 Beverly/Fairfax Meeting • Facebook post reached 28K Facebook feeds and generated 147 Facebook responses. |
| Tasks | Date | Notes |
| Electronic Meeting Notification | October 11: Meeting Notification Email October 22: Meeting Reminder Email October 25: Meeting Reminder Email October 29: Meeting Reminder Email | Email Open Rates: <ul style="list-style-type: none"> • October 11 – 400 opens • October 22 – 364 opens • October 25 – 294 opens • October 29 – 280 opens |
| Elected officials' briefing | October 16: | A total of 20 individuals from federal, state and local elected official offices including: City of Culver City, City of Beverly Hills, City of West Hollywood, Los Angeles City Councilmember Paul Koretz, Los Angeles City Councilmember Mitch O'Farrell, City of Los Angeles Mayor Eric Garcetti, Los Angeles County Supervisor Sheila Kuehl, Los Angeles County Supervisor Mark Ridley-Thomas, California State Assemblymember Sydney Kamlager, California State Assemblymember Miguel Santiago, California State Assemblymember Richard Bloom, State Senator Ben Allen, Congressman Ted Lieu, Congressman Jimmy Gomez, Congressmen Adam Schiff, Congresswoman Karen Bass and United States Senator Diane Feinstein |
| Stakeholder List | October 8: Utilize list to send email invite | Sent email to list of stakeholder email addresses, staff of elected officials, BIDs, local chambers, neighborhood councils, and association members, West Hollywood Advisory Board members, and various community leaders identified asking to promote and attend the series of community meetings |

| | | |
|--------------------------|----------------------|--|
| Community Events/Pop-ups | October 11 -26, 2019 | Take-Ones and additional information was distributed at the following events/locations: Taste of Soul, Hollywood & Melrose Farmers Market, West Hollywood Farmers Market, La Cienega Farmers Market. Communities surrounding the community meeting were additionally canvassed by street team members. |
|--------------------------|----------------------|--|

In addition to the four open public meetings conducted during the fall, Metro staff and the outreach team conducted outreach at the community group level with the following community groups:

- August 20, 2019: Carthay Circle Community Meeting
- October 10, 2019: Wellington Park Neighborhood Association Meeting
- November 19, 2019: Mid City West Neighborhood Council Meeting
- December 10, 2019 meeting with the leadership at Cedars Sinai.
- February 16, 2020 – African American History month event at Leimert Park

III. Open House Community Meetings Recap



Meeting 1

Date: October 22, 2019

Location: Plummer Park

Attendees: 58

Question cards submitted: 29

Comment cards submitted: 12

Total comments (post-it notes) submitted on two feedback boards: 33

Media: KNBC-4

Elected officials and/or representatives:

1. West Hollywood City Councilmember Lindsey Horvath

Below is a summary (by category) of the *questions* submitted:

Environmental

- Why aren't stations ever cleaned in areas such as Santa Monica Blvd.
- Besides environmental factors, are resident opinions and the WeHo City Council being considered when choosing at-grade or underground on San Vicente?

Alternative Selection

- If the train is at-grade on Santa Monica Blvd, where would it be? In the middle of the street? Will that take away traffic lanes?
- Would traffic lanes be eliminated altogether if the train runs on San Vicente?
- Is Metro surveying riders of the 105, 217, 780, 218, 212 and other N-5 routes to see what alignments they prefer, since they are the Angelenos currently traveling N-5 on this corridor?
- Will the City of LA support the development of the La Cienega alternative?
- Will Metro commit to underground to preserve WeHo public space if the San Vicente line is chosen?
- Who decides which route will be completed?
- Can a BRT and rail option be considered under the current scope (I.e. Alternative C with a BRT on San Vicente)?
- What are the operating cost comparisons between A2 and C?
- Will the San Vicente Hybrid option be significantly quicker than riding insurface traffic?
- Why can't there be a station at Crenshaw/Wilshire?

Transit-oriented Communities

- Does Metro offer incentives to cities to implement plans for pedestrian and bicycle facilities in the vicinity of stations?

- Has there been other cities with a strong distinctive character/personality such as WeHo that has acquired a Metro line? If so, were there any noticeable changes to the town?

Early Project Delivery

- Why aren't DOT funds being issued for funding the needed construction of the CNE line instead of a local sales tax increase?
- What funding sources will the City of WeHo use to accelerate the project?
- How will EIFD special taxing district work to provide more money to accelerate the project?
- Are property owners expected to pay more taxes for the budget of this project?
- What would make it possible for the line to open in 2028?

Other

- Land use
 - Will the City of LA change zoning of R1 lots where at-grade or underground rail lines will run? Has this happened before with other lines, such as the Expo?
 - How can the public make an informed decision on a preferred route without knowing the contents of the related transit plans, such as tenant protections and upzoning?
 - Did upzoning along routes cause a reduction in ridership?
 - Why not study the potential increase in ridership by building parking garages at stations?
 - Will the City of LA change R1 zoning on lots bordering or near new lines? Has this happened with other existing lines, such as Expo?
- FLM—What is being done for first/last mile accommodations?
- Displacement
 - What is Metro doing for the Leimert Park community and other areas regarding gentrification issues and businesses being affected.
 - How do we prevent displacement of residents and more gentrification?

Below is a summary (by category) of the *comments* submitted:

Environmental

- Children and elderly people are subjected to drugs and smoking at stations/stops.

Alternative Selection

- I support the A2 Hybrid route; I greatly oppose the other routes.
- Have the rail at-grade north of Melrose to resolve the “sharp right” turn issue—allowing the LRT train to run on the center median on Fairfax and make a right on Santa Monica Blvd.
- I like Alternative A2 for access to popular destinations (I.e. LACMA, The Grove, CBS, Cedars-Sinai, Beverly Center, WeHo Library, PDC, etc.).
- Aerial for alternative A2 would free up narrow crowded streets and prevent pedestrian injuries.

- The San Vicente Hybrid option supports gig food couriers in conducting their business effectively and safely.
- Metro should consider a station on La Cienega/Santa Monica Blvd and at the Hollywood Bowl.
- I believe alternative “C” (Fairfax Ave) makes most sense because Fairfax Ave has the most points of interest (Museums, La Brea Tar Pits, 3rd Street Farmer’s Market, The Grove, Fairfax High School, etc.) Fairfax Ave also has the most density.
- I vote for option A if it is underground only—aerial is ugly and at-grade makes traffic worse.
- I support the A2 Hybrid alternative, and greatly oppose the other routes and plan to fight them along with my neighbors and HPOZ community.
- As a resident of WeHo, I prefer the Hybrid option because it covers more dense areas.
- If WeHo and LA City pursue an EIFD, we should pursue a network concept consisting of option C and BRT on San Vicente from Sunset to Pico/Rimpau Transit Center. Bus lanes can be implemented on streets like Sunset, Fairfax, La Cienega, Beverly and 3rd Street. We need an actual network improvement in the area.
- The response to the question “Why can’t the Crenshaw line go to the Purple line/Wilshire Blvd was inadequate! The stop at Crenshaw/Wilshire would work as a transfer point to the Purple line East and West. This would bring passengers to the West and connect with new northern routes through WeHo.
- I’m a homeowner in the Miracle Mile HPOZ and I’m very excited about these proposed plans! Especially the portion that runs along San Vicente, whether or not it’s above ground. Right now, it’s noisy, polluted and always jammed with cars and terrible for pedestrians.
- I definitely prefer the Hybrid alignment as it serves the community and its largest employers and attractions (such as museums on Wilshire, Farmer’s Market, The Grove and Beverly Center). I also support the extension to the Hollywood Bowl.
- I am thrilled that there is preference for the San Vicente/La Cienega because that is way more effective and needed than moving farther east. San Vicente ultimately would be the absolute best for WeHo residents and the vast majority of visitors going to the Rainbow District.
- Location of stations is key—need to be convenient to destinations.
- La Brea makes for a better transit network.

Transit-oriented Communities

- Metro park and ride lots will not work if there is a \$3 charge per day.

Early Project Delivery

- Do not accelerate the timeline. Do it right and don’t rush!
- I believe the northern extension must be accelerated to be completed by 2030.

Other

- Safety
 - The elevators never work at stations in lower-income communities.

- There needs to be security at park and ride lots to avoid vandalism and theft.
- Funds—allocate funding to keep trains clean.



Meeting 2

Date: October 24, 2019

Location: Wilshire Crest Elementary School

Attendees: 29

Question cards submitted: 15

Comment cards submitted: 6

Total comments (post-it notes) submitted on two feedback boards: 7

Media: Larchmont Buzz

Elected officials and/or representatives:

1. West Hollywood City Councilmember Lindsey Horvath
2. Stewart Lozano, Field Representative, Office of Assemblymember Richard Bloom
3. Angie Aramayo, Central Area Representative, Office of Mayor Eric Garcetti
4. Fernando Morales, West/Metro LA Senior Field Deputy, Office of LA County Supervisor Sheila Kuehl

Below is a summary (by category) of the *questions* submitted:

Environmental

- To increase the usefulness of the CNEP, will the lights in the area be revised/increased to synchronize with the rail line?
- Does the study account for signal prioritization for at-grade?
- Will stations be designed to LEED standards or include solar power?
- Could safety improvements for people walking to future stations be included in the project?
- If Metro runs up Fairfax, is there an opportunity to improve pedestrian crossing/safety at the Fairfax asterisk? Would studies be performed?

Alternative Selection

- Is Metro seriously contemplating a below-ground alternative that our city council assured us its approval depended on?
- What determines where the line is above/below ground?
- Why doesn't Crenshaw line connect at Crenshaw/Wilshire?
- Would the Hollywood Bowl station/stop reduce car traffic on Highland?

Early Project Delivery

- How soon could this extension open if the funding was found by the local communities? What would be the advanced/expedited timeline?

Other

- Funds
 - Is the \$2 billion the max that is needed?
 - How would EIFD be decided in LA? Is this a voter decision to divert tax revenue away from general fund?
 - How many of Metro's rail projects were fully funded at this stage? Would this be competitive for State and Federal grants?
 - What measures is Metro (not West Hollywood) taking to secure the funding required to expedite the project?
- Outreach
 - Has Metro written to all property owners on San Vicente to inform them of meeting dates and route options? Most properties are not owner occupied. How did you notify property owners along San Vicente?
 - How have you engaged with non-English speaking communities?
 - Have you proactively engaged with young people/children? They will be the ones benefiting the most.
 - Can more outreach be done like radio, signage, etc.
- Stations
 - Will stations include bicycle storage and/or mobility hubs?
 - Will you take away street parking near the new stations to get more people into transit and out of cars?
 - Will you build new turnstiles to prevent cheating on fares?
- Art
 - For murals, is there anything historical for African-Americans?

Below is a summary (by category) of the *comments* submitted:

Environmental

- My house on San Vicente Blvd falls under historic zoning; Metro should follow the same restrictions as residents when it comes to construction.
- I could not care less about parking—why are we subsidizing your private vehicle use?

Alternative Selection

- The A2 option would be the best choice.
- I would suggest starting a study for La Brea to have a BRT, preferably with a dedicated bus lane in the middle. This could push for a car-ban all along Hollywood Blvd, similar to 14th street in New York.
- I prefer alignment A (San Vicente) all the way!
- Alignment A2 seems like it would be a fantastic way to connect destinations in WeHo with the transit system. It's imperative, though, that this is accompanied by upzoning, reducing parking minimums and creating more walkable communities.
- Any above ground rail system on San Vicente will cut our Carthay Circle in half. It will diminish our physical continuity, bring noise, remove part of our community greenery, serenity, and "small town" feel that we cherish in the middle of our sprawling city. Historic (HPOZ) neighborhood residents wish to keep their neighborhood intact.

Transit-oriented Communities

- We need more density around stations! Home owners will whine but us renters desperately need transit-oriented options.

Other

- Stations
 - I suggest that a small entrance be installed underground to cross Hollywood Blvd.
 - All stations need to be ADA compliant—no excuses.
 - Please protect bike storage; not comfortable leaving my bike chained.
- Rail stops
 - Ensure that there are less than 6-minute headways on all rail lines!



Meeting 3

Date: October 26, 2019

Location: Virginia Road Elementary School

Attendees: 35

Question cards submitted: 19

Comment cards submitted: 2

Total comments (post-it notes) submitted on two feedback boards: 10

Media:

Elected officials and/or representatives:

1. West Hollywood City Councilmember Lindsey Horvath
2. Sonia Lopez, Senior Field Representative, Office of California State Senator Holly Mitchell

Below is a summary (by category) of the questions submitted:

Environmental

- What are the top three things that will impact the route decision?
- How will traffic be affected?
- What is the role of the public during the environmental process next year?

Alternative Selection

- What is the most supported alternative line option based on current feedback?
- Which sections will be underground, at-grade or aerial?
- Have the purple line extensions planned for/incorporated a connection to the CNE?
- Is it possible for the project to be built in phases; phase 1 connecting to the purple line beginning in 2021-22 to be ready before the Olympics, and phase 2 connecting to the red line.
- Why was the Pico – San Vicente stop at mid-town not considered as a station stop? There is no shopping center at Olympic – San Vicente and connections to BBB #7 bus.

Transit-oriented Communities

- Will any existing home be destroyed to make way for railway?
- Will zoning laws be changed to permit density building (i.e. 5-story apartment complex)
- How will VMT (vehicle miles traveled) change the environmental review of transit projects? Will this be the first Metro project that uses VMT instead of LOS?

Early Project Delivery

- How long is it going to take to finish the project?
- Why is the CNE projected to take longer to build than the Expo?
- What is the timeframe for the five options?
- Unfortunately, the Metro boards current plans do not call for construction to even begin until 2041. This does not focus on the underserved communities and a pathway to travel to work and more. Do we really want additional generations or minority residents to be denied full access to LA's economic and cultural life because they can't travel easily?
- What would the accelerated timeline be?

Other

- Stations
 - Would the Hollywood Bowl station only operate during events?

Below is a summary (by category) of the *comments* submitted:

Alternative Selection

- Most of the focus in this effort seems to be building the train lines. As I see, making it easier for riders to use connecting buses (better/larger shelters, bus hubs, easier to quickly load/unload bikes) might make the train alignment choices easier, faster and more user friendly. I believe we need to retrain riders to use train/bus combinations.
- Alignment A2 is a winner, providing access to the Beverly Center, Farmer's Market, LACMA and more.
- Strongly suggest the San Vicente route, above ground on the San Vicente portion. Keep cost down by using current median.
- Do not use Adams Blvd. as a stop; use Washington Blvd. instead.
- Could you combine the CNE with a WeHo streetcar to capture both regional and local trips? Perhaps the budget savings on a more direct route (options C or D) could be used to fund the streetcar. Perth, Australia, is looking to use "Autonomous-rail rapid transit" (ART) to build light-rail-like capacity and ride quality for the price of BRT! Perhaps this technology can be used for a WeHo streetcar.

Transit-oriented Communities

- Displacement of lower income residents for builders to take advantage of convenient travel for middle and upper class.

Early Project Delivery

- Accelerate construction and start by the end of 2021.



Meeting 4

Date: October 29, 2019

Location: Rosewood Avenue
Elementary School

Attendees: 39

Question cards submitted: 14

Comment cards submitted: 10

Total comments (post-it notes)

submitted on two feedback

boards: 18

Media:

Elected officials and/or representatives:

1. West Hollywood City Councilmember Lindsey Horvath
2. Jay Greenstein, Chief Field and Transportation Deputy, Office of LA City Councilmember Paul Koretz

Below is a summary (by category) of the *questions* submitted:

Environmental

- What has Metro's process been in terms of partnering with planning and HPOZ's to determine the impact of alignments A, B and C on Carthay Circle?
- What acknowledgement and consideration is being given to the impacts of alignments A, B and C on Carthay Circle, which is a historic, residential community?
- Regarding land use, have the percentages of residential areas directly impacted by the various alignments been calculated?
- What will you be able to do to minimize disruption during construction?
- What are the impacts of underground construction to nearby properties (i.e. access, noise, vibrations, pollution, debris, traffic, etc.)?
- I am a HPOZ Carthay Circle resident. A decade ago San Vicente underwent a "Flood Zone" improvement costing millions to the taxpayer, including removing median trees, crating, having arborists care for trees—some over 100 years old—by putting transit underground, how will this impact flood draining, does it negate?
- What measures will be taken for protecting HPOZ residential areas, Carthay Circle in particular.

Alternative Selection

- Where will the rail be above and below ground?
- How does an alignment on San Vicente "preserve the character" of the historic Carthay Circle community or respect the protections of the HPOZ?
- This project is a critical link in our rail network. If the La Brea alternative is chosen, will West Hollywood still support this project?
- How many people drive into Beverly Hills and Century City who live in Mid City and WeHo who could be served by this project?
- How would the light rail stations connect to subway stations?
- What is the likelihood of the line being above ground?

Transit-oriented Communities

- Will homes and businesses be condemned? What type of businesses will go in stations?

Early Project Delivery

- Will the CNE be operational in time for the Olympics?

Other

- Rail stops
 - How often will trains run?
- Council
 - What is councilman Koretz's view on the alignments directly impacting the Carthay Circle historic community?

- Outreach
 - In terms of community outreach, what has the process been for the notice of meetings? Carthay Circle residents haven't been noticed yet and the top 3 alignments directly bisect our historic residential community.
 - Why hasn't there been a meeting in Carthay Circle?
- Art
 - How can I get involved in Metro art projects?

Below is a summary (by category) of the *comments* submitted:

Environmental

- HPOZ charm of neighborhood above ground train would ruin appearance of San Vicente. Underground utilities buried will be impacted. These are concerns of most of the residents of Carthay Circle, the same as those of WeHo who apparently do not want this eye sore in "their" tolerant community but would benefit from its commerce.

Alternative Selection

- Extending plans to Hollywood Bowl sound smart.
- Option A2 looks like the most versatile option, but the require funding is concerning. Option A or A1 would be a great 2nd best option, especially for WeHo residents and workers.
- I support the project, specifically the A, A1 and A2 routes. My concern is regarding to use of at-grade track on San Vicente between Olympic and Wilshire; for many reasons I hope that segment would be underground.
- Please choose alignments B or C. La Brea is likely better, but Fairfax works as well. I support elevated alignments if it saves money, and I think the views from the train would be incredible.
- The top three alignments threaten to critically impact the historic, residential/Carthay community. This makes me think of the Boyle Heights community that was forever changed by infrastructure, freeways bisecting that historic community. Communities can be destroyed by these large transportation projects.
- La Cienega has businesses, restaurants, and a school that would be accessible! Nothing on San Vicente!
- What is important to me and the community that I live in is the congestion you will bring by building A1 or A2 above ground (which I am totally against) or below ground. Between the station and the parking, you destroy the atmosphere of WeHo that everyone is trying to get to. Have you factored in the proliferation of Uber and Lyft, which is unstoppable?
- I like the San Vicente Alternative 2; it's the option I would personally utilize the most. It seems to me that with all the money, time and effort that goes into each of these extensions, we should take advantage of an opportunity to create a line that links the most visited/lived in areas of LA rather than focus on how short the trip from A to B is.
- Options A2 and B make the most sense to me. I think it's of critical importance to connect to the Hollywood Bowl. Like a lot of Angelenos, I'm worried about gentrification, but I think that connecting our major stadiums and culture is extremely

important (The Bowl, Dodger Stadium, Getty, etc.). That could actually make a huge difference and strengthen the access to our institutions and alleviate event traffic and parking.

- Fairfax would be ideal as this is a business access and only impacts Park Ls Brea residents instead of an entire cozy HPOZ protected area.

Transit-oriented Communities

- Close Hollywood Blvd. to cars! It's already shut down so often for events.

Early Project Delivery

- This is a critical project for the future of the region. Whatever is necessary in terms of alignments, securing funding sooner, etc. – Do it! The opponents are local, but do not reflect LA's future.

IV. Social Media Feedback


Relevant Facebook Comments on Crenshaw Northern Extension – Overview Video

- **Alex Jenkins wrote:** “Wouldn't it be good if we could have a time machine, go back to perhaps the 1930's and 40's, and keep the entirety of the Los Angeles Railway and Pacific Electric, and then build up the zoning laws in LA county around them, with zoning based on proximity to LARY and PE Lines, so the closer you'd be to them, the higher you could build (so essentially TOD all around LA county)? I believe the northern extension must be accelerated to be completed by 2030.”
- **Btomimatsucunard wrote:** “It'd be awesome! Tho the travel times might have been an annoyance. I looked at an old rapid transit proposal from '47, and they referenced current travel times from Santa Monica to LA as being 70 minutes. Similar travel times for Hollywood as well.”
- **Alex Jenkins wrote:** “btomimatsucunard I wouldn't be surprised if part or all of the network, especially in Downtown LA and the surrounding areas would have been put in tunnel or elevated in that case Or the monorail could have been built up, that's shorten journey times massively”
- **Btomimatsucunard wrote:** “@Alex Jenkins the plan had that in it I believe but I was referencing the old Red Car system. We lost a huge opportunity for a relatively easy and cheap upgrade of the existing system.”
- **Alex Jenkins wrote:** “btomimatsucunard Ah, sorry, I think I might have misunderstood you. It'd actually be good today, if the PE network, especially in Downtown, Hollywood and those areas, was put into tunnels, but as you said, it's a huge opportunity that we've lost.”
- **Btomimatsucunard wrote:** “Right, if the first incarnation of the MTA or the County could have seen the opportunity we had and modernize the Red car and Yellow car systems we could have been on par with San Fran or Pittsburg with their heritage systems.”

- **Alex Jenkins wrote:** “btomimatsucunard Yeah, or even something like the Stadtbahn networks in Germany. It would have been possible to create a full blown metrosystem out of them in the future if LA had gone down that route”
- **Xcelron wrote:** “I agree, but that all sounds like a dream. It'd be nice if this was a train city. It's more relaxing to be on a train, i'm on board with this.”
- **Jh Zhou wrote:** “Yeah, but with a groundbreaking date set for 2041 and expected opening in 2047. I would be 200 yrs old by then.”
- **ChariotManGaming wrote:** “That's why NYC MTA Transit is the best because it takes you anywhere in the city.”
- **Richared Le wrote:** “Thank you based Metro”
- **nintenmetro wrote:** “First off, if it goes to Hollywood/Highland, I hope you can extend it to Universal, Toluca Lake (iHeartRadio theater), and Burbank (Olive/San Fernando). Second, what's the name of the music in the background?”

Relevant Facebook Comments on Crenshaw Northern Extension – Overview YouTube Video Posted to Facebook

- **Michael Ramirez wrote:** “While a Crenshaw Northern Extension would be great how about instead of having the line meet up and terminate at Hollywood and Highland we extend it down Santa Monica Blvd through Hollywood to Echo Park and Silver Lake where it turns into Sunset and to downtown to end at Union Station instead and fill more than the gaps in West Hollywood?”
- **Paul Karaitis wrote:** “Michael Ramirez Oh, YES. If I had the \$4 billion or so it'd probably take to make that happen I'd give it in a heartbeat! Unfortunately, I don't have anything near that amount.....”
- **Kyle Remmenga wrote:** “Michael Ramirez call me crazy, go to hollywood highland since hollywood has way more people and tourist and that’s where it should go BUT add another designated line along the route you propose going from union station up sunset and tunneled parallel between sunset and santa monica to eventually meet and connect with crenshaw northern extension.”
- **Rick Russell wrote:** “Michael Ramirez a better rout would be to extend from Hollywood to the valley conecting the orange line”
- **Luis Rebolledowrote:** “Ha.....Realistically this is a proposal that will not benefit anyone in the near future. I have yet to hear any ideas that would benefit our current traffic situation. I realize planning for the future is important but what is metro doing for the now?”
- **Samantha Carroll wrote:** ““2041 groundbreaking” what’s. What’s the point of even talking about it like this now? This won’t benefit, like, anyone who lives here now?”
- **Adam G. Linder wrote:** “Samantha, HAHAHAHAHA. And here’s the problem with the entire world. ^^ screenshooting this for history books on why the kids of the future don’t have nice things.”
- **Carlos Velasco wrote:** “2041? We ain't gonna need no metro bythen”
- **Julien Jorda wrote:** “Christelle Cenatiempo Jorda Arnaud Lefay well, it's planned for 2041 ...but it's qd mm colos!”

- **Arnaud Lefay wrote:** “so you stay 10 more years??”
- **Mita Fane wrote:** “The Grove is not in West Hollywood. He needs a map”
- **Kim Walling wrote:** “No traffic congestion hassles for me, for 20+years, LA West area. Only 2block walk to 7 different Transit lines, via www.metro.net THE better way by: helping clean air, no car costs/hassles, far safer from distracted drivers, crime, +more ppl bonding! 


Meeting 1

Date: October 22, 2019

Location: Plummer Park

Questions submitted:

1. Will LA City change zoning of R1 lots where above or below-grade rail lines run? Has this happened with other lines, such as Expo?
2. Where is WeHo with helping the ½ mile to 1 mile...residents need to travel to stations (i.e. scooter, e-bike)?
3. Instead of a local sales tax increase, why aren't the state of California and the Federal government DOT funds being issued for funding for the needed construction of the CNE line? Sales tax is a very regressive measure!
4. What is Metro doing for the Leimert Park community and other areas as far as gentrification issues and businesses being affected?
5. How can the public make an informed decision on a route for the Crenshaw extension without knowing the contents of the related transit plans, including tenant protections and upzoning?
6. Is the City of LA transit plan upzoning along the routes responsible for reducing ridership?
7. Why can't the Crenshaw line connect to the Purple line?
8. If you have above ground on Santa Monica Blvd. or any other street, where would it be? In the middle of the street? Will that take away traffic lanes?
9. Would you eliminate car lanes altogether on San Vicente if that route is chosen?
10. Why not study the potential increase in ridership by building parking garages at stations?
11. Is Metro surveying riders of the 105, 217, 780, 218, 212 and other N-5 routes to see what alignments they prefer, since they are the Angelenos currently traveling N-5 on this corridor?
12. If the alignment is on La Cienega that would be the City of LA, thus less costly to WeHo; will the City of LA support that development?
13. Does Metro offer incentives to cities to implement plans for pedestrian and bicycle facilities in the vicinity of stations?
14. Who decides which route will be completed?
15. Does Metro have any opinions they can share regarding the recent findings of the City of WeHo funding sources, which could be used to accelerate the project?


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16. Explain how EIFD special taxing district would work to provide more money to accelerate the WeHo connection? Are you expecting property owners to pay even more for the budget?
 17. Could a BRT and rail option be considered under the current scope (i.e. a pairing of option C and a BRT on San Vicente)?
 18. Can you describe the operating costs between option A2 and C?
 19. When does the money need to be in place to be completed by 2028?
 20. Is it true that the San Vicente/Hybrid alignment will be significantly quicker than riding in surface traffic?
 21. Have there been other cities with as strong a distinctive personality/character that has gotten Metro, and has there been any noticeable change to the town?
 22. Environmental impacts are what decide whether the line in WeHo is about or underground, but what about what many residents want and what the WeHo city council said that it must be underground?
 23. Why can't the Crenshaw line end at Wilshire with a station at Crenshaw and Wilshire?
 24. When preserving HPOZ, will you go underground only (i.e. San Vicente)?
 25. How do we prevent displacement of residents and more gentrification?
 26. Will LA City change R1 zoning on lots bordering or near new Metro lines? Has this happened with other existing rail lines, like Expo? R1 to R3 would support property value.

Comments submitted:

1. I support the A2 Hybrid route, and greatly oppose the other routes.
2. Safety and environmental factors need to be taken into consideration such as people (particularly children and elderly) being subjected to drugs and smoking around the stations, safety hazards like nonworking elevators, and uncleaned train stations.
3. I want the train near my house so we can get more places.
4. I love this project and wish I could ride the line today.
5. A solution to resolve a "sharp right" turn issue—from Fairfax onto Santa Monica Blvd—is to bring the train onto the street level—north of Melrose. The LRT train could then run in the center median of Fairfax, then make a sharp right (at-grade) onto Santa Monica Blvd, continue at-grade.
6. There are many Metro park and ride lots that were placed there for easy commutes and to have a cleaner environment. Metro has decided to charge \$3/day; now the lots are empty and LAX workers are affected. Rates of \$3 do not seem to work, especially with no security onsite to monitor vehicle safety, vandalism and theft.
7. Allocate funding to keep trains clean and tidy.
8. The best option is to complete the Crenshaw line to Wilshire.
9. I like A2 for access to LACMA, Grove, CBS, Cedars-Sinai, Beverly Center, WeHo Library, etc. Overhead would reduce traffic density and free up narrow crowded streets and avoid pedestrian/traffic injuries.
10. I very much like the Hybrid option A2, as this will provide the greatest coverage for access to key community sites (i.e. Grove, Cedars-Sinai, CBS, WeHo Library, rec. center and Beverly Center). Provides western most course, enabling the line to go down middle of Santa Monica Blvd.



11. I support the San Vicente Hybrid option. As a gig food courier, it helps me (and my colleagues) conduct (our) business effectively and safely. The San Vicente Hybrid option serves destinations residents and tourists like to go to (The Grove, Beverly Center, San Vicente/Santa Monica Blvd, WeHo Gateway and Hollywood/Highland). I would like to see more consideration toward adding a station on La Cienega/Santa Monica Blvd and a station at the Hollywood Bowl. I would also like Metro to consider another study to extend the Crenshaw line north of the Hollywood Bowl to Downtown Burbank or Burbank Airport via Barham Blvd, Olive Ave, or Hollywood Way; this can potentially alleviate traffic on Burham Blvd during Hollywood Bowl events.
12. I believe the alternative "C" (Fairfax Ave) makes most sense because Fairfax Ave has the most points of interest (Museums, La Brea Tar Pits, 3rd Street Farmer's Market, The Grove, Fairfax High School, etc.) Fairfax Ave also has the most density.
13. For the "sharp right" turn from Fairfax onto Santa Monica Blvd, it is possible by bringing the LRT onto the street level. The LRT can run in the center median of Fairfax Ave, then proceed east in the center of Santa Monica Blvd.
14. I vote for Option A; this alternative is the best as it goes to the City Library and park, the main WeHo nightlife area, the Sherriff station and Pride/Halloween events.
15. I vote for underground only—aerial is ugly and at-grade makes traffic worse.
16. Do not accelerate the timeline; do it right and don't rush!
17. I support the A2 Hybrid route; I greatly oppose the other routes and plan to fight them along with my neighbors and HPOZ community.
18. As a resident of WeHo, I prefer the Hybrid option because it covers more dense areas (i.e. The Grove, Beverly Center, Cedars-Sinai, WeHo entertainment area and Pacific Design Center).
19. If WeHo and LA City pursue an EIFD, we should pursue a network concept consisting of option C and BRT on Sam Vicente from Sunset to Pico/Rimpau Transit Center. Bus lanes can be implemented on streets like Sunset, Fairfax, La Cienega, Beverly and 3rd Street. We need an actual network improvement in the area, not a Disneyland circulator train (A2).
20. The response to the question "Why can't the Crenshaw line go to the Purple line/Wilshire Blvd was inadequate! The stop at Crenshaw/Wilshire would work as a transfer point to the Purple line East and West. This would bring passengers to the West and connect with new northern routes through WeHo.
21. Please stay off San Vicente from Pico to Wilshire; it is only residential and would destroy historical communities.
22. I'm a homeowner in the Miracle Mile HPOZ and I'm very excited about these proposed plans! Especially the portion that runs along San Vicente, whether or not it's above ground. Right now, it's noisy, polluted and always jammed with cars and terrible for pedestrians.
23. Please complete the project in phases, at least up to Wilshire, to encourage new ridership and earn more money through fees to fund the remaining phases.
24. Please improve your app, and GPS sync with Google Maps; this is the primary reason why young people find it so frustrating to "Go Metro."
25. I am extremely pleased to see the addition of the A2 Hybrid route. I definitely prefer that alignment as it serves the community and its largest employers and attractions



(such as museums on Wilshire, Farmer's Market, Grove and Beverly Center). I also support the extension to the Hollywood Bowl.

26. I believe the northern extension must be accelerated to be completed by 2030.
27. I am thrilled that there is preference for the San Vicente/La Cienega because that is way more effective and needed than moving farther east.
28. San Vicente ultimately would be the absolute best for WeHo and LA residents visiting WeHo. Why? The vast majority love visiting the Rainbow District/Gayborhood; it is one of the largest collections in the world for LGBT activities, bars and shops and I am constantly being asked on the buses on Santa Monica Blvd how to get to the Rainbow District. That is the shining star of our wonderful city; anything else (such as routes B and C) would be an extreme mistake and misuse of funds.
29. Thank you so much for all your incredible work! WeHo is amazing and I try to tell everyone I know to use Metro because it doesn't get enough credit and it is wonderful.
30. It is important to guarantee frequent service—minimum of every 20 minutes.
31. Location of stations is key—need to be convenient to destinations.
32. La Brea makes for a better transit network. People don't just want to go to all the destinations in WeHo, they want to move around LA efficiently. If we don't make a functional network, we won't get people out of cars. La Brea, at half the cost, half the travel time, and the same ridership, is the more responsible choice. Just build a busway down Santa Monica Blvd.


Meeting 2

Date: October 24, 2019

Location: Wilshire Crest Elementary School

Questions submitted:

1. Is Metro seriously contemplating a below-ground alternative that our city council assured us its approval depended on? West Hollywood West residents are concerned that an at-grade or aerial route on a San Vicente alignment north of Beverly would divide our neighborhood, run in front of homes on San Vicente and interfere with the Halloween and Pride festivals.
2. To increase the usefulness of the CNEP, will the lights in the area be revised/increased to synchronize with the rail line?
3. Is the \$2 billion the max that is needed?
4. Has Metro written to all property owners on San Vicente to inform them of meeting dates and route options? Most properties are not owner occupied. How did you notify property owners along San Vicente?
5. How have you engaged with non-English speaking commuties?
6. Have you proactively engaged with young people/children? They will be the ones benefiting the most.
7. Does the study account for signal prioritization for at-grade?
8. Will stations be designed to LEED standards or include solar power?
9. Will stations include bicycle storage and/or mobility hubs?
10. Can more outreach be done like radio, signage, etc.
11. What determines where the line is above/below ground?
12. Employment of communities involved?
13. Why doesn't Crenshaw line connect at Crenshaw/Wilshire?
14. For murals, is there anything historical for African-Americans?
15. How does the ridership of this line compare to other existing and planned Metro lines?
16. How many Metro staff members took alternative transit modes (i.e. not driving) to get here today?
17. Could safety improvements for people walking to future stations be included in the project?
18. If Metro runs up Fairfax, is there an opportunity to improve pedestrian crossing/safety at the Fairfax asterisk? Would studies be performed?
19. How would EIFD be decided in LA? Is this a voter decision to divert tax revenue away from general fund?
20. How soon could this extension open if the funding was found by the local communities? What would be the advanced/expedited timeline?
21. Would the Hollywood Bowl station/stop reduce car traffic on Highland?
22. Does Metro have a list of artists that they would consider using to commission work and how will they choose them?
23. How many of Metro's rail projects were fully funded at this stage? Would this be competitive for State and Federal grants?
24. Will you take away street parking near the new stations to get more people into transit and out of cars?
25. Will you build new turnstiles to prevent cheating on fares?

- 
26. What measures is Metro (not West Hollywood) taking to secure the funding required to expedite the project?
 27. What is being done to ensure Crenshaw line trains will have signal preemption when operating at-grade (to avoid the frustrating wait times Expo line riders experience in DTLA)?


Comments submitted:

1. My house on San Vicente Blvd falls under historic zoning; Metro should follow the same restrictions as residents when it comes to construction.
2. Please install Chicago/New York style entrances. I take the 780 to Hollywood and Western B line to the 720, and have lost too many connections because I have to wait almost a minute to cross the street. It adds 10-15 minutes to my commute, and buses slow down after rush hour. I suggest that a small entrance be installed underground to cross Hollywood Blvd.
3. The A2 option would be the best choice. Having a heavy-rail option would be a better long-term solution. La Brea (212/312) is underserved. I would suggest to start a study for La Brea to have a BRT, preferably with a dedicated bus lane in the middle. This could push for a car-ban all along Hollywood Blvd, similar to 14th street in New York. Make no unnecessary reductions to project due to neighborhood pressure; this project is crucial to the area.
4. NIMBY's are always the loudest; ignore them. For every NIMBY, there are 10 NIMBY's who couldn't attend or didn't feel comfortable speaking up—I'm tired of angry property owners yelling and misbehaving
5. We need more density around stations! Home owners will whine but us renters desperately need transit-oriented options.
6. All stations need to be ADA compliant—no excuses.
7. Please protect bike storage; not comfortable leaving my bike chained.
8. I could not care less about parking—why are we subsidizing your private vehicle use?
9. I prefer alignment A (San Vicente) all the way!
10. Alignment A2 seems like it would be a fantastic way to connect destinations in WeHo with the transit system. It's imperative, though, that this is accompanied by upzoning, reducing parking minimums and creating more walkable communities. Also, ensure that there are less than 6-minute headways on all rail lines!
11. I live in historic Carthay Circle, which was built as its own small community—1926 movie theater, market, park, school, gas station, medical offices and underground utility lines. Any above ground rail system on San Vicente will cut our Carthay Circle in half. It will diminish our physical continuity, bring noise, remove part of our community greenery, serenity, and “small town” feel that we cherish in the middle of our sprawling city. The above ground rail line on Exposition/Jefferson did cut that neighborhood in half; that result is unfortunate. Historic (HPOZ) neighborhood residents wish to keep their neighborhood intact.

Meeting 3

Date: October 26, 2019

Location: Virginia Road Elementary School



Questions submitted:

1. How long is it going to take to finish the project?
2. What is the most supported alternative line option based on current feedback? Is there any effort to get more large-scale feedback from people who aren't at these meetings?
3. How will VMT (vehicle miles traveled) change the environmental review of transit projects? Will this be the first Metro project that uses VMT instead of LOS?
4. Which sections will be underground, at-grade or aerial?
5. What are the top three things that will impact the route decision?
6. Why is the CNE projected to take longer to build than the Expo?
7. What is the timeframe for the five options?
8. How much of the alignment will be underground?
9. Have the purple line extensions planned for/incorporated a connection to the CNE?
10. Will any existing home be destroyed to make way for railway?
11. How will traffic be affected?
12. Will zoning laws be changed to permit density building (i.e. 5-story apartment complex)
13. Is it possible for the project to be built in phases; phase 1 connecting to the purple line beginning in 2021-22 to be ready before the Olympics, and phase 2 connecting to the red line.
14. Would the Hollywood Bowl station only operate during events?
15. What is the role of the public during the environmental process next year?
16. Unfortunately, the Metro boards current plans do not call for construction to even begin until 2041. This does not focus on the underserved communities and a pathway to travel to work and more. Do we really want additional generations or minority residents to be denied full access to LA's economic and cultural life because they can't travel easily?
17. What would the accelerated timeline be?
18. Why was the Pico – San Vicente stop at mid-town not considered as a station stop? There is no shopping center at Olympic – San Vicente and connections to BBB #7 bus.

Comments submitted:

1. Most of the focus in this effort seems to be building the train lines. As I see, making it easier for riders to use connecting buses (better/larger shelters, bus hubs, easier to quickly load/unload bikes) might make the train alignment choices easier, faster and more user friendly. I believe we need to retrain riders to use train/bus combinations.
2. Displacement of lower income residents for builders to take advantage of convenient travel for middle and upper class.
3. Alignment A2 is a winner, providing access to the Beverly Center, Farmer's Market, LACMA and more.
4. Strongly suggest the San Vicente route, above ground on the San Vicente portion. Keep cost down by using current median.
5. Do not use Adams Blvd. as a stop; use Washington Blvd. instead.
6. Accelerate construction and start by the end of 2021.
7. Could you combine the CNE with a WeHo streetcar to capture both regional and local trips? Perhaps the budget savings on a more direct route (options C or D) could be



used to fund the streetcar. Perth, Australia, is looking to use “Autonomous-rail rapid transit” (ART) to build light-rail-like capacity and ride quality for the price of BRT! Perhaps this technology can be used for a WeHo streetcar.


Meeting 4

Date: October 29, 2019

Location: Rosewood Avenue Elementary School

Questions submitted:

1. Will homes and businesses be condemned? What type of businesses will go in stations?
2. Where will the rail be above and below ground?
3. How often will trains run?
4. What has Metro's process been in terms of partnering with planning and HPOZ's to determine the impact of alignments A, B and C on Carthay Circle?
5. What is councilman Koretz's view on the alignments directly impacting the Carthay Circle historic community?
6. How does an alignment on San Vicente "preserve the character" of the historic Carthay Circle community or respect the protections of the HPOZ?
7. In terms of community outreach, what has the process been for the notice of meetings? Carthay Circle residents haven't been noticed yet and the top 3 alignments directly bisect our historic residential community.
8. What acknowledgement and consideration is being given to the impacts of alignments A, B and C on Carthay Circle, which is a historic, residential community? Carthay elementary is just two blocks away from the proposed alignments on San Vicente.
9. Regarding land use, have the percentages of residential areas directly impacted by the various alignments been calculated?
10. What will you be able to do to minimize disruption during construction?
11. What are the impacts of underground construction to nearby properties (i.e. access, noise, vibrations, pollution, debris, traffic, etc.)?
12. This project is a critical link in our rail network. If the La Brea alternative is chosen, will West Hollywood still support this project?
13. How many people drive into Beverly Hills and Century City who live in Mid City and WeHo who could be served by this project?
14. How would the light rail stations connect to subway stations?
15. What is the likelihood of the line being above ground?
16. Why hasn't there been a meeting in Carthay Circle? Is a surface line splitting Historic Carthay off the table?
17. I am a HPOZ Carthay Circle resident. A decade ago San Vicente underwent a "Flood Zone" improvement costing millions to the taxpayer, including removing median trees, crating, having arborists care for trees—some over 100 years old—by putting transit underground, how will this impact flood draining, does it negate?
18. Will the CNE be operational in time for the Olympics?
19. How can I get involved in Metro art projects?
20. What measures will be taken for protecting HPOZ residential areas, Carthay Circle in particular.
21. Why can't we have electric bikes in WeHo (i.e. Jump/bikes)?
22. Does ridership take into account huge events like Pride and Halloween in WeHo?



Comments submitted:

1. This is a critical project for the future of the region. Whatever is necessary in terms of alignments, securing funding sooner, etc. – Do it! The opponents are local, but do not reflect LA’s future.
2. Extending plans to Hollywood Bowl sound smart.
3. Option A2 looks like the most versatile option, but the require funding is concerning. Option A or A1 would be a great 2nd best option, especially for WeHo residents and workers.
4. I am grateful for the support of Metro and the City of West Hollywood.
5. Close Hollywood Blvd. to cars! It’s already shut down so often for events.
6. I support the project, specifically the A, A1 and A2 routes. My concern is regarding to use of at-grade track on San Vicente between Olympic and Wilshire; for many reasons I hope that segment would be underground.
7. Please choose alignments B or C. La Brea is likely better, but Fairfax works as well. I support elevated alignments if it saves money, and I think the views from the train would be incredible.
8. The historic Carthay Circle Theater was demolished in 1969 and it is now iconized and has been replicated at Disney California Adventure. Yet, now Metro’s top three alignments threaten to critically impact the historic, residential/Carthay community. This makes me think of the Boyle Heights community that was forever changed by infrastructure, freeways bisecting that historic community. Communities can be destroyed by these large transportation projects.
9. La Cienega has businesses, restaurants, and a school that would be accessible! Nothing on San Vicente!
10. What is important to me and the community that I live in is the congestion you will bring by building A1 or A2 above ground (which I am totally against) or below ground. Between the station and the parking, you destroy the atmosphere of WeHo that everyone is trying to get to. Have you factored in the proliferation of Uber and Lyft, which is unstoppable?
11. I like the San Vicente Alternative 2; it’s the option I would personally utilize the most. It seems to me that with all the money, time and effort that goes into each of these extensions, we should take advantage of an opportunity to create a line that links the most visited/lived in areas of LA rather than focus on how short the trip from A to B is.
12. Options A2 and B make the most sense to me. I think it’s of critical importance to connect to the Hollywood Bowl. Like a lot of Angelenos, I’m worried about gentrification, but I think that connecting our major stadiums and culture is extremely important (The Bowl, Dodger Stadium, Getty, etc.). That could actually make a huge difference and strengthen the access to our institutions and alleviate event traffic and parking.
13. HPOZ charm of neighborhood above ground train would ruin appearance of San Vicente. Underground utilities buried will be impacted. These are concerns of most of the residents of Carthay Circle, the same as those of WeHo who apparently do not want this eye sore in “their” tolerant community but would benefit from its commerce.
14. Fairfax would be ideal as this is a business access and only impacts Park Ls Brea residents instead of an entire cozy HPOZ protected area.



**Crenshaw/LAX Northern Extension
Funding and Project Delivery Strategic Plan
Phase I: Funding Capacity Analysis
CITY OF WEST HOLLYWOOD, CALIFORNIA**



City of West Hollywood
California 1984

March 26, 2020
Prepared by: **HR&A Advisors, Inc.**

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Appendices B – E can be found separately on an online shared files drive maintained by the City of West Hollywood here. The link to access these files can be found [here](#).¹

APPENDIX F: METRO DIVISION 7 BUS-YARD PRO-FORMA DETAIL

¹ The full link to the Appendices can be found here:
<https://onedrive.live.com/?authkey=%21ANzIdEk2N3tarDc&id=84BDC8D4B31D04AA%2119015>

INTRODUCTION

CONTEXT

The City of West Hollywood (the “City” or “West Hollywood”) engaged HR&A Advisors (“HR&A”) to assess the potential scale of funding from new revenue sources that could be dedicated to both accelerating the delivery of, and filling existing funding gaps for, the Crenshaw/LAX Northern Extension (the “Project”), a Los Angeles County Metropolitan Transportation Authority (“LA Metro” or “Metro”) ‘Measure M’ project slated for groundbreaking in 2041. The Measure M sales tax ballot initiative, approved by Los Angeles County (“County”) voters in 2016, included provisions to allow a project to be accelerated, if doing so does not delay any other project. Metro’s Board of Directors (“Board”) established an Early Project Delivery (“EPD”) Strategy in 2018 to set criteria and a point system for considering acceleration of a Measure M project. One of the critical EPD criteria is the scale of new funding that the project can attract in order to facilitate early delivery. In addition to the goal of accelerating delivery of the Project, the City’s efforts to identify funding sources for the Project also help to improve the overall viability of the Project, because the current cost estimates for the Project range from \$3.0 to \$6.5 billion (depending on alignment and percent underground) and only \$2.24 billion in Measure M funding is allocated to the Project, leaving a significant funding gap.

Metro has generated preliminary cost figures for six potential rail alignment alternatives; ultimately, one of these six rail alignments will be selected by Metro as the preferred route for the Project. In order to receive the highest point allocation per the EPD’s financing criteria, the City must identify funding equal to 25 percent of the capital cost of the alignment for the portion within West Hollywood, which is equal to up to \$796 million.² By reaching this target, the City has the opportunity to earn 30 out of the 67 necessary points for an EPD project to advance directly to Board consideration.

It is important to note that receiving a high point total on the EPD enables the Project to be considered for early delivery. As noted above, a funding gap also exists for the project, with this in mind additional funding sources will need to be identified to cover the remaining costs of the Project if early delivery is to be realized. This study helps to identify those potential funding sources, and Phase 2 of the Funding and Project Delivery Strategic Plan will work to formulate a financing strategy for the entirety of the Project.

The revenues evaluated represent sources of funding that do not need to be diverted from existing City projects and programs. These revenue sources are new future dollars and their potential use would not jeopardize existing levels of City services. The revenue generating mechanisms scrutinized as a part of the City’s full funding profile include:

1. **Local return funds** dispersed to the City by Metro from existing Countywide sales tax Measures,
2. Revenue from a potential citywide **sales tax increase**,
3. **Station-adjacent advertising** revenue, and
4. Property tax increment generated by an **enhanced infrastructure financing district (“EIFD”)**.

HR&A paired the insights gained from the funding capacity analysis with a set of strategies that identified supplemental revenue generation opportunities, including:

1. Station **sponsorship/naming-rights**,
2. **Value capture from joint development**, and
3. Supplemental revenues from **City and County of Los Angeles participation in the EIFD**.

² HR&A considered 25 percent of the project cost for each alignment and prorated that figure contingent upon the proportion of the alignment that would pass through West Hollywood. The final cost to the City will also depend on the vertical profile that is used.

THE PROJECT

PROJECT DESCRIPTION

Upon completion, the Project will connect to the Exposition line (“Expo”) at the Expo/Crenshaw station and the Red line at the Hollywood/Highland station. The Project is expected to have the highest ridership of any light rail line in the Country with daily ridership estimates ranging between 77,000 and 90,000 passengers, according to a briefing released by Metro in March of 2019. If ridership meets expectations, the Project would result in higher daily ridership than the Red and Purple heavy-rail lines.³ High projected ridership is attributed to high residential and employment density, with the areas immediately surrounding the potential rail alignments averaging 20,000 residents and 11,000 jobs per square mile. The Project would serve as an important north-south regional connector that would close gaps between four existing Metro rail lines, and would capture the vast regional demand for public transit, connecting residents to major job centers in the region, visitors to entertainment and tourism destinations, and employees and patients to healthcare destinations. Furthermore, connecting West Hollywood to the Expo and Red lines will bolster the City’s visitor-oriented businesses and hospitality industry, enhancing the City’s already robust fiscal revenue profile. Of importance as well, the Project will help to reduce future traffic congestion, and provide a significantly quicker travel option, in an area that has some of the heaviest traffic in the region. For example, Metro projects that a trip from Hollywood to LAX currently takes 64 minutes in a car at peak travel times, that travel time would be cut in half to 32 minutes if the Crenshaw/LAX line were used, once completed. Figure 1 shows the six proposed alignments for the Project.

Figure 1: Potential Crenshaw/LAX Northern Extension Alignment



Sources: Los Angeles County Metropolitan Transportation Authority

³ Figures taken from Metro’s “Next stop: key rail connections, Crenshaw Northern Extension.” Published March 2019.

METRO'S EARLY PROJECT DELIVERY GUIDELINES

On May 7, 2018, West Hollywood's City Council responded to Metro's EPD Strategy Guidelines by approving Resolution No. 18-5055 and launching the City's initiative to seek accelerated delivery of the Project. Metro's EPD Strategy covers four categories which are considered to affect the timing of a project, including: Funding, Process, Partnership, and Innovations. Projects that receive the highest point totals across these four categories advance directly to review by the Metro Board. An EPD Strategy application will generate the most points if supported by a local municipality (or a coalition of local municipalities), and if that local municipality can contribute up to 25 percent of the total project construction costs within that jurisdiction.⁴ Metro has already committed \$2.24 billion in Measure M funds to the Project if the Project were to be delivered in 2041. However, updated construction cost estimates provided by Metro range between \$3.0 billion and \$6.5 billion depending on the alignment, so as mentioned previously this Funding Capacity Analysis will also serve to increase the viability of the Project because the funding identified can also be used to help fill the funding gap. The estimated construction costs differ because the alignments vary in length and grade separation (vertical profile). The table in Figure 2 shows the estimated cost per alignment, the amount of each alignment that would physically exist within the City's boundaries, and the amount West Hollywood would have to contribute to receive the maximum point total in the funding category of the EPD.⁵

Figure 2: Local Funding Targets to Meet EPD Funding Guidelines

| Alignment | San Vicente (A) | La Cienega (A1) | Hybrid (A2) | Fairfax (B) | La Brea (C) | Vermont |
|-------------------------------------|-----------------|-----------------|----------------|----------------|----------------|-------------|
| Estimated Cost Range from Metro | \$4.3 – \$6.4B | \$4.4 – \$6.2B | \$5.5 – \$6.5B | \$4.7 – \$5.3B | \$3.0 – \$4.4B | \$3.6B |
| % of Project in West Hollywood | 48% | 30% | 49% | 19% | 7% | 0% |
| % of Project in City of Los Angeles | 52% | 70% | 51% | 81% | 93% | 100% |
| West Hollywood's EPD Funding Target | \$768 Million | \$465 Million | \$796 Million | \$252 Million | \$77 Million | \$0 Million |

¹ Represents the funding necessary for West Hollywood to achieve a score of 30 in the funding section of the EPD requirements; based on the maximum potential cost of the Project.

Sources: AECOM, City of West Hollywood.

HR&A evaluated the funding profile of the San Vicente, La Cienega, Hybrid, Fairfax, and La Brea alignments. HR&A did not analyze funding potential for the Vermont alignment as this alignment does not cross the City's boundaries, would not serve the residents of West Hollywood if built, and is expected to be recommended for dismissal from future analysis by Metro staff.

ORGANIZATION OF THE REPORT

HR&A's report analyzed the funding capacity for Metro local return funds dispersed to the City, a potential sales tax increase in West Hollywood, station-adjacent advertising revenue on private property, and EIFD tax increment revenues. Specifically, the net present value of each potential 45-year cashflow is discussed for every revenue source, excluding station-adjacent advertising which had a shortened projection period because revenues are only expected after the Project opens.

Each component of the funding sources section of this report is organized in the following way:

1. An overview of the funding source
2. Analysis, approach, and assumptions
3. Findings, including:
 - a. Total revenue generation through 2065
 - b. Sensitivities that impact revenue generation

⁴ Metro's EPD requirements are included as Appendix A at the end of this report.

⁵ All cost figures were taken from Metro except for the EPD requirement, which HR&A calculated independently.

FUNDING SOURCES

HR&A evaluated the total revenue potential of each funding source through year 2065. This section of the report establishes a potential funding profile available to West Hollywood by evaluating the combined funding of the revenue sources the City is potentially willing to commit to accelerate and help construct the Project. HR&A evaluated the following funding sources:

- Local return funds dispersed to the City from Metro,
- Revenues from a potential citywide sales tax increase, and
- Property tax increment from an enhanced infrastructure financing district (EIFD).

In addition, the City engaged Premier Partnerships (“Premier”) to evaluate the revenue potential of station-adjacent advertising on private property.

The 2065 forecasting period was selected because it correlates with a 45-year EIFD, the maximum time an EIFD can be in place. The total funding capacity for each of the sources is presented in 2019 dollars and discounted at 3 percent over the projection period.

LOCAL RETURN FUNDS

Residents of the County have approved four different sales tax increases over the last forty years to help fund Metro and transit infrastructure projects throughout the County. Each of the four measures allocate the revenues from the sales tax increase differently, however, they all include a ‘local return’ component. Under the local return formula, Metro disperses a share of all revenue collected through the sales tax increase to individual municipalities and unincorporated Los Angeles County. Jurisdictions can only use the funds for transit related expenditures; however, Metro relinquishes control to the local municipality to decide which infrastructure projects receive funding. Local return funds to individual municipalities are allocated on the basis of their share of total population in the County. The figure below shows the amount allocated to local return funds from the four Countywide sales tax initiatives, the actual Countywide taxable sales volume in 2018, and the local return fund revenue received by West Hollywood in 2018.

Figure 3: Local Return Fund Allocation for West Hollywood (2018)

| | Proposition A | Proposition C | Measure R* | Measure M* |
|---|-----------------|-----------------|-----------------|-----------------|
| Taxable Sales in Los Angeles County | \$168.8 Billion | | | |
| Proposition/Measure Sales Tax Increment | 0.50% | 0.50% | 0.50% | 0.50% |
| Proposition/Measure Total Revenue Collected | \$844 Million | \$844 Million | \$844 Million | \$844 Million |
| Local Return Component | 25% | 20% | 15% | 17% |
| Total Local Return Component | \$211 Million | \$168.8 Million | \$126.6 Million | \$143.5 Million |
| West Hollywood Population Share | 0.35% | 0.35% | 0.35% | 0.35% |
| West Hollywood's Local Return Funds | \$738,500 | \$590,800 | \$443,100 | \$502,180 |

* HR&A's long-term forecast of revenues for Measures R and M reflect their changes in 2039. Measure R is expected to expire during 2039 while Measure M's Tax Increment increases from 0.5% to 1.0%. The detailed changes to these Measures can be found in Appendix C.

Sources: Los Angeles County Metropolitan Transportation Authority, City of West Hollywood

PROPOSITIONS A AND C

Propositions A and C are the oldest transit infrastructure related sales tax initiatives currently in place in the County. Neither of these sales tax increment policies have a set expiration date, another ballot measure would need to be drafted and ratified at the County level to repeal either of these propositions. Each proposition individually increased the sales tax rate in the County by one-half of one percent. HR&A evaluated the funding potential of the local return fund component of both Propositions; however, they are not accounted for in the final funding profile. They are not included in the final funding profile, because though discussions with City staff we understand that the local return funds from Propositions A and C are already allocated for ongoing transportation expenses and projects, and would not likely be available to help fund the Project.

MEASURES R AND M

Measures R and M represent Metro's most recent sales tax increment initiatives. Measure R was approved by voters in the County in 2008 and Measure M was approved in 2016. Both represent a one-half of one percent increase to the County's sales tax rate, similar to Propositions A and C. Unlike the propositions, Measure R is set to expire in 2039. Measure M does not have a set date of expiration and will increase to 1 percent in 2039 as Measure R expires. Like Propositions A and C, a separate ballot measure would need to be drafted and ratified by voters in the County to repeal Measure M. As the more recent sales tax initiatives, City staff has indicated that the local return funds for Measures R and M have been used for one-time expenses or for items that can be shifted to other funding sources. For this reason, City staff believed it was reasonable for these funds to be included in the funding profile and as such they comprise the entirety of the local return fund funding profile for this analysis.

ANALYSIS APPROACH

Metro's required allocation for local return funds relies upon a municipality's share of population relative to the County as a whole. As such, forecasting the City's share of local return funds through 2065 required HR&A to evaluate the future growth of the City and County populations, as well as the County's taxable sales.

Population Projections

To forecast population growth for West Hollywood and the County, HR&A used the Southern California Association of Government's ("SCAG") Regional Transportation Plan ("RTP") population forecasts. SCAG's forecasting methodology considers existing zoning restrictions when forecasting growth at a regional level for all municipalities and unincorporated counties. Any future changes to zoning through the adoption of General or Specific plans are also considered by SCAG.

HR&A forecasted revenues through 2065; however, SCAG's population forecast only runs through year 2040. HR&A used the compound annual growth rate from SCAG's forecast to extend the population projections through 2065. The result yielded year to year population estimates for West Hollywood from 2020 to 2065. Using the same methodology for the County's population, HR&A calculated the City's relative population share on a yearly basis across the projection period.

Taxable Sales Projections

Metro's local return fund allocations depend on the revenue collected through the four sales tax initiatives. HR&A used Metro's internal taxable sales forecast as the basis for a 45-year taxable sales forecast. Metro's internal forecast only projects forward ten years, so HR&A extended this forecast by taking the compound annual growth rate and applying it to historic observations to create a 45-year forecast of taxable sales in the County.

Projected Revenue to West Hollywood

After estimating the County’s taxable sales growth over 45 years, HR&A applied Proposition A and C and Measure R and M’s half-cent tax rate to the County’s taxable sales. The result yielded total revenue collected by each Proposition and Measure on a yearly basis. Subsequently, each Measure’s local return fund rate was applied to the total collected revenue to establish a baseline local return fund pool of money for the County on a yearly basis. HR&A then calculated West Hollywood’s specific share of all local return fund dollars collected by Metro by applying the City’s SCAG derived population share to the pool of local return fund dollars on a yearly basis.

LOCAL RETURN FUND REVENUES FUNDING CAPACITY

HR&A found that the funding capacity of all local return fund revenue distributed to the City over the projection period neared \$100 million in NPV terms. The figure below demonstrates the breakdown of potential revenues for each initiative; Measure R and M’s values are bolded as they represent the only figures integrated into the full funding profile, together totaling **\$48 million**. Based on discussions with City staff it was assumed that Proposition A and C local return funds were already committed to ongoing transportation expenses and projects, and thus were not included in the funding profile, however, since Measures M and R are more recent initiatives their local return funds have been used for one-time expenses or for items that can be shifted to other funding sources, and thus City staff believed it was reasonable to include them in the funding profile. HR&A’s findings account for Measure R expiring in 2039 and Measure M’s tax share allocation increasing in the same year, which is the reason for the large difference in the dollar amount for the two Measures (as shown in Figure 4 below).⁶

Figure 4: Local Return Funds Available to West Hollywood

| | Prop A | Prop C | Measure R | Measure M |
|--|--------------|--------------|--------------------|---------------------|
| Net Present Value of Local Return Fund Revenue (2019-2065) | \$30 Million | \$24 Million | \$8 Million | \$40 Million |

Sources: HR&A Advisors

POTENTIAL CITYWIDE SALES TAX INCREASE

West Hollywood benefits from being a tourist attraction for the people of Los Angeles County, hosting marquee events such as the LA Pride Festival and Parade and a citywide Halloween Carnival. These contribute to the City’s robust collections of sales tax revenue, which exceeded \$17 million in 2019. West Hollywood’s role as a tourist attraction, and the strong local business climate in the City, place it in a unique position to benefit from an increase to the local sales tax rate. Unlike many cities, over the last several years the City has seen steady increases in sale tax revenues, which can in part be attributed to the strong base of hospitality businesses within the City, including hotels, restaurants, bars, nightclubs, cannabis businesses, and entertainment facilities. The City also has a diverse mix of sales tax generating business, including big box retail stores (Target and Best Buy), supermarkets (Whole Food’s, Trader Joe’s, Pavilions, Ralphs, Gelson’s), high end retail, restaurants, hotels, bars/nightclubs, and furniture and design stores, providing a buffer against downturns in specific business categories.

West Hollywood has exhibited historically strong growth in sales tax revenue. Over the last 25 years West Hollywood’s sales tax receipts have increased at a compound annual growth rate of 5 percent. Growth slowed

⁶ These figures were drawn from Metro’s own internal 10-year forecasts which were extended out through 2065 and scrutinized appropriately. The guidelines for each Proposition and Measure were also scrutinized to assess their local return capacity and County-wide sales tax increment.

to 3 percent immediately following the Great Recession, but between 2014 and 2019, the City's sales tax revenues have rebounded and grown at a rate of 4 percent annually.

The current Citywide sales tax rate is 9.5 percent, and the City receives 1.0 percent of citywide taxable sales subject to the State sales and use tax. The City has the capacity to increase the citywide sales tax rate to 10.25 percent per the State of California's Revenue and Tax Code. As of January 1, 2020, there were 31 cities in Los Angeles County with sales and use tax rates at or above 10 percent, with 22 of those 31 with tax rates at or above 10.25 percent. If West Hollywood pursued this action, it would not be unprecedented. A City-initiated sales tax increase would ensure the additional sales tax rate capacity is captured by the City and used for local projects, whether transportation related or otherwise. Without this City led initiative, the rate capacity could be captured by other taxing entities outside of the City, and the City would lose the potential for local control of these funds.

Per the State's Revenue and Taxation Code, a ballot measure for a general increase to the sales tax rate, which implies that incremental revenue collected will not go to a specific purpose, would require a 50+1 majority vote to pass. A ballot measure for a sales tax increase that would specifically allocate funds toward a specific project would require a two-thirds majority vote to pass. If a 50+1 majority sales tax initiative were approved the City Council would allocate the funds through the City's budget process.

HR&A evaluated the revenue potential of both a 0.5 and 0.75 percent sales tax increase. A 0.75 percent increase was tested because it represents the upper limit of a sales tax rate increase that can be ratified locally in California without State legislative action, while a 0.5 percent increase was also tested to evaluate whether the full 0.75 percent increase was necessary for West Hollywood to reach its EPD funding target.

ANALYSIS APPROACH

HR&A forecasted Citywide taxable sales from 2019 through 2065 using an econometric model that parsed the relationship between West Hollywood's taxable sales and Countywide population, employment, and household income (the "Parameters"). These Parameters were selected because, as a regional entertainment and tourism hub, Countywide population, employment, and income are representative of the City's taxable sales drivers. HR&A found parameters limited to Citywide figures, or expanded to national figures, to not have as strong a correlation to taxable sales as Countywide parameters.

The basis of HR&A's analysis was a regression model. To account for inflation throughout the regression model, household income and historical taxable sales were adjusted to real dollars using the consumer price index from the U.S. Bureau of Labor Statistics. Overall, HR&A received 24 years of historical sales tax revenue data from the City and independently collected 24 years of data for each Parameter in the model.⁷

After establishing the historical relationship between the Parameters and sales tax revenue in the City, HR&A forecasted future sales tax revenue by implementing forecasts for the Parameters that were drawn from third-party data sources. Forecasting the Parameters allowed HR&A to estimate future taxable sales in the City through 2065.

⁷ Population figures were drawn from the Department of Finance's E-4 Historical Population Estimates for Cities, Counties, and the State. Employment was drawn using the U.S. Bureau of Labor Statistics Data Finder database tool. Household income was drawn from the Census via the web tool provided by the St. Louis Federal Reserve known as FRED. All historical data years spanned from 1994-2018.

Regression Analysis

HR&A gathered historical data for each Parameter from the following sources:

- Population – the California Department of Finance’s historic estimates.
- Employment – the U.S. Bureau of Labor Statistics.
- Household Income – the U.S. Census Bureau’s American Community Survey.

The regression model produced numerical relationships between each of the Parameters and the City’s sales tax revenues. Using the relationships established by the model, HR&A was able to estimate the change to the City’s taxable sales that resulted from any change to the Parameters of the model.⁸

Forecasting Sales Tax Revenues

HR&A forecasted the Parameters of the model to estimate future expected taxable sales in West Hollywood. HR&A used reputable third-party data sources for future estimates of population, income, and employment in the County, including the following:

- Population – SCAG’s RTP forecasts were used and extended through 2065 using the previously cited methodology in the local return fund section of this report.
- Employment – the University of California Los Angeles Anderson School’s employment growth forecast, which were released through 2020 by UCLA and extended through 2065 by HR&A.
- Household Income – the California Department of Transportation’s (“DOT”) household income forecast, which were released through 2050 by DOT and extended through 2065 by HR&A.

After the future values for each of the Parameters in HR&A’s model were established, HR&A was able to estimate total taxable sales in West Hollywood on a yearly basis through the projection period.⁹

Implications of Proposed Sales Tax Increase

After establishing projected yearly taxable sales through 2065, HR&A applied the City’s proposed 0.5 and 0.75 percent sales tax increment rates to the forecasts to estimate the yearly new sales tax revenue that would be received from each of these proposed increments. HR&A’s model dealt with real growth to account for inflation when establishing the initial correlation of the Parameters and taxable sales; as such, the results in this findings section are all shown in real dollars and growth rates are shown in real terms as well.

After a baseline was established, HR&A tested different growth rate scenarios to account for potential bullish and bearish spending patterns over the projection period. Real growth over the projection period for the baseline, low, and high growth scenarios was 1.5 percent, 1.1 percent, and 1.9 percent, respectively. As previously cited, the City’s nominal taxable sales growth over the last five years was 4 percent. Considering a 2 percent rate of inflation over the last five years, the City had real growth of approximately 2 percent.

⁸ HR&A relied on an ordinary least square regression model to establish numerical relationship coefficients of correlation between the Parameters and the City’s sales tax receipts. Several parameters were tested, the ones detailed in this report provided the highest explanatory power. The OLS regression HR&A conducted had large explanatory power, with an R² of 0.98 and an adjusted R² of 0.97. The p-values for the independent variables were statistically significant at the 0.15 level across the board, with the variables for employment and income being significant at the .05 level.

⁹ Using SCAG for population, the California Department of Transportation (“DOT”) for household income, and UCLA Anderson School’s employment growth forecast HR&A was able to estimate future taxable sales growth in the City. The DOT’s household income forecasts were presented in real dollars, so they did not have to be converted using the consumer price index; however, forecasts only extended through 2050. HR&A used the DOT’s compound annual growth rate to extend these forecasts over the projection period. The UCLA Anderson School’s employment growth forecasts did not require any adjustments as they represented a yearly percentage rate of growth which HR&A applied through the projection period.

HR&A’s baseline forecast therefore represents conservative growth rates when compared to the City’s recent historical growth in sales tax revenue.

POTENTIAL CITYWIDE SALES TAX INCREASE FUNDING CAPACITY

If the City’s voting population were to ratify a 0.5 percent sales tax increase, the City could expect to collect between \$270 million and \$326 million in sales tax revenue contingent upon future taxable sales trends. If the City were to ratify a 0.75 percent sales tax increase, then they can expect to collect between \$410 million and \$490 million in sales tax revenue, contingent upon future taxable sales trends. Findings for each sales tax increase and growth scenario are illustrated below, results are shown in present value terms over the 45-year projection.¹⁰ The first projection year for the analysis was 2019, per available data, and the overall revenue stream over the 45 years of the projection period is quantified in present value terms.

Figure 5: Revenues from Potential Sales Tax Increase (45-year projection, est. 2019-2065)

| Proposed Increase | Low Growth | Baseline Growth | High Growth |
|--------------------------|-------------------|------------------------|--------------------|
| 0.50% Increase | \$273 Million | \$298 Million | \$326 Million |
| 0.75% Increase | \$410 Million | \$447 Million | \$490 Million |

Sources: HR&A Advisors

STATION-ADJACENT ADVERTISING REVENUE

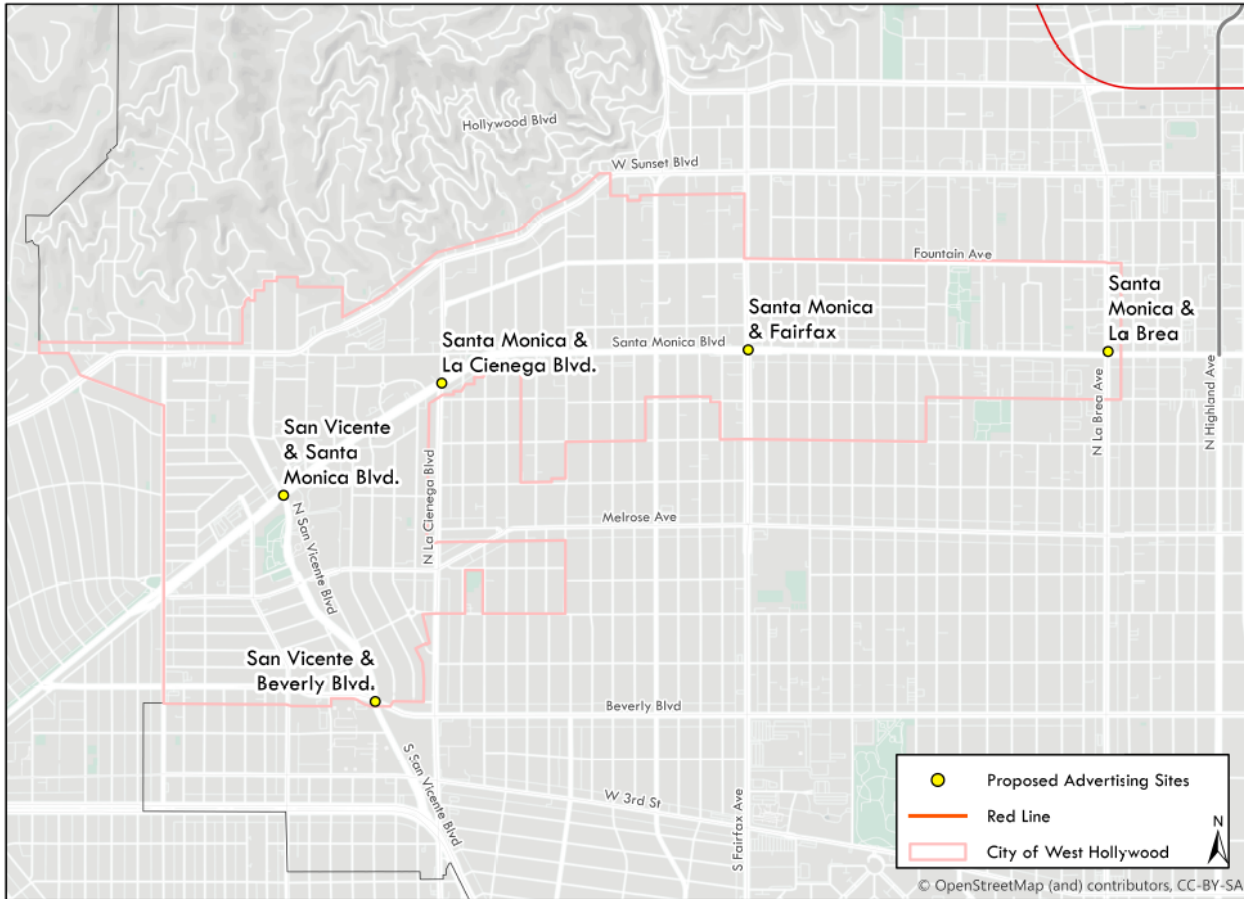
West Hollywood is one of the country’s leading advertising markets, with Sunset Boulevard being second only to Times Square in terms of yearly advertising dollars spent. Although the eventual rail-adjacent advertising sites will not be located on Sunset Boulevard, advertising throughout the City benefits from West Hollywood’s allure both as a prime visitor destination and drive through market. The Project presents a great opportunity for advertisers to capitalize on the thousands of transit users that will be walking through new rail stations (and the areas adjacent to them) every day, with total daily ridership expected to be between 88,000 and 90,000 passengers.

Through the adoption of the City’s most recent General Plan new off-site advertising is restricted to Sunset Boulevard. In order to help fund the Project, the City could consider changing land use regulations and permit the use of development agreements to create revenue sharing agreements for new off-site advertising at station-adjacent locations.

Premier Partnerships has provided advisory and consulting services to West Hollywood in the past. Premier’s experience with national media and advertising markets placed them in a unique position to advise the City on potential advertising revenues for station-adjacent advertising sites through 2065. Premier’s analysis considered the revenue potential for five station-adjacent sites that will benefit from the increased foot traffic from the Project. Funding from advertising revenues is contingent on the eventual alignment that is selected because, as the following figure demonstrates, several potential advertising sites would be bypassed by the Project if the La Brea or Fairfax alignments are selected. The full funding profile for each of the alignments, presented at the end of the findings section of this report, reflects the differing amount of advertising revenues that can be expected for each alignment.

¹⁰ Due to the timing of the original analysis, HR&A’s econometric model was constructed with 2018 taxable sales as the base year. Since the econometric model was built, taxable sales figures for the City of West Hollywood in 2019 were estimated to come in above \$17 million. This represents 3% year-to-year increase from 2018, well below HR&A’s conservative 1.5% compound annual growth over the projection period for the baseline sales tax increment scenario.

Figure 6: Potential Station-Adjacent Advertising Sites



Sources: City of West Hollywood, HR&A Advisors

ANALYSIS APPROACH¹¹

Premier forecasted station-adjacent advertising revenue for the City from 2028, the assumed accelerated completion year of the project, to 2065. Premier evaluated the five station areas highlighted in Figure 6. Premier tested several scenarios that included various intensities of programming at each site and varying revenue share structures, every scenario tested by Premier assumed that advertising at these five sites would be digital. Premier needed to estimate and forecast two factors in their analysis:

1. the number of views each potential advertising site would receive; and
2. the expected cost of advertising per one thousand views received, referred to as Cost Per Mile (“CPM”).

Premier paired total views with advertising cost per one thousand views to reach a dollar figure of potential revenue on a yearly basis. Views for the advertising sites that Premier estimated include vehicle, pedestrian, and train rider traffic. Premier integrated a value appreciation premium into their analysis and forecast. Value appreciation is driven by location, visibility, and clutter level at each station area advertising site.

¹¹ Premier was tasked with preparing these estimates, HR&A has summarized their findings from a separate memorandum prepared for the City of West Hollywood in September 2019.

Programming Intensity Scenarios

Premier assumed three levels of advertising intensity at each station-adjacent advertising site. All valuations have been conducted by square feet (e.g. 5,000 SF), not individual unit (e.g. 2 billboards). As such, the square foot figures demonstrated below can include one or more billboards, depending on their size and type:

- High Scenario: 12,000 SF allocated to billboards at each station
- Medium Scenario: 8,500 SF allocated to billboards at each station
- Low Scenario: 5,000 SF allocated to billboards at each station

Premier’s analysis assumed all billboards will be digital, reflecting presumed technological and design updates in the billboard market over the next ten years. From the total potential reach, the size and type of each billboard was used to create a visibility score, which in turn projected the total actual impressions.

Premier also provided an extra 20,000 SF scenario for the Santa Monica & San Vicente station because there is the potential for more development around that station, when compared to other stations, due to the large Metro Division 7 bus-yard that is located there, and could be the site of a public-private joint development.

Pricing Scenarios

Premier tested three potential rates of advertising pricing as well. Premier used CPM rates of \$9, \$11, and \$13; these rates were adjusted throughout the projection period by the value appreciation premium previously discussed. After the Year One projection is made, the value is projected out from 2028 to 2065 using a 3% year-over-year inflation rate.

Revenue Sharing Agreement

As discussed, new billboard advertising in the City could provide funding for the Project if the City brokers revenue sharing agreements with future billboard operators. A revenue sharing agreement could be applied to individual advertising sites or citywide. For the analysis, Premier assumed the City would collect 25 percent of the total Billboard Operator Revenue. Premier also considered different revenue sharing agreement structures with variations on upfront Year One payments versus annual payments.

STATION-ADJACENT ADVERTISING REVENUE FUNDING CAPACITY

Based on Premier’s analysis, the City of West Hollywood can expect to generate between \$685,000 to \$1.32 million in advertising revenues on an average annual basis across all five new station locations.

Figure 7: Revenues from Station-Adjacent Advertising Sites

| Scenario | Avg Annual Value (2028-2065) | Total NPV (2028-2065) |
|--|---------------------------------|--------------------------|
| CPM: \$9 Low Scenario (5K Sqft.) | \$685,000 | \$26 Million |
| CPM: \$13 High Scenario (12K Sqft.) | \$1.3 Million | \$50 Million |

Sources: Premier Partnerships

Premier provided two strategies for revenue collection from the billboard operators at all five station locations. The CPM rate for both scenarios tested is \$9. Understanding the city has a goal of raising capital, the two strategies focus on different levels of upfront revenue generation:

- Lower Upfront Fee Scenario: 25% total of all advertising revenue, 10% of which is an upfront payment
- Higher Upfront Fee Scenario: 20% total of all advertising revenue, 25% of which is an upfront payment

Figure 8: Upfront Revenue Collection Strategy

| | Strategy 1: Lower Upfront Fee | | | Strategy 2: Higher Upfront Fee | | |
|----------------------------|-------------------------------|------------------|---------------------|--------------------------------|------------------|---------------------|
| | Upfront Fee | Annual Fee | Total City Revenue | Upfront Fee | Annual Fee | Total City Revenue |
| San Vicente & Beverly | \$400,000 | \$100,000 | \$4,300,000 | \$900,000 | \$100,000 | \$3,400,000 |
| Santa Monica & Fairfax | \$800,000 | \$200,000 | \$8,100,000 | \$1,600,000 | \$100,000 | \$6,500,000 |
| Santa Monica & La Brea | \$900,000 | \$200,000 | \$8,700,000 | \$1,700,000 | \$100,000 | \$6,900,000 |
| Santa Monica & La Cienega | \$900,000 | \$200,000 | \$8,800,000 | \$1,800,000 | \$100,000 | \$7,000,000 |
| Santa Monica & San Vicente | \$700,000 | \$200,000 | \$7,200,000 | \$1,400,000 | \$100,000 | \$5,800,000 |
| Total | \$3,700,000 | \$900,000 | \$37,100,000 | \$7,400,000 | \$600,000 | \$29,700,000 |

Sources: Premier Partnerships

ENHANCED INFRASTRUCTURE FINANCING DISTRICT (“EIFD”)

EIFDs provide a tool for local governments to fund community revitalization, affordable housing, and infrastructure projects from a variety of sources, most notably from Tax Increment Financing (“TIF”). EIFDs were authorized by California Senate Bill 628, which took effect on January 1, 2015. The legislation was later amended in 2015 by Assembly Bill 313 and Senate Bill 63, in 2018 by Senate Bill 961, and more recently by Assembly Bill 116, which removed voter approvals that were once required for bond issuances using EIFD funds. The EIFD tool is based on the State’s existing Infrastructure Finance District legislation but allows more flexibility by simplifying the formation process; expanding sources of available financing; and increasing the types of projects that can be funded by EIFDs. EIFDs are governmental, place-based entities established by cities or counties, but are separate and distinct from the initiating jurisdiction(s). It is important to note that TIF districts are not “new money,” they simply capture a portion of the growth of existing tax receipts. Additional legislative enhancements to the EIFD tool provisions in state law have been discussed and the City will continue to monitor and actively engage in these statewide conversations.

Tax Increment Financing (“TIF”) in California

TIF is a public finance mechanism whereby a local government establishes an area/district from which it diverts tax increment, i.e. increases in tax revenues (typically property taxes) above base year levels that are allocated to a local fund or authority to fund physical improvements and programs that provide a public benefit to the area. Jurisdictional participation in a TIF district is optional and jurisdictions elect what proportion of incremental revenues they are comfortable contributing to the TIF special fund or authority.

Property taxes, which are the only tax revenue HR&A scrutinized in this EIFD analysis, are based on assessed value, which is determined by the local assessor, and is different from market property value. Assessed value is typically lower than market property value, or what a property might generate on sale, and annual increases in assessed value are limited in the state of California to a maximum of 2 percent due to Proposition 13 (“Prop 13”), a ballot initiative approved by voters in 1978. However, recently several state ballot proposals have been discussed that would separate how residential and commercial properties are assessed and adjusted each year. If one of these proposals were to qualify for a future ballot, and be approved by state voters, the assessed values of commercial properties would likely increase significantly providing a spike in assessed value and property tax revenue that would continue in the future and would provide additional tax increment to the EIFD. While not included in this phase of this analysis, increased commercial assessed values would likely increase the amount of tax increment generated by the EIFD.

TIF districts are most effective in areas where there is a likelihood for new investment, a history of property turnover, and a history of value increases. TIF revenues are neither new taxes nor “new money,” instead they are the future growth in property tax dollars that are already being collected. A portion of that future growth is then redirected for specific purposes instead of being allocated for general purposes.

EIFD Formation Process

Forming an EIFD requires the establishment of a public entity separate from the local municipality or municipalities initiating it. All municipalities that will contribute a portion of the increment of their property taxes within the TIF district are required to participate in the EIFD formation process. The steps to form an EIFD are as follows:

1. A sponsoring agency (County Board of Supervisors or City Council) must adopt a Resolution of Intention and form a Public Financing Authority (“PFA”) which will serve as the governing entity over the EIFD. The PFA needs to be comprised of members of all participating municipalities as well as two members of the public. The majority of the PFA will be comprised of legislative members of the jurisdiction that is sponsoring the agency. During this initial phase, landowners within the proposed district and other taxing entities must be informed of the intention to form an EIFD.
2. The PFA must then prepare an Infrastructure Financing Plan (“IFP”) to send to landowners within the district and taxing agencies. The IFP dictates the terms of the EIFD. It includes information on the district boundaries, the source of incremental tax collections, the infrastructure project(s) the EIFD will fund, the proposed length of time the EIFD will be in place, the share of incremental property tax each municipality will allocate, and the maximum amount of funds that can be collected over the EIFD’s lifetime.
3. The PFA must hold a public hearing to discuss the IFP and adopt it to formally create the EIFD. All participating jurisdictions in the PFA must pass their own local resolution approving the EIFD.

ANALYSIS APPROACH

HR&A took a multi-phase analysis approach to scrutinize the potential funding capacity of an EIFD. HR&A’s analysis required the following steps:

- Establish the TIF **geographic boundaries**,
- Establish a potential rate of **taxing authority participation (actual rates determined at a later date)** and local tax rates,
- Evaluate **incremental development capacity** from the redevelopment of vacant and underutilized land based on existing zoned land use capacity,
- Assess historical **real estate market parameters** for parcels within the TIF geographic boundaries, and
- Evaluate the potential for increased EIFD revenues through **sensitivity testing of significant parameters**.

Geographic Boundaries

An EIFD’s revenue potential is largely influenced by the location of the TIF district that is established. HR&A conducted the EIFD analysis by testing two TIF district scenarios for each of the five proposed rail alignments that pass through West Hollywood:

- a half-mile district radius from each potential rail line, and
- a quarter-mile district radius from each potential rail line.

The result was ten total TIF district scenarios, two for each of the five alignments. HR&A tested the funding capacity of each of these ten TIF districts.

The geography surrounding the ten potential TIF districts represent the EIFD Study Area. The EIFD Study Area encompasses a wide variety of local conditions including some of the County’s most valuable land, disinvested areas, and also some of the fastest growing areas in terms of property values, making this area highly appropriate

for a TIF district like an EIFD. Detailed maps showing the potential boundaries analyzed for each alignment are included in Appendix B of this report.

Taxing Authority Participation and Local Tax Rates

HR&A tested the revenue potential of three jurisdictional participation scenarios for the EIFD:

- West Hollywood alone;
- West Hollywood and the County of Los Angeles (only within West Hollywood); and
- West Hollywood, the County of Los Angeles, and the City of Los Angeles (the entire extension).

For this analysis, HR&A assumed that participating jurisdictions would contribute 50 percent of the future growth in their general levy property tax share. The jurisdictional property tax shares vary across the EIFD Study Area, but on average equate to 26 percent for the City of Los Angeles, 18 percent for the County of Los Angeles, and 18 percent for West Hollywood. In HR&A's baseline findings, only West Hollywood is assumed to be a participating jurisdiction; however, illustrative scenarios with the City of Los Angeles and County as participants are presented in the supplementary funding sources section of this report.

Incremental Development Capacity and Pace of New Development

HR&A evaluated the potential for redevelopment of properties across the Study Area by conducting a parcel-by-parcel analysis for the proposed TIF district boundaries. Using the most recent data from the Los Angeles County Department of the Assessor (the "Assessor's Office"), HR&A developed a set of criteria that indexed parcels in the Study Area as vacant or underutilized. If a parcel was underutilized or vacant, HR&A assumed it would be redeveloped to the maximum density allowed under the parcel's current zoning.

Parcels that had a **Floor Area Ratio (FAR) below 10 percent** of the total allowable FAR for the zoning designation or had an **improvement-to-total assessed value ratio below 10 percent** were considered vacant or underutilized. The average improvement-to-assessed value across the Study Area hovered around 35 percent, implying that using a threshold of 10 percent was highly conservative. HR&A assumed that some portion of the vacant and underutilized parcels in the study area would be redeveloped over the projection period as long as there was demand for new residential and commercial space.

Latent demand for the redevelopment of underutilized and vacant land was estimated using future household and employment growth in the Study Area. HR&A used SCAG's household and employment forecasts through 2040, using methods previously cited to extend these forecasts, to dictate a pace of absorption for vacant or underutilized parcels. Employees were converted to commercial square footage using an average one employee per 350 square foot figure, which is characteristic of the EIFD Study Area.

HR&A assumed certain types of parcels would not be redeveloped over the 45-year projection period and excluded those from the analysis. Excluded parcels included:

- Restrictively zoned, i.e. uses unlikely to be redeveloped such as cemeteries, churches, right-of-ways, open space, public facilities, submerged land, or agriculture;
- Publicly-owned/zoned;
- Single-family detached homes, HR&A excluded the redevelopment potential of all single-family homes or parcels that are currently zoned for the development of single-family homes.

After indexing underutilized or vacant properties HR&A separated parcels contingent on either residential or commercial zoning and use. HR&A made this distinction because market conditions differ greatly between these two land use categories. As noted, the development of public properties via public private partnerships were not included in the EIFD analysis, however, public private joint developments on public properties could provide significant additional TIF revenues if such projects were approved by the appropriate public entity.

Real Estate Market Parameters

Historical real estate market parameters were drawn for specific submarkets in the EIFD Study Area because of the Study Area's vast geographic coverage. The submarkets in HR&A's analysis included South Los Angeles, Mid-City, Mid-Wilshire, Hancock Park, West West Hollywood, East West Hollywood, and Beverly Grove. HR&A used CoStar Group Inc. ("CoStar") as the primary data source for historical information on parcels within the Study Area. HR&A's modeling approach necessitated the evaluation of historical property turnover, appreciation, and for-sale value.

Property Turnover

Based on historical data from CoStar, turnover for residential properties in the study area was fixed at **5 percent** (where residential properties were assumed to be sold once every twenty years) while commercial turnover is set at **7 percent** (where commercial properties were assumed to be sold once every 14 years.) Once sold on the open market properties are reassessed (typically at the sale price) and the City's property tax collections increase contingent on the reappraisal of the properties.

Property Value Appreciation

Based on historical data from CoStar, HR&A chose a year-to-year growth factor with commercial properties appreciating at **4 percent** and residential properties appreciating at **6 percent**. HR&A evaluated historical appreciation rates over the last ten years in the Study Area, controlling for the Great Recession, and found that the value of for-sale commercial and residential properties hovered near the 4 and 6 percent marks. When a property is sold in HR&A's model the gap between the most recent and previous sale dates is calculated and that property is reassessed depending upon its associated land use. These assumed rates of growth can be considered conservative, particularly in the City of West Hollywood, which has consistently experienced some of the largest increases in assessed value in Los Angeles County over the last 10 years.

Property Sale Value

Once developed or redeveloped, the future value of underutilized or vacant properties was determined based on the historically observed selling price for residential and commercial properties within the same submarket. Because of the market variations across the submarkets, estimated future assessed value of redeveloped parcels varied across the Study Area. For example, parcels in Hancock Park would have a larger assessed value, and in turn produce more incremental property tax to capture, when compared to a similarly sized property in South Los Angeles.

Sensitivity Analysis

HR&A tested changes to assumptions to assess the potential of enhancing EIFD revenues. EIFD scenarios with higher absorption rates for new development and larger year-to-year property value appreciation factors were tested, presenting more favorable conditions for EIFD revenue generation.

Higher Capture of Growth Around the Proposed Transit Line

HR&A's initial analysis revealed that not all underutilized and vacant parcels were being absorbed across submarket areas due to low demand, which was drawn from projected household and employment growth. HR&A tested the impacts of increased demand on revenue generation in the EIFD by concentrating household and employment growth from nearby neighborhoods along the Study Area. HR&A used SCAG's RTP High-Quality Transit Area report ("HQTA"), published in 2016, as the basis for the increased capture rate at the root of this sensitivity test. The Study Area fits SCAG's description of a high-quality transit areas, as a result HR&A tested a larger household and employee capture rate for the EIFD Study Area.

Greater Property Value Appreciation with Transit Premiums

HR&A has conducted extensive independent research regarding the impact of transit-oriented development on property value appreciation. A literature review assessed the impacts of transit-oriented development across the country and it was supplemented by a quantitative regression analysis that was localized to the impacts of the Exposition light rail line in Los Angeles. HR&A reviewed white papers produced by Strategic Economics, AECOM, and several reports from the Journal of Public Transportation on this topic.

Relying on HR&A's qualitative and quantitative research methods on the appreciation of residential and commercial property values after the addition of transit to an area, two transit-oriented development premiums of 5 and 10 percent were tested to determine the impact of such an increase to localized property appreciation on EIFD revenue generation. Sensitivity testing results are outlined below. It is important to note that HR&A tested the impact of a 5 and 10 percent increase to existing appreciation rates, which is dramatically different than testing the impacts of increasing existing appreciation rates by 5 and 10 percentage points (for example a 10% increase in a 5% historic appreciation rate is equal to 0.5% and the new rate would be 5.5%, however, increasing the same appreciation rate by 10 percentage points would make for a new rate of 15%).

EIFD FUNDING CAPACITY

HR&A estimated the revenue yield for all ten TIF district scenarios in the EIFD Study Area. HR&A's estimates are intended for illustrative purposes only; EIFD revenue yield will depend on subsequent decisions about geographic boundaries, participation percentages by the impacted jurisdictions, and future real estate market conditions. The first projection year for the analysis was 2019, per available data, and the overall revenue stream over the 45 years of the projection period is quantified in present value terms.

Baseline Findings

In HR&A's baseline scenario, presented below in Figure 9, West Hollywood is assumed to be the sole participating jurisdiction. Because the results illustrate the impacts of the TIF districts within West Hollywood only, the alignments with the most land area in West Hollywood yield more revenue. As such **the Hybrid, San Vicente, and La Cienega alignments generate the greatest amount of property tax increment.**

Figure 9: West Hollywood EIFD Revenues (2020-2065)

| Alignment | Half-Mile EIFD | Quarter-Mile EIFD |
|------------------|-----------------------|--------------------------|
| San Vicente (A) | \$493 Million | \$365 Million |
| La Cienega (A1) | \$399 Million | \$288 Million |
| Hybrid (A2) | \$573 Million | \$401 Million |
| Fairfax (B) | \$156 Million | \$100 Million |
| La Brea (C) | \$42 Million | \$26 Million |

Sources: HR&A Advisors

Sensitivity Testing

HR&A modified the preliminary output results by testing increased appreciation rates and increased absorption of new development in the EIFD Study Area. HR&A kept all other assumptions the same. West Hollywood remains the only participating jurisdiction in these scenarios and they are still assumed to be contributing 50 percent of their incremental property tax collections.

Figure 10: Sensitivity Testing of EIFD Revenues (2019-2065)

| Alignment and EIFD Buffer | (1) 10% Increased Appreciation Rate | (2) Increased Capture of Growth | Cumulative Impact of 1 & 2 |
|----------------------------------|--|--|---------------------------------------|
| Hybrid 0.5 Mile | \$688 Million | \$579 Million | \$694 Million |
| Hybrid 0.25 Mile | \$477 Million | \$423 Million | \$499 Million |
| San Vicente 0.5 Mile | \$599 Million | \$495 Million | \$601 Million |
| San Vicente 0.25 Mile | \$440 Million | \$367 Million | \$442 Million |
| La Cienega 0.5 Mile | \$474 Million | \$403 Million | \$478 Million |
| La Cienega 0.25 Mile | \$351 Million | \$290 Million | \$353 Million |
| Fairfax 0.5 Mile | \$191 Million | \$157 Million | \$192 Million |
| Fairfax 0.25 Mile | \$122 Million | \$102 Million | \$124 Million |
| La Brea 0.5 Mile | \$50 Million | \$43 Million | \$51 Million |
| La Brea 0.25 Mile | \$31 Million | \$27 Million | \$32 Million |

Sources: HR&A Advisors

CUMULATIVE FUNDING PROFILE

CUMULATIVE FUNDING PROFILE

The comprehensive funding profile for every alignment is shown in Figure 11. The funding profile shown represents revenue for a half-mile EIFD boundary, the baseline growth scenario for the potential sales tax increase, and increased EIFD revenues attributable to a higher capture of growth around the transit line and greater property value appreciation. For the advertising revenue, each alignment represents the higher upfront fee structure modeled by Premier and the figures are adjusted according to the geography. For example, the Fairfax alignment will not show revenues for the San Vicente and Beverly Blvd. site because the transit line does not pass through that intersection.

Local Return Funds

The City is unlikely to commit Measure R and M's revenues to the La Brea alignment because that line does not pass through a significant enough portion of the City's jurisdictional boundaries. As such, the funding profile for this alignment excludes any potential revenues from local return funds.

Potential Citywide Sales Tax Increase

When pairing together the revenue from a potential sales tax increase and local return funds, West Hollywood's funding profile begins to approach the necessary EPD targets. However, like with the Local Return Funds, the City is unlikely to commit citywide sales tax revenue to the La Brea alignment because that alignment does not provide as much benefit to the City as the other alignments. The funding profile for that alignment excludes revenues from a potential citywide sales tax increase. For the other alignments, the City can reach approximately 67 percent of its EPD funding target with local return funds and a 0.75 percent sales tax increase considering a high growth scenario.

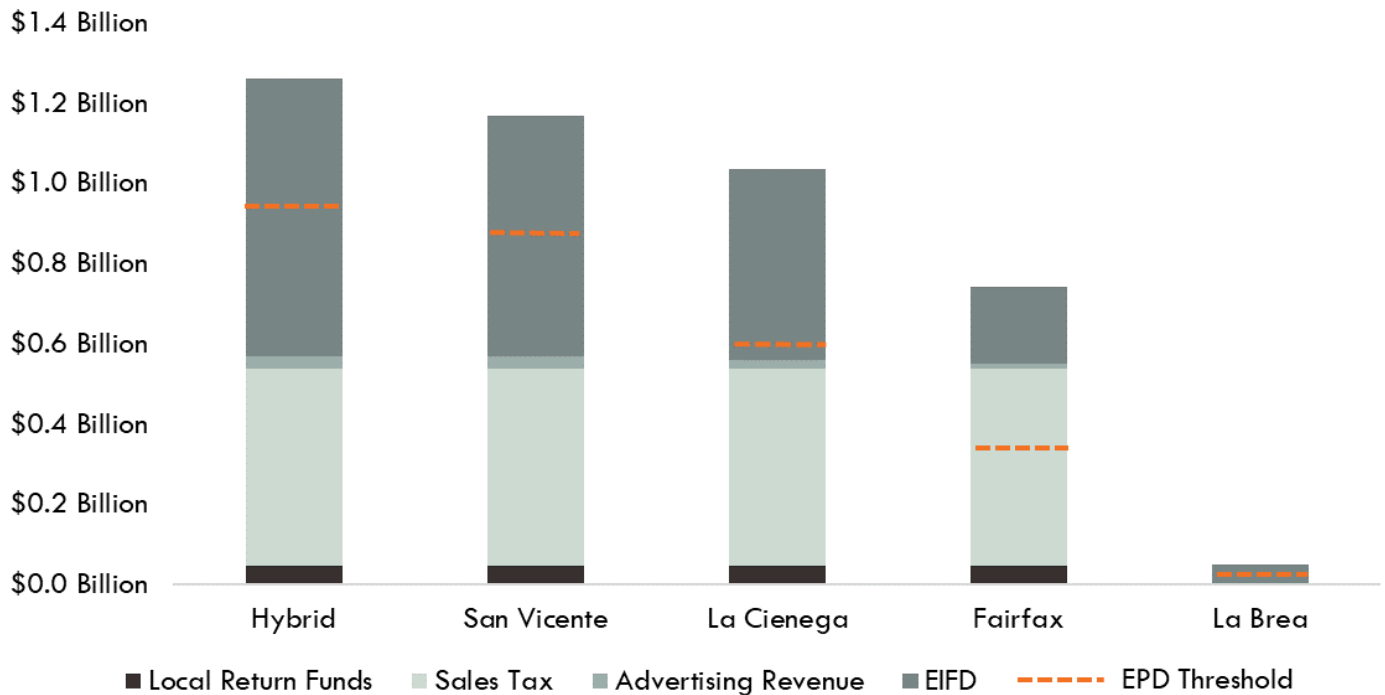
Station-Adjacent Advertising Revenues

There is relatively limited station-adjacent advertising revenue attributable to the Fairfax and La Brea alignments, because those two alignments have a limited number of stations. The Fairfax alignment would only allow the City to capitalize on increased foot traffic from two stations and La Brea would only allow for one station. La Cienega would only benefit from three of the five station sites that were studied, while San Vicente and the Hybrid alignments would benefit from all five stations.

EIFD Revenues

Both baseline and enhanced EIFD results proved to be favorable for West Hollywood under normal economic conditions and sole jurisdictional participation. With the enhanced EIFD revenues, the City's full funding profile over HR&A's projection period can satisfy the necessary EPD requirement for the Hybrid, San Vicente, La Cienega, and Fairfax alignments.

Figure 11: Best Case Cumulative Funding Profile for Half-Mile EIFDs (2019-2065)



Sources: HR&A Advisors

FINANCING CONSIDERATIONS

HR&A has identified several viable sources of funding that, when combined, present the City with a significant funding package that can be presented to Metro as part of the City’s EPD Strategy. The City’s best-case funding profile is contingent upon the allocation of Measure M and R local return funds, a 0.75 percent increase to the current sales tax rate, a half-mile TIF financing district established through the EIFD, and 12,000 SF of advertising space at each station area. The full funding profiles for each best-case scenario by alignment are presented in the preceding figure.

In aggregate, HR&A’s 45-year revenue projections would allow the City to contribute between \$57 million and \$1.26 billion to the Project, under each funding source’s best-case scenario and depending on the alignment selected. However, it is important to note that the funding capacity of the revenue does not directly translate into bondable dollars for upfront funds. Revenue from local return funds and a potential sales tax increase exhibit the most capacity for a large bond issuance before 2028 because these revenues have cash flows that are relatively consistent across the 45-year projection. An EIFD is more difficult to bond against because it takes time for tax increment revenue to grow. However, there are other financing mechanisms available, such as federal Transportation Infrastructure Finance and Innovation Act loans (TIFIA) which would potentially allow more favorable repayment terms, including no debt service payments until after construction is complete and interest only payments for a specified period of time after that. This type of structure is favorable since EIFD revenues do not ramp up until 10-15 years after establishment of the district, and other funds such as sales tax revenue could be used to make interest only payments beforehand. The City has been working separately with a financial advisor to explore creative financing options for these revenue sources, which will be included as a part of Phase 2 of the Crenshaw/LAX Northern Extension Funding and Project Delivery Strategic Plan (this report is Phase 1 (Funding Capacity Analysis)).

SUPPLEMENTAL FUNDING SOURCES

HR&A evaluated the potential of supplementary funding sources that could help bridge the gap between the cost of the Project and the funding identified by West Hollywood to meet the EPD target. This is important because even with the potential revenue contribution directly from West Hollywood the Project still has a funding gap. Traditionally leveraged strategies for transit financing were explored, these include sponsorship and naming rights as well as value capture joint development. HR&A also explored the funding capacity that would result from the City and County of Los Angeles’ participation in each of the ten TIF district scenarios previously cited.

SPONSORSHIP AND NAMING RIGHTS

In addition to potential revenues from advertising at station adjacent intersections, station sponsorship and naming rights are another potential revenue source for the Project. However, it is important to note that this revenue would be controlled by Metro not the City of West Hollywood. HR&A conducted a case study analysis of sponsorship and naming rights agreements for both stations and transit lines for six different transit agencies. Results are summarized in Figure 12 below.

Figure 12: Sponsorship and Naming Rights Agreements

| Agency | Station | City | Sponsor | Year | Annual Revenue | Annual Passengers | Visibility |
|--------|------------------------------|--------------|----------------------------------|------|----------------|-------------------|---|
| MTA | Atlantic Ave-Barclays Center | New York | Barclays | 2009 | \$0.2M | 13.8M | Joint naming rights |
| SEPTA | Jefferson Station | Philadelphia | Thomas Jefferson Univ. Hospitals | 2014 | \$0.8M | 7.0M | Exclusive naming rights |
| SEPTA | NRG Station | Philadelphia | NRG Energy Inc. | 2018 | \$1.1M | 1.0M | Exclusive naming rights |
| SEPTA | Vodafone Sol | Madrid | Vodafone | 2013 | \$1.3M | 19.5M | Exclusive naming rights and immersive advertising |

| Agency | Line | City | Sponsor | Year | Annual Revenue | Annual Ridership | Visibility |
|--------|--------------------------|-----------|------------------------|------|----------------|------------------|------------------------------|
| RTA | Healthline | Cleveland | The Cleveland Clinic | 2008 | \$0.3M | 5.2M | Bus wrap and line branding |
| RTD | Univ. of Colorado A Line | Denver | University of Colorado | 2015 | \$1.0M | 6.6M | Train wrap and line branding |
| MTS | Sycuan Green Line | San Diego | Sycuan Casino | 2017 | \$0.9M | 13.6M | Complete line branding |
| MTS | UC San Diego Blue Line | San Diego | UC San Diego Health | 2015 | \$1.0M | 16.5M | Complete line branding |

Sources: HR&A Advisors

HR&A found that this revenue source is relatively small (\$0.2 to \$1.3M annually) and varies based on station passenger volume and level of visibility. Visibility ranges from joint station or line naming, featuring the sponsor’s name with the station’s original name, to immersive advertising, where a station or line is branded with the sponsor’s name throughout in an exclusive advertising agreement. Given the size of this source, it is likely best suited to help fund operating and maintenance costs which are also a factor in Metro’s acceleration decision making.

Since Metro would own and operate each of the line’s stations, the City would likely have no formal role in contracting a sponsorship agreement. Nevertheless, the City can leverage its connections with key institutions and corporations to convene negotiations between these entities and Metro. Most likely sponsors include large institutions, such as hospitals or universities, or corporations with strong direct-to-consumer businesses, such as telecommunications or financial institutions, which benefit from increased visibility.

VALUE CAPTURE FROM JOINT DEVELOPMENT

Joint development, in the context of transit related projects, refers to the public-private partnership between a public agency and private developer to develop publicly-owned “excess” land at or proximate to future stations. While the EIFD model assumes the redevelopment of significantly underutilized and vacant parcels, it excludes publicly owned land. For these publicly owned properties, of which there are several in the City of West Hollywood, there is an opportunity to capture some of the incremental real estate development value for the Project by deploying appropriate development strategies and partnerships. These strategies exist on a spectrum from a passive partnership, such as ground leasing, where a development partner pays a pre-determined ground lease to the public agency for the right to develop on a ‘clean’ property that is made available, to developer-led delivery of transit infrastructure, where the developer plays an active role in funding and delivery of portions of the transit infrastructure in return for the right to develop.

The level of developer partnership in joint development depends upon the timing of private developer engagement in the project (developer-led infrastructure delivery means involvement at early stages of site planning) as well as the potential benefit of a deeper partnership weighed against the additional development risk to the developer. It is important to note that a developer’s risk-reward calculus is very different from a public agency’s, meaning for the risks to be worthwhile for a developer, the incremental value that integration of the additional infrastructure component creates for the developer must be significantly greater than the developer’s capital contribution of providing them. In other words, a developer will typically contribute less directly for the same piece of infrastructure than a public agency would due to the private sector’s higher return on investment expectations. Also, delivery of infrastructure directly by a real estate developer often requires the necessity to bring in various areas of expertise, and capital, that results in a different blend of risk return expectations than a discrete infrastructure or real estate project. However, if there is substantial value that can be created and captured, this is a creative project delivery and funding mechanism.

Real estate in the City of West Hollywood is highly desirable as a part of the broader west Los Angeles real estate market. This desirability is reflected in a scan of recent land sales transactions, which shows that on average commercial land of greater than one acre is currently selling for an average of about \$22 million per acre; one highly desirable 7.6 acre property slated for redevelopment into the One Beverly Hills hotel and condo project was recently sold for \$58 million an acre, and a 0.88 acre property on the Sunset Strip in West Hollywood, that is also slated for redevelopment, recently sold for \$80 million.¹² New development on a publicly owned parcel could help unlock this latent value.

Given the strength of the local real estate market, the value creation potential for such a development is likely high enough for a developer to take an active role in any partnership agreement. For City-owned parcels, the City has the power to negotiate the appropriate level of partnership with a private developer. For parcels owned by a public agency other than the City, the City still has an important role to play through the entitlement process to unlock value creation potential, or to further participate in the joint agreement through potential tax rebates. Metro already has an established joint development policy, which was most recently updated in July 2015. This program can serve as a useful resource to structure any joint development negotiations, particularly for properties owned by Metro.

In addition, the Metro Board adopted (June 2018) a "Transit Oriented Communities Policy" (TOC) and Metro staff is currently developing a TOC implementation program. Additionally, Metro is exploring additional

¹² CoStar, June 2019.

policies and programs to support the linkage between transit investment decisions and affordable housing. ("Metro Affordable Housing Policies and Tools," Board staff report, January 16, 2020)."

Further details on these funding sources and the case studies HR&A reviewed to inform this analysis can be found in a briefing prepared for the City entitled "Value Capture Case Studies: Crenshaw/LAX Northern Extension" (Appendix D).

The analysis below is for a large primarily Metro owned site in the City, but as Metro acquires more property for station construction there is the potential for other public private joint development.

Metro Division 7 Bus-yard Site

As a part of our analysis of potential supplemental revenues that could serve to accelerate the Project, HR&A completed a high-level assessment of the value capture potential of redevelopment at Metro's Division 7 Bus-yard site, located in the City of West Hollywood. The Bus-yard sits on about 10.6 acres of prime land on the corner of San Vicente Blvd and Santa Monica Blvd. The site is currently home to a Los Angeles County Sheriff Station and an active bus yard used by Metro, of which the Metro bus yard is the vast majority of the site. The site was evaluated in particular because (1) it sits at the site of a potential future rail station (depending on the alignment chosen), (2) it is the largest underdeveloped site in West Hollywood, and (3) it is publicly owned.

HR&A does not presume Metro would necessarily pledge proceeds of the land redevelopment towards this project as part of our base analysis, but our analysis illustrates value potential if it were to be redeveloped.

Value Capture Estimation Methodology

HR&A undertook a Residual Land Value ("RLV") analysis to identify the value created by a new development which would reconstruct and incorporate the existing bus yard and sheriff station into a larger development while retaining the operational integrity of both existing facilities. RLV represents what a developer would theoretically be willing to pay for land after comparing the potential project value to its total costs (e.g., hard costs, soft costs, and financing costs). This RLV can be the basis of negotiations between Metro, Los Angeles County, the City, and the developer over a Public-Private Development ("P3") structure, such as a fee-simple land sale or ground lease, to help cover facility costs for proposed station at Santa Monica/San Vicente as part of the Crenshaw North Extension.

An RLV analysis requires a development program to estimate the revenue and expense components necessary in determining total project value and land value. HR&A used a 2012 unsolicited proposal from Cohen Brothers Realty Corporation of California (CBRCC) to Metro, which called for a 1.2 million square foot mixed-use development on the property with provisions to replace both the Bus Yard and Sheriff's Station, as a baseline for its financial model. Building upon this baseline, HR&A tested three scenarios as summarized below in **Error! Reference source not found.**¹³. All scenarios also include 50,000 SF set aside for new local government facilities at the redeveloped bus yard site paid for by the developer. HR&A believes that this RLV analysis is likely to be conservative and could be substantially higher if additional density were allowed on the site, as well as if other non-real estate sources like advertising revenues or potential tax rebates were maximized.

Figure 13: Division 7 Bus Yard RLV Scenarios

| | Scenario 1 | Scenario 2 | Scenario 3 |
|----------------------------|----------------------------------|---------------------|--------------------------------|
| Scenario Name | Cohen Proposal (Baseline) | New Baseline | Add'l Parking Reduction |
| Land Area (SF) | 461,736 | 461,736 | 461,736 |
| Building Area (GSF) | 1,375,000 | 1,374,000 | 1,424,000 |
| FAR* | 2.98 | 2.98 | 3.08 |
| Retail (GSF) | 180,000 | 180,000 | 180,000 |
| Office | 520,000 | 520,000 | 570,000 |
| Hotel | 175,000 | 175,000 | 175,000 |
| Residential Units | 419 | 480 | 480 |
| Hotel Keys | 250 | 250 | 250 |
| Parking Spaces | 4,428 | 2,761 | 1,406 |

Sources: CBRCC, HR&A Advisors

Descriptions of scenario each are as follows:

- **Scenario 1 - CBRCC Proposal (Baseline)**

This scenario is based on the 2012 Proposal from CBRCC. HR&A made slight adjustments to include the correct number of statutorily mandated affordable units (20 percent of total), satisfied through the provision of senior housing, and decreased residential unit size to reflect recent multifamily deliveries. This scenario includes 120,000 SF of government office (Sheriff's Station = 50,000 SF, local government facilities = 50,000 SF, Metro offices = 20,000 SF).

- **Scenario 2 – New Baseline**

This scenario took the CBRCC proposal and switched senior housing to affordable housing, changed residential unit mix to align with recent deliveries (weighted towards studio and 1-bedroom units), and applied a commercial parking reduction ordinance passed by the City in December 2018, cutting some parking requirements by as much as 70 percent.

- **Scenario 3 – Additional Parking Reduction**

Per City staff request, this scenario applied an additional reduction in parking requirements (50%) and added another 50,000 SF of market-rate office, which counterbalances the 50,000 SF of market-rate office lost for the proposed local government facilities on the site. Staff's request for further parking reductions were because the project would be located on top of a Metro rail station.

Total Development Cost

In general, the total development cost of the redevelopment project is between \$750 million and \$925 million varying due to program size and level of parking required, per the scenarios described above. The retention and replacement of the Bus Yard is a significant cost totaling nearly \$200 million, or between 15 to 25 percent of the total development cost depending on the development scenario.¹³

Total Project Value

Given today's market conditions, the total value of the project would be nearly \$1.0 billion dollars. This project value could be partly captured through property taxes and would add significant value to a future Enhanced Infrastructure Financing District.¹⁴ The EIFD projections shown previously in this report do not include additional TIF from the joint development of public assets, the addition of revenues from project specific TIF would increase those figures.

¹³ Per Metro provided estimate.

¹⁴ See HR&A's 2019 report entitled "Crenshaw Northern Line Extension, Financial Feasibility Analysis" for more details.

Residual Land Value

According to recent land sale transactions in and around West Hollywood, land greater than one acre is typically selling for \$22 million per acre, or approximately \$500 per square foot of land. HR&A's RLV analysis demonstrates a depressed project RLV due to the requirements of constructing the Bus Yard, as well as providing non-income producing government offices. Under Scenario 1, these developer concessions would result in a negative RLV, meaning the developer would require a subsidy to deliver the proposed project. Even with a revised program and reduced parking requirements, Scenario 3 at an RLV of \$309 per square foot of land still falls short of competitive benchmarks.

To increase RLV there are two main strategies: increase revenue generation for the property or reduce development costs. The project could increase revenues primarily through greater allowable density which would allow for more income producing uses (i.e., apartments, retails, office, hotel). Depending on the amount of density granted, it could be enough to overcome the subsidy and achieve at or above market RLV. The other strategy would likely come through reducing the burden of developer concessions. For instance, instead of having the developer fund the construction of a new local government facilities, West Hollywood could choose to provide the developer payment for this asset in return for the developer delivering it as part of the overall redevelopment project.

This RLV can be the basis of negotiations with a private developer on a P3 structure. While there are more complicated P3 structures, where the developer would deliver additional transportation infrastructure for the proposed Santa Monica/San Vicente station, the simplest arrangement would be a ground lease. A ground lease could yield significant value for Metro and Los Angeles County (the land-holding parties). For example, a yield rate of 6.5 percent applied to RLV in Scenario 2 and Scenario 3 would translate into annual payments of \$2.3 million to over \$9.3 million respectively.^{15 16} Depending on the timing of redevelopment and openness of the land-holding parties to commit revenue from the project, the redevelopment of this project could be a significant additional capital source to help fund the Crenshaw Northern Extension.

Lastly, this analysis doesn't include further potential financial or entitlement incentives that could be negotiated as a part of an agreement between Metro, the City of West Hollywood, the County of Los Angeles, and a private developer; including, 1) enhanced digital signage entitlements, 2) potential tax rebates (hotel tax and property tax), and 3) entitlements for increased density. These potential incentives would increase the residual land value and overall value of the projects, thus potentially providing greater funds to Metro than what is shown in the following table.

¹⁵ A yield rate is the percentage applied to the land value of a project to determine an annual ground rent payment. While there are other more complicated ground lease structures involving participation or revenue sharing, this example only considers a ground rent payment for illustrative purposes.

¹⁶ HR&A is not acting as a Municipal Advisor (see General and Limiting Conditions). Any ground lease payments would be the result of extensive negotiations between Los Angeles County, Metro, The City of West Hollywood, and a private developer.

Figure 14: Division 7 Bus Yard Scenario Results

| Scenario Name | Scenario 1 CBRCC Proposal (Baseline) | Scenario 2 New Baseline | Scenario 3 Add'l Parking Reduction |
|-------------------------------------|--|----------------------------|--|
| Development Cost | | | |
| Apartment | \$234,500,000 | \$242,900,000 | \$213,100,000 |
| Retail | \$206,800,000 | \$161,200,000 | \$134,200,000 |
| Office | \$347,200,000 | \$292,500,000 | \$287,900,000 |
| Hotel | \$137,300,000 | \$125,300,000 | \$117,600,000 |
| Total Development Cost | \$925,900,000 | \$821,800,000 | \$752,700,000 |
| Metro Bus Facility % of Cost | 21% | 24% | 26% |
| Project Value | | | |
| Apartment | \$257,900,000 | \$264,400,000 | \$264,400,000 |
| Retail | \$200,900,000 | \$197,000,000 | \$197,000,000 |
| Office | \$344,300,000 | \$343,200,000 | \$386,000,000 |
| Hotel | \$175,700,000 | \$175,700,000 | \$175,700,000 |
| Total Project Value | \$978,800,000 | \$980,300,000 | \$1,023,100,000 |
| Residual Land Value | | | |
| Apartment | (\$8,800,000) | (\$11,500,000) | \$18,200,000 |
| Retail | (\$31,000,000) | \$11,200,000 | \$38,200,000 |
| Office | (\$45,900,000) | \$7,700,000 | \$49,900,000 |
| Hotel | \$16,400,000 | \$28,500,000 | \$36,200,000 |
| Total Residual Land Value | (\$69,400,000) | \$35,900,000 | \$142,500,000 |
| RLV Per SF Land Area | (\$150) | \$78 | \$309 |

Sources: HR&A Advisors

Implications

The Division 7 Bus Yard represents the most significant publicly-owned redevelopment opportunity in the City of West Hollywood. While the City does not have an ownership interest in the project, it plays a significant role in unlocking its value creation potential. Any redevelopment would require a general plan amendment and zone change. Further, the City can offer special entitlement concessions, such as reduced parking requirements and increasing allowable densities, given the unique transit-oriented nature of the project above a future rail station.

Given this potential value, there is an enormous incentive for the City, Metro, and Los Angeles County to work closely together to realize the full potential of this site. Not only can this project offer public benefits of a new Bus Yard, Sheriff Station, and local government facilities, it could potentially contribute significant capital to help fund the Crenshaw Northern Extension through both EIFD revenues and a P3 arrangement for the land (e.g., a ground lease).

LOS ANGELES CITY AND COUNTY EIFD PARTICIPATION

While West Hollywood can meet its EPD local contribution target without EIFD participation from the City and County of Los Angeles, additional funding is required to fill the funding gap for the Project. If the City and County of Los Angeles were to participate in the EIFD, there would be significant additional funding. The City and County of Los Angeles' higher tax rates and large share of parcels relative to West Hollywood enable them to have larger amounts of funding available relative to West Hollywood. Assuming a 50 percent property tax increment contribution from both the City and County of Los Angeles, findings are shown below.

*Figure 15: EIFD Funding Profile for West Hollywood and Los Angeles County
City of West Hollywood*

| Alignment and EIFD Buffer | City of West Hollywood | | |
|---------------------------|------------------------|---------------------------|----------------------------|
| | City of WeHo Alone | LA County in City of WeHo | City of WeHo and LA County |
| Hybrid 0.5 Mile | \$0.57 Billion | \$0.50 Billion | \$1.07 Billion |
| Hybrid 0.25 Mile | \$0.40 Billion | \$0.35 Billion | \$0.75 Billion |
| San Vicente 0.5 Mile | \$0.49 Billion | \$0.43 Billion | \$0.92 Billion |
| San Vicente 0.25 Mile | \$0.37 Billion | \$0.32 Billion | \$0.68 Billion |
| La Cienega 0.5 Mile | \$0.40 Billion | \$0.35 Billion | \$0.75 Billion |
| La Cienega 0.25 Mile | \$0.29 Billion | \$0.25 Billion | \$0.54 Billion |
| Fairfax 0.5 Mile | \$0.16 Billion | \$0.14 Billion | \$0.29 Billion |
| Fairfax 0.25 Mile | \$0.10 Billion | \$0.09 Billion | \$0.19 Billion |
| La Brea 0.5 Mile | \$0.04 Billion | \$0.04 Billion | \$0.08 Billion |
| La Brea 0.25 Mile | \$0.03 Billion | \$0.02 Billion | \$0.05 Billion |

Sources: HR&A Advisors

Figure 16: EIFD Funding Profile for the City and County of Los Angeles

| Alignment and EIFD Buffer | City of Los Angeles | | |
|---------------------------|---------------------|-------------------------|--------------------------|
| | City of LA Alone | LA County in City of LA | City of LA and LA County |
| Hybrid 0.5 Mile | \$2.05 Billion | \$1.89 Billion | \$3.93 Billion |
| Hybrid 0.25 Mile | \$0.92 Billion | \$0.85 Billion | \$1.76 Billion |
| San Vicente 0.5 Mile | \$2.10 Billion | \$1.95 Billion | \$4.05 Billion |
| San Vicente 0.25 Mile | \$0.86 Billion | \$0.80 Billion | \$1.67 Billion |
| La Cienega 0.5 Mile | \$2.16 Billion | \$2.00 Billion | \$4.16 Billion |
| La Cienega 0.25 Mile | \$0.83 Billion | \$0.77 Billion | \$1.60 Billion |
| Fairfax 0.5 Mile | \$1.91 Billion | \$1.78 Billion | \$3.68 Billion |
| Fairfax 0.25 Mile | \$0.85 Billion | \$0.79 Billion | \$1.65 Billion |
| La Brea 0.5 Mile | \$1.61 Billion | \$1.50 Billion | \$3.11 Billion |
| La Brea 0.25 Mile | \$0.81 Billion | \$0.75 Billion | \$1.56 Billion |

Sources: HR&A Advisors

Figure 17: EIFD Funding Profile for All Municipalities within the District Boundary

| Alignment and EIFD Buffer | City of WeHo and LA County | City of LA and LA County | All Municipalities |
|---------------------------|----------------------------|--------------------------|-----------------------|
| | LA County | County | |
| Hybrid 0.5 Mile | \$1.07 Billion | \$3.93 Billion | \$5.01 Billion |
| Hybrid 0.25 Mile | \$0.75 Billion | \$1.76 Billion | \$2.52 Billion |
| San Vicente 0.5 Mile | \$0.92 Billion | \$4.05 Billion | \$4.98 Billion |
| San Vicente 0.25 Mile | \$0.68 Billion | \$1.67 Billion | \$2.35 Billion |
| La Cienega 0.5 Mile | \$0.75 Billion | \$4.16 Billion | \$4.91 Billion |
| La Cienega 0.25 Mile | \$0.54 Billion | \$1.60 Billion | \$2.14 Billion |
| Fairfax 0.5 Mile | \$0.29 Billion | \$3.68 Billion | \$3.97 Billion |
| Fairfax 0.25 Mile | \$0.10 Billion | \$1.65 Billion | \$1.75 Billion |
| La Brea 0.5 Mile | \$0.08 Billion | \$3.11 Billion | \$3.19 Billion |
| La Brea 0.25 Mile | \$0.05 Billion | \$1.56 Billion | \$1.61 Billion |

Sources: HR&A Advisors

NEXT STEPS

The technical analysis summarized in the report above indicates the viability of using innovative funding and financing tools to close the funding gap to construct the northern extension of the Crenshaw/LAX Metro rail line (whether built in the near term or 2041) and pursue early delivery of this critical regional transportation project. This extension is a key opportunity for the City of West Hollywood and its regional partners to advance shared sustainability, active transportation, and economic development objectives. We recommend that the City work closely with Metro, the City of Los Angeles, the County of Los Angeles, and other stakeholders to advance the implementation of the project. Next steps should include the following:

- **Financing Strategy Finalization and Implementation:** Based on the funding sources identified above, the City of West Hollywood should finalize its preferred financing strategy. As described in the analysis, it is unlikely any one funding source would suffice to ensure that the project qualifies for Early Project Delivery per Metro standards, therefore a multi-pronged financing strategy should be finalized and advanced.
- **Consensus Building and Interagency Partnerships:** Implementation of the funding strategy to enable Early Project Delivery will require coordination with stakeholders and officials from the City of Los Angeles, Los Angeles County, and Metro. In particular, participation in an EIFD by LA County and/or the City of Los Angeles will require strong and intentional consensus building to ensure that the goals of all are represented in the creation and implementation of the financing district.
- **Preparation of Overall Funding Strategy:** One of the critical next steps will be the formation of an overall strategy to fund the project, which will take place jointly between all agency partners during the first phase of the Environmental Impact Report. In addition to HR&A, the City has hired a municipal financial advisor (Scully Capital) to assist with the preparation of this strategy. This will be an important next step because it is necessary for the project to move into the project engineering and NEPA portions of the environmental work.
- **Equitable Growth Considerations:** New funding sources, including the potential EIFD, funds from Metro, and other local and regional funding could also be used to improve the overall positive impact of the project as well as mitigate unintended impacts of the Project. Key considerations for further study by the involved parties (i.e. City of West Hollywood, City of Los Angeles, and LA County) could include anti-displacement or gentrification investments, first/last mile improvements, and other district-level infrastructure.
- **Refinement of Funding Capacity Analyses:** The funding capacity analysis is analytically rigorous and utilizes best available data as of Fall 2019 to evaluate funding capacity over a 45 year projection period. However, it is possible that changes in macroeconomic conditions (e.g. faster or slower economic growth), state laws (related to density and/ or tax collection procedures), and other factors may require the refinement of the analysis.
- **Benefits Case:** The completion of the rail extension would usher substantive economic, fiscal, environmental and other benefits for the City of West Hollywood as well as for the City of Los Angeles and Los Angeles County. These quantitative and qualitative benefits should be evaluated and described for the general public in the context of the project cost.

APPENDIX A: METRO EARLY PROJECT DELIVERY GUIDELINES

Proposed Metro Board Policy: Early Project Delivery Strategy

EFFECTIVE DATE:

November 30, 2017

TITLE

- This Policy shall be referred to as the Early Project Delivery Strategy.

PURPOSE

- This Policy establishes clear, uniformly applied criteria to determine if a Measure M Project can be delivered faster than scheduled in the Measure M Expenditure Plan. A comprehensive policy allows for rigorous and expeditious analyses and determinations. It provides for transparency and financial accountability. Projects can be accelerated as long as others are not negatively impacted, pursuant to the Measure M Ordinance.

PROCESS

1. Identify multiple inputs that suggest a potential for acceleration. A screening tool will then be utilized to assist in identifying the inputs that potentially have occurred and whether an initial assessment of the propensity for acceleration is warranted.
2. If warranted, staff will then conduct an analysis to confirm the ability to accelerate a project schedule, determine the extent to which a project could be accelerated and what would be the impacts of that action.
3. The Board of Directors will review the staff analysis and may: (a) give direction to subsequently provide notice and take action pursuant to controlling law; (b) decline to find for early project delivery; or (c) direct staff to undertake further analysis.

GENERALLY

- Multiple acceleration inputs are typically needed to result in accelerating a project schedule.
- A project's funding, schedule, scope or legal/regulatory environment are integral to the acceleration inputs.
- Acceleration inputs considered may also indirectly relate to the project if they are demonstrated to substantially advance system performance or adopted policies of the Board.
- Acceleration inputs are intended to be transportation mode-neutral, unless otherwise indicated (e.g., mode-specific funding revenues or fees).
- Funding considerations must be consistent with all applicable local, state, and/or federal rules and regulations; and Board-adopted debt policy.

DEFINITION

- Accelerator: a single strategic input that could partially support facilitating early delivery of a Measure M project.

STRATEGIC INPUTS FOR EARLY PROJECT DELIVERY

| | Accelerator | Points |
|--------------------------|--|--------|
| Funding (30 points) | 1. New Revenue. Has new, committed funding become available at an amount greater than 25% of the total project construction cost? | 15 |
| | A. Is this funding discretionary? | 2 |
| | B. Is this funding somehow conditional to the project or time-sensitive? | 5 |
| | C. Is funding cash flow available sooner as a result of a delayed project? | 3 |
| | D. Are confirmed surplus funds available from another project in the same subregion, based on a final Life of Project budget? | 2 |
| | E. Would there be cost savings of at least 25% based on the time value of money resulting from this funding accelerator? | 3 |
| Partnerships (30 points) | 2. Regional Responsibility. Have one or more of the local jurisdictions within which the project is located substantially advanced or committed to advancing the implementation of one or more Metro Board adopted goals and policies that support the integration of transportation and land use for which Metro is reliant upon its local partners to achieve? | 6 |
| | 3. Process Streamlining. Have all responsible local agencies streamlined permitting processes and executed or committed to executing necessary memoranda of agreements prior to awarding of the project construction contract? | 5 |
| | 4. Additional Support. Is the local jurisdiction and/or other local partner contributing at least 10% more than the required 3% contribution or 5% of the project cost within that jurisdiction from other sources? | 5 |
| | 5. Value Capture. Is a local improvement, financing district or other value capture financing tool existing or will be established within three years of the groundbreaking date for the purpose of funding at least 10% of the project cost within the jurisdiction in which the financing tool is established? | 5 |
| | 6. Advance Funding. Is there a proposal by a local jurisdiction or other party to advance funding, which would deliver all or a functional segment of the project 10% earlier? | 5 |
| | 7. Impact Fees. Is there a program to collect a fee in-lieu of providing required parking and/or local traffic improvements, with revenues allocated to transportation demand management (TDM) strategies that are directly dependent on and in support of Metro's project, or a goods movement impact fee program to fund improvements, in conformance with California and federal laws? | 4 |

| | Accelerator | Points |
|-------------------------|---|--------|
| Process (25 points) | 8. Streamlined Review. Is this project currently undergoing or can commit to a streamlined planning and environmental review process that does not exceed three years in duration? | 5 |
| | 9. Clearance Complete. Has this project concluded the planning and environmental review process, needing no more than a refresh of the environmental document(s), not exceeding one year in duration to complete (Operation Shovel Ready)? | 10 |
| | 10. Phased Completion. Can this project be designed to phase improvements to achieve early action, incremental benefits? | 8 |
| | 11. Property Availability. Has at least 75% of the required right-of-way and site acquisitions been completed or is anticipated to be completed within one year? | 2 |
| Innovations (15 points) | 12. Alternative Solutions. Is there an equal or superior, less costly improvement to accomplish the capacity and performance intended by the transportation project? | 3 |
| | 13. Technological Innovations. Are there technological innovations that will reduce the planned capital and/or operating cost of the project? | 3 |
| | 14. Consolidated Delivery. Is there an opportunity to combine two or more projects/segments to achieve economy of scale and minimize impacts of multiple back-to-back construction over a long period of time such that the combined project construction cost is reduced by at least 25%? | 3 |
| | 15. Delivery Method. Is this project the subject of a public-private partnership proposal or other unsolicited proposal that can reduce the estimated construction cost by a minimum of 10% or accelerate the delivery date by at least 5 years? | 6 |

PROPENSITY FOR EARLY PROJECT DELIVERY

| | | |
|------------|--------|--|
| High: | 67-100 | Automatically advances to staff analysis and Board consideration |
| Medium: | 34-66 | Advances to staff review, which determines whether Board consideration is warranted |
| Low: | 0-33 | Does not advance to staff review nor Board consideration |
| Exception: | N/A | Project acceleration can unambiguously be demonstrated by an exceptional condition regardless of scoring (e.g., unexpected full funding from outside source) |

MEASURE M PROJECT EVALUATION READINESS TOOL (M-PERT)

- M-PERT is an evaluation tool only—not a determinative decision tool.
- Required initial screening step (unless exceptional condition, per above).
- All Measure M projects ordered as listed in the Expenditure Plan are included.
- The above acceleration strategic inputs are set forth as “yes” or “no” questions to answer.
- A score given to each input to measure its relative strength in impacting project timing; a “yes” answer returns the possible score for that input, as listed above.
- An overall score given as a low, medium and high indicator for acceleration.
- An accounting of evaluations conducted is logged and reported.
- The M-PERT tool is for use by Metro staff, Board Directors and their deputy staff.

MAINTAINING PROJECT SCHEDULES: HOW TO HELP METRO DELIVER PROJECTS

| | Responsibilities |
|--------------|---|
| Funding | <ul style="list-style-type: none"> • Protect all funding sources allocated to the project, per Metro’s financial plan. • Keep the project within the budgeted cost identified in the Measure M Expenditure Plan. |
| Partnerships | <ul style="list-style-type: none"> • Request design features that have a rational nexus to potential project impacts. • Minimize permitting requirements and ensure that ministerial actions are a staff- level decision, done timely. • Establish and maintain an effective, genuine public and stakeholder engagement process. |
| Process | <ul style="list-style-type: none"> • Select a Locally Preferred Alternative that can be constructed within budget or augmented with reasonably expected, new outside funding sources that are needed to achieve desired community goals and compatibility. • Pursue constructive conflict resolution, creativity and solutions that are in rough proportionality to the problem to avoid litigation delays. • Thoroughly address environmental issues and avoid project design features that trigger costly mitigation measures. |
| Innovations | <ul style="list-style-type: none"> • Rely upon current, proven technology for the project design, rather than await speculative innovations. • Seek any necessary regulatory reform and streamlining to allow the rapid deployment of any available state-of-the-art, proven technologies that can increase capacity, reduce travel times or improve safety, which can help keep the project on time and at or below budget. |

DISCLOSURE AND RECOVERY PLAN

- A disclosure and recovery plan shall be prepared for a project at risk for delay.

ANNUAL REPORTING AND EVALUATION

- The CEO shall report annually on activities and actions pertaining to this Policy, including projects being considered for early project delivery, the number of screening inquiries conducted for each project using M-PERT and projects under or being considered for a Disclosure and Recovery Plan.

APPENDIX B: POTENTIAL EIFD ALIGNMENT MAPS

This appendix material can be found separately on an online shared files drive maintained by the City of West Hollywood here. The link to access these files is available [here](#).¹⁷

¹⁷ The full link to the Appendices can be found here:
<https://onedrive.live.com/?authkey=%21ANzIdEk2N3tarDc&id=84BDC8D4B31D04AA%2119015>

APPENDIX C: CITY-CONTROLLED REVENUE FUNDING CASHFLOWS

This appendix material can be found separately on an online shared files drive maintained by the City of West Hollywood here. The link to access these files is available [here](#).¹⁸

¹⁸ The full link to the Appendices can be found here:
<https://onedrive.live.com/?authkey=%21ANzIdEk2N3tarDc&id=84BDC8D4B31D04AA%2119015>

APPENDIX D: VALUE CAPTURE CASE STUDIES

This appendix material can be found separately on an online shared files drive maintained by the City of West Hollywood here. The link to access these files is available [here](#).¹⁹

¹⁹ The full link to the Appendices can be found here:

<https://onedrive.live.com/?authkey=%21ANzIdEk2N3tarDc&id=84BDC8D4B31D04AA%2119015>

APPENDIX E: EIFD REVENUES/CASHFLOWS BY ALIGNMENT AND EIFD SENSITIVITIES

This appendix material can be found separately on an online shared files drive maintained by the City of West Hollywood here. The link to access these files is available [here](#).²⁰

²⁰ The full link to the Appendices can be found here:
<https://onedrive.live.com/?authkey=%21ANzIdEk2N3tarDc&id=84BDC8D4B31D04AA%2119015>

PROCUREMENT SUMMARY

CRENSHAW/LAX NORTHERN EXTENSION TRANSIT CORRIDOR/AE64930000

| | | |
|----|---|--|
| 1. | Contract Number: AE64930000 | |
| 2. | Recommended Vendor: Connect Los Angeles Partners, Joint Venture (WSP USA Inc. and AECOM Technical Services, Inc.) | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input checked="" type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order | |
| 4. | Procurement Dates: | |
| | A. Issued: August 12, 2019 | |
| | B. Advertised/Publicized: August 12, 2019 | |
| | C. Pre-Proposal Conference: August 22, 2019 | |
| | D. Proposals Due: September 30, 2019 | |
| | E. Pre-Qualification Completed: June 29, 2020 | |
| | F. Conflict of Interest Form Submitted to Ethics: September 30, 2019 | |
| | G. Protest Period End Date: August 25, 2020 | |
| 5. | Solicitations Picked up/Downloaded: 181 | Proposals Received: 3 |
| 6. | Contract Administrator: Gina Romo | Telephone Number: (213) 922-7558 |
| 7. | Project Manager: Roger Martin | Telephone Number: (213) 922-3069 |

A. Procurement Background

This Board Action is to approve Contract No. AE64930000 issued in support of the Crenshaw/LAX Northern Extension Transit Corridor for environmental analysis (CEQA) and advanced conceptual engineering (ACE). Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price. The RFP was issued with an SBE goal of 21% and a 3% DVBE goal.

Three amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 27, 2019, clarified the milestone schedule and extended the due date of proposals to September 23, 2019.
- Amendment No. 2, issued on September 16, 2019, extended the due date of proposals to September 30, 2019.
- Amendment No. 3, issued on September 18, 2019, provided revisions clarifying some tasks of the scope of services.

A pre-proposal conference was held on August 22, 2019, and was attended by 92 individuals, representing 72 firms. There were 41 questions asked and responses were released prior to the proposal due date.

A total of 181 firms downloaded the RFP and were included in the plan holder's list. A total of three proposals were received on September 30, 2019 from the following firms:

- Arup North America Limited
- Connect Los Angeles Partners, Joint Venture
- Mott MacDonald Group, Inc.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro Transportation Planning, Countywide Planning, and Project Engineering was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- | | |
|---|------------|
| • Degree of Skills and Experience of Team | 15 percent |
| • Experience and Capabilities of Personnel of the Team | 25 percent |
| • Effectiveness of Team Management Plan | 15 percent |
| • Understanding of Work and Approach for Implementation | 35 percent |
| • Innovation | 10 percent |

The evaluation criteria is appropriate and consistent with criteria developed for other, similar Architectural and Engineering (A&E) environmental procurements. Several factors were considered when developing these weights, giving the greatest importance to Understanding of Work and Approach for Implementation. The PET evaluated the proposals according to the pre-established evaluation criteria. This is an A&E, qualifications-based procurement; therefore, price cannot be used as an evaluation factor pursuant to state and federal law.

All three proposals received were determined to be within the competitive range and are listed below in alphabetical order:

1. Arup North America Limited
2. Connect Los Angeles Partners, Joint Venture (Connect)
3. Mott MacDonald Group, Inc.

During the period of October 2 through October 11, 2019, the PET independently evaluated and scored the technical proposals.

All firms were invited for oral presentations on October 14, 2019. The firms had an opportunity to present their proposed project manager, the team's qualifications and respond to questions from the PET. In general, each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project.

Each team was asked questions relative to the team’s availability and project milestones, working with outreach and system consultants, methods to control costs and schedule, and the value-added benefits of the team’s chosen advisors.

The final scoring, after the oral presentations, determined Connect to be the highest technically qualified firm.

Qualifications Summary of Recommended Firm:

Connect Los Angeles Partners, Joint Venture (Connect) is a Joint Venture between WSP USA Inc. (WSP) and AECOM Technical Services, Inc. (AECOM). The team that Connect has brought together includes environmental specialists, engineers, architects, urban planners, outreach, surveying, modeling, and mapping experts.

The Connect team proposal provided a diverse mix of recent and relevant experience in transit projects including Metro’s Regional Connector, Purple Line Extension and West Santa Ana Branch. The proposal also demonstrated an understanding of the overview of the project area and a familiarity with the opportunities and constraints of planning, designing and environmentally clearing large scale projects. The proposal showed contextual awareness of transportation and land use and clearly articulated outcomes in a concise and compelling manner.

The organization and responsibility of key project leads is proportional to the professional experience in planning, designing and environmentally clearing each alternative presented for this project. The proposed team provided evidence of strong support on core elements of the project including transit supportive planning toolkit and first and last mile experience.

Following is a summary of the PET evaluation scores:

| 1 | Firm | Average Score | Factor Weight | Weighted Average Score | Rank |
|---|---|---------------|----------------|------------------------|----------|
| 2 | Connect Los Angeles Partners, JV | | | | |
| 3 | Degree of Skills and Experience of Team | 91.00 | 15.00% | 13.65 | |
| 4 | Experience and Capabilities of Personnel of the Team | 90.00 | 25.00% | 22.50 | |
| 5 | Effectiveness of Management Plan | 89.00 | 15.00% | 13.35 | |
| 6 | Understanding of Work and Approach for Implementation | 92.00 | 35.00% | 32.20 | |
| 7 | Innovation | 83.00 | 10.00 % | 8.30 | |
| 8 | Total | | 100.00% | 90.00 | 1 |

| | | | | | |
|-----------|---|-------|----------------|--------------|----------|
| 9 | Mott MacDonald Group, Inc. | | | | |
| 10 | Degree of Skills and Experience of Team | 87.00 | 15.00% | 13.05 | |
| 11 | Experience and Capabilities of Personnel of the Team | 85.00 | 25.00% | 21.25 | |
| 12 | Effectiveness of Management Plan | 81.00 | 15.00% | 12.15 | |
| 13 | Understanding of Work and Approach for Implementation | 83.00 | 35.00% | 29.05 | |
| 14 | Innovation | 79.00 | 10.00% | 7.90 | |
| 15 | Total | | 100.00% | 83.40 | 2 |
| 16 | Arup North America Limited | | | | |
| 17 | Degree of Skills and Experience of Team | 74.00 | 15.00% | 11.10 | |
| 18 | Experience and Capabilities of Personnel of the Team | 71.00 | 25.00% | 17.75 | |
| 19 | Effectiveness of Management Plan | 72.00 | 15.00% | 10.80 | |
| 20 | Understanding of Work and Approach for Implementation | 76.00 | 35.00% | 26.60 | |
| 21 | Innovation | 74.00 | 10.00% | 7.40 | |
| 22 | Total | | 100.00% | 73.65 | 3 |

C. Cost Analysis

The recommended price of \$50,367,851 has been determined to be fair and reasonable based upon Metro's Management and Audit Services (MAS) audit findings, an independent cost estimate (ICE), the Project Manager's technical analysis, a cost analysis, fact finding, and negotiations.

| | Proposer Name | Proposal Amount | Metro ICE | Negotiated Amount |
|----|---------------------------------|------------------------|------------------|--------------------------|
| 1. | Connect Los Angeles Partners JV | \$63,267,803 | \$27,209,436 | \$50,367,851 |

The variance between the initial proposed price and the final negotiated price is due to scope clarifications and refinements.

The ICE prepared for the Crenshaw Northern Extension project assumed a few of the alignments that were studied would be eliminated during the advanced screening analysis. However, in January 2020, staff determined these alignments would continue as part of the environmental process as each of the alignments have potential ridership projections of 90,000 daily riders respectively, travel time savings in the eastern alignments; and access to greater jobs market for the western alignments. Therefore, the negotiated amount includes the additional alignments and the level of effort to carry the alignments forward through the environmental study.

D. Background on Recommended Contractor

The recommended firm, Connect Los Angeles Partners, Joint Venture, (Connect), is a joint venture between WSP USA Inc. (WSP) and AECOM Technical Services, Inc. (AECOM). WSP, founded in 1933, is a New York based firm with offices throughout the nation, including the Los Angeles area. They are a multi-faceted transportation company with a full team of planners, engineers and advisors. AECOM was founded in 1990 and has diversified into a global firm with full architecture, engineering, construction, planning and environmental services.

The Connect team's Project Manager is an engineer and certified planner with over 13 years of experience and was the southern California regional director of projects for the high-speed rail project. The team assembled by Connect consists of 16 subcontractors, who bring specific and relevant urban planning, civil and traffic engineering expertise to the project. Thirteen of the subcontractors are SBEs and three are DVBEs.

DEOD SUMMARY

CRENSHAW/LAX NORTHERN EXTENSION TRANSIT CORRIDOR/AE64930000

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 21% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. Connect Los Angeles Partners, a Joint Venture between WSP USA Inc. and AECOM Technical Services, Inc., exceeded the goal by making a 21% SBE and 3.71% DVBE commitment.

| | | | |
|------------------------------------|----------------------------|--|----------------------------------|
| SMALL BUSINESS GOAL | 21% SBE 3% DVBE | SMALL BUSINESS COMMITMENT | 21.00% SBE 3.71% DVBE |
|------------------------------------|----------------------------|--|----------------------------------|

| | SBE Subcontractors | % Committed |
|-----------------------------|---------------------------------|--------------------|
| 1. | Connetics Transportation Group | 0.29% |
| 2. | Del Richardson & Associates | 1.17% |
| 3. | Here Design Studio, LLC | 1.00% |
| 4. | Intueor Consulting, Inc. | 4.37% |
| 5. | Jenkins, Gales & Martinez, Inc. | 0.56% |
| 6. | JKH Consulting | 0.11% |
| 7. | Studio M-LA | 0.63% |
| 8. | Raw International, Inc. | 2.34% |
| 9. | Suenram & Associates, Inc. | 2.02% |
| 10. | Systems Consulting, LLC | 0.47% |
| 11. | V&A, Inc. | 5.31% |
| 12. | Vicus LLC | 2.31% |
| 13. | Zephyr UAS, Inc. | 0.42% |
| Total SBE Commitment | | 21.00% |

| | DVBE Subcontractors | % Committed |
|------------------------------|----------------------------|--------------------|
| 1. | Conaway Geomatics | 2.70% |
| 2. | Leland Saylor Associates | 0.71% |
| 3. | MA Engineering | 0.30% |
| Total DVBE Commitment | | 3.71% |

B. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations

(DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

C. Living Wage Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy 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.



HOLLYWOOD

Next stop: key rail connections.

CRENSHAW NORTHERN EXTENSION



Planning and Programming Committee

August 19, 2020

Legistar File No. 2020-0174



Metro



Consider:

- RECEIVING AND FILING the Crenshaw Northern Extension Advanced Alternatives Screening Study; and
- AUTHORIZING the Chief Executive Officer (CEO) to award and execute a 30-month, firm fixed price Contract No. AE64930000 to Connect Los Angeles Partners, a joint venture between WSP USA , Inc. and AECOM Technical Services, Inc., for environmental analysis (CEQA) and advanced conceptual engineering (ACE) in the amount of \$50,367,851, subject to resolution of protests, if any.
- However, only the amount of \$2.19 M is requested in FY 21 budget for Professional Services in Cost Center 4350 (Special Projects), Project 475558 (Crenshaw Northern Extension). Upon approval of this action, staff will ensure necessary funds are allocated to the project in coherence with the Continuing Resolution until the FY 21 budget is adopted in September.

Project Overview & Background



➤ Extension of Crenshaw/LAX Line

- Originally studied as part of Crenshaw/LAX study corridor
- Deferred due to funding shortfalls (March 2008)

➤ Studies/Programming to Date

- Shovel Ready Initiative (January 2016)
- Feasibility/AA Study (June 2018)
- AA Screening Study (February 2020)

➤ Measure M Schedule

- FY 2041 Groundbreaking
- FY 2047 Revenue Service



AA Screening Study Recommendations



Recommended alignments are based on community outreach, ridership, costs, First Last Mile considerations, and engineering constraints:

- (1) San Vicente (Hybrid) Alternative
- (2) Fairfax Alternative
- (3) La Brea Alternative

Recommendations also include:

- Hollywood Bowl Extension, an extension from Hollywood/Highland Red Line station to the Hollywood Bowl
- Study of Interim Operable Segments



Summary of Procurement/DEOD



- The Request for Proposal (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price. The RFP was issued with an SBE goal of 21% and 3% DVBE goal. The Connect Team exceeded goal by making 21% SBE and 3.71% DVBE commitment.
- The Connect Team proposal provided a diverse mix of recent and relevant experience in transit projects including Metro's Regional Connector and West Santa Ana Branch. The proposed team also provided evidence of strong support on core elements of the project including transit supportive planning toolkit and first and last mile experience.
- The recommended price of \$50,367,851 has been determined to be fair and reasonable based upon Metro's Management and Audit Services (MAS) audit findings, and independent cost estimate (ICE), the Project Manager's technical analysis, a cost analysis, fact finding, and negotiations.

Next Steps



- August 2020 – Award 30-month contract, subject to approval of the FY 21 Budget in September 2020, for the Environmental Impact Report (EIR), and Advanced Conceptual Engineering (ACE)
- October 2020 – Initiation of CEQA Environmental Study
- Spring 2021 – Public Scoping
- Work with Cities of Los Angeles and West Hollywood on Funding and Project Delivery Strategic Plan





File #: 2020-0521, File Type: Oral Report / Presentation

Agenda Number: 25.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
AUGUST 20, 2020**

SUBJECT: FY21 REVENUE SERVICE HOURS

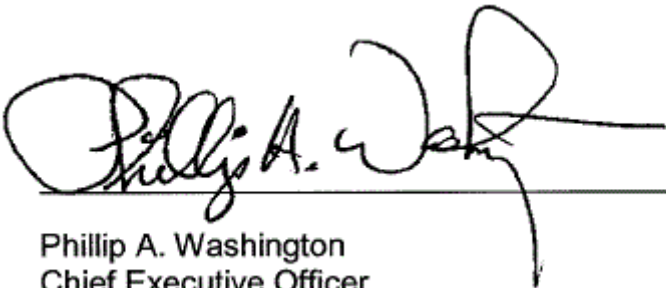
ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE oral report on FY21 Revenue Service Hours.

DISCUSSION

During the FY20 budget development process, the Board requested that bus and rail service levels forecasted in Revenue Service Hours (RSH) be presented to the Operations, Safety and Customer Experience Committee prior to the draft budget being presented to the Board. This report provides information on the anticipated service levels for FY21.



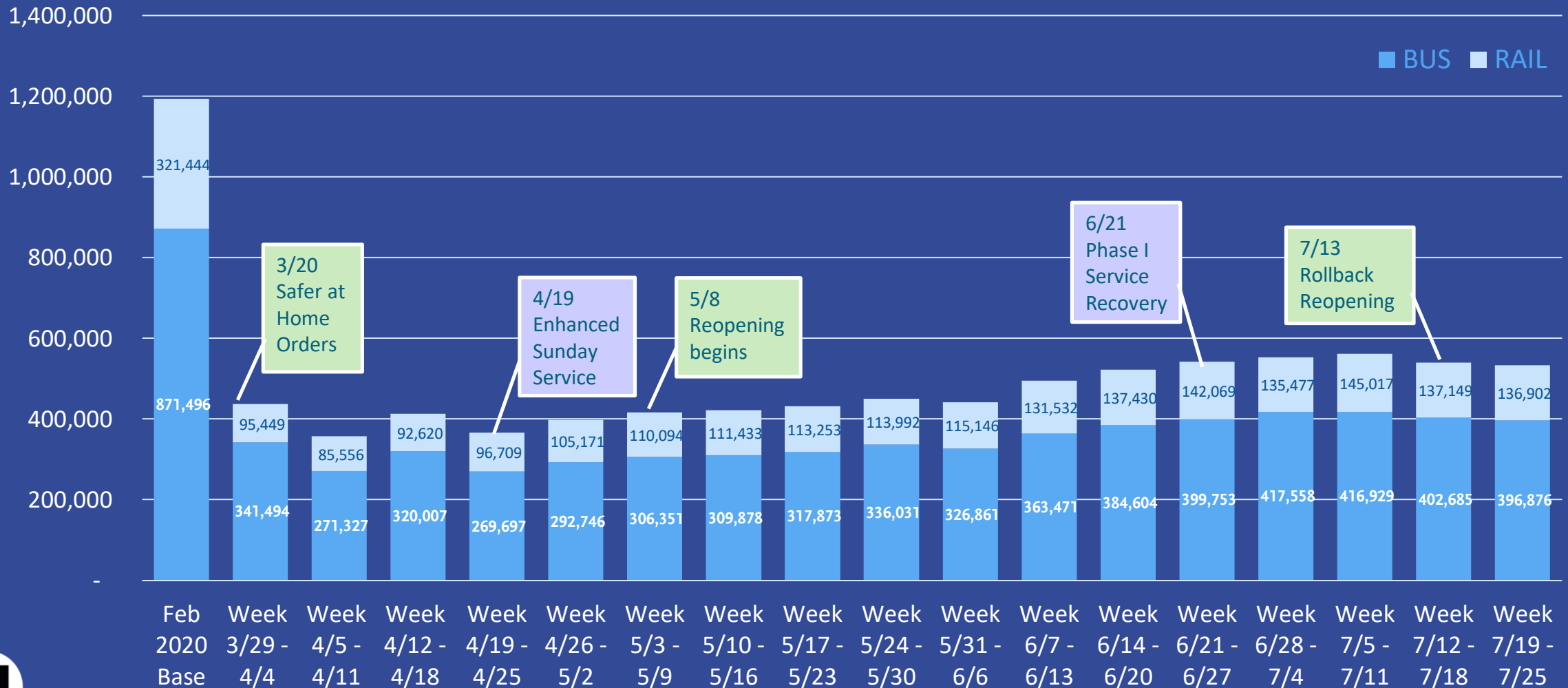
Phillip A. Washington
Chief Executive Officer

FY21 Revenue Hour Planning Parameters



Transit Service
Planning Framework
August 2020

Ridership Trends



Metro

Service Changes Since April 2020 & Modified Enhanced Sunday Schedule

Bus Service Plan

- April 2020 - June 2020
 - 50 trips added weekdays on 19 lines (Lines 18, 51, 53, 66, 90, 125, 152, 165, 166, 205, 224, 232, 236, 266, 534, 603, 720, 901, 910)
 - Articulated buses added on Lines 4, 45, 108, 111, 745, 910
- June 21st:
 - Weekdays 1101 trips added on 95 lines
 - Saturdays 365 trips added on 40 lines
 - Sundays 130 trips added on 23 lines
- July 6th: 8 trips added on Line 734 weekdays
- July 27th: 33 trips added/18 trips adjusted weekdays (on 16 lines) and Saturdays 11 trips adjusted on 4 lines

Rail Service Plan

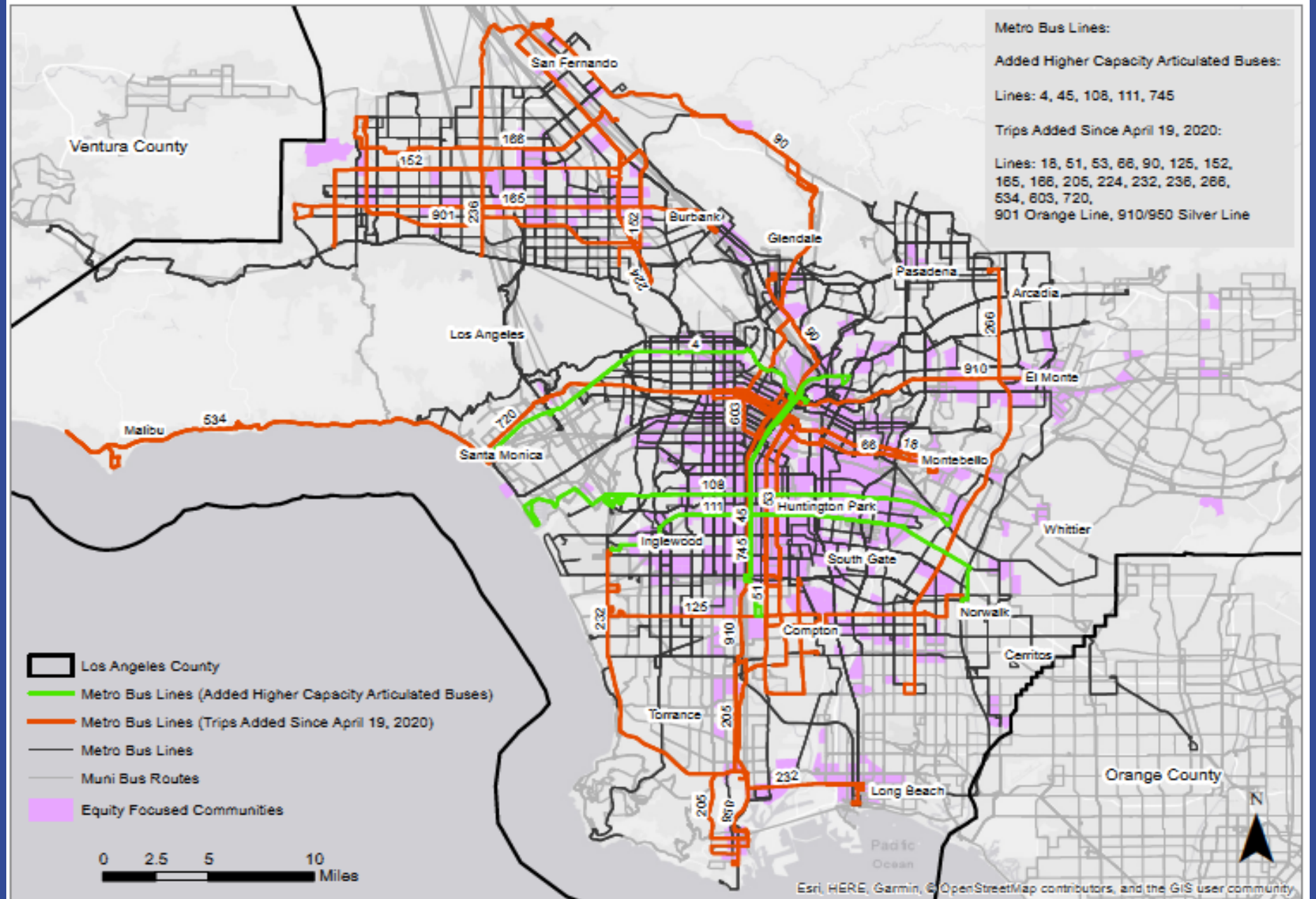
- No Change from April 2020 Service Plan



Service Added April - June

- Orange Map Lines: Service added between April and June 2020
- Green Map Lines: Increased capacity and articulated buses
- Excludes service added on June 21st 2020

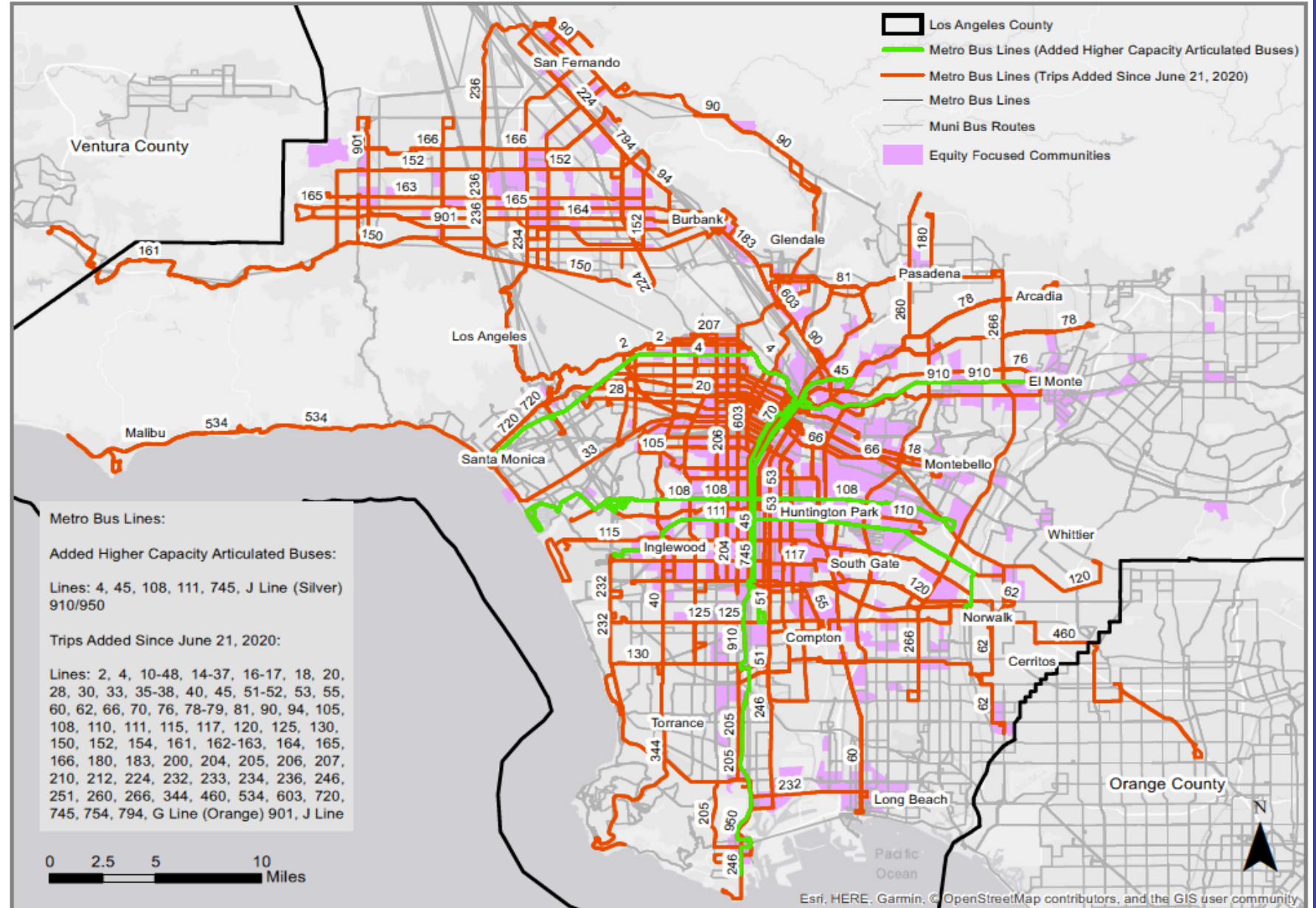
COVID-19 Improved Metro Bus Lines - Equity Focused Communities



NexTrip & Service Added Since June 2020

- Until recently, trips added between shake ups did not show up in NextTrip due to limitations in data processing
- For the extra trips added/adjusted on 20 lines starting July 27th, Operations and ITS were able to develop a work around to load the extra trips into NextTrip
- This process will be continued as service is adjusted mid-shake up

COVID-19 Improved Metro Bus Lines - Equity Focused Communities



Metro

Planning Principles

1

Initial reduction in service (Apr 2020) in response to declines in ridership, revenues, and staffing levels

2

Service adjustments informed by weekly ridership and load analysis, Operator/BOC report, social media reports, economic indicators

3

Continue to track Safer at Home orders and Reopening Phases to anticipate ridership changes

4

Build back system based on principles established through NextGen

5

Nimble to easily adjust to changing trends in travel demand & economic recovery, and resources (revenues and staffing levels)



Bus Recovery Phasing Plan

| | BASE COVID Enhanced Sunday Service | PHASE 1 "Orders Begin Lifting" | PHASE 2 "Schools Back, Start NextGen" | PHASE 3 "Post-COVID FY21 New Norm" | PHASE 4 "NextGen FY22 New Norm" |
|----------------------------------|---|--|---|---|---|
| Objective | Provide for essential travel only | Proactively manage core network for returning customers as COVID impacts evolve. Complete NextGen PH & approvals and begin implementation (-7%) | | React to patterns of emerging econ. growth | Continue buildout of a sustainable NextGen Plan for the New Normal |
| Timing | April 2020 | June 2020 | December 2020 | January-June 2021 | July 2021 – June 2022 |
| Est. Service Levels (RSH) | 5.0M (-30%) | 5.6M (-20%) | 5.6M (-20%) | 5.6M (-20%) | 6.5M (-8%) est. |
| Service Adjustments | <ul style="list-style-type: none"> - Sunday Base - Add weekday Locals, Rapids | <ul style="list-style-type: none"> - Reduce underutilized peak service - Right-size added weekday Rapids - Add extra trips where highest loads (Tier 1,2) - Tier 3,4 – maintain Sun service level all week | <ul style="list-style-type: none"> - Begin NextGen network changes (approved) - Redeploy trips to high load and Tier 1, 2 lines - Replace some unproductive service with MicroTransit - Add School trippers (when schools reopen) | <ul style="list-style-type: none"> - Continue to monitor economic recovery - Implement demand specific service reallocations IF available - Reg Connect. bus bridge - Match service levels to any mid-year budget adjustments | <ul style="list-style-type: none"> - Complete NextGen routing changes - Enhance Tier 1,2 midday & weekend freq. towards NextGen goals given resources and ridership - - Implement second group of MicroTransit zones |

Capital Improvements

| FY 21 NextGen Related Projects | FY21 Budget | LOP | Status | Opening Date |
|--|----------------|----------------|--|--------------------------|
| Patsaouras Plaza Busway Station | \$3M | \$49M | Under construction, nearly complete | Sept 2020 |
| DTLA Bus Priority Lanes on Flower, 5 th , 6 th & Aliso Streets | - | \$0.6M | Flower, 5 th , 6 th Streets* completed; Aliso Street** in design | *Completed **Oct 2020 |
| Cesar Chavez/Vignes Bus Pavilion at Union Station | \$1.1M | \$2.5M | Under construction, nearly complete | Sept 2020 |
| Willowbrook/Rosa Parks Station Bus Plaza & Passenger Drop-Off | \$12.2M | \$15M | Under construction | Mar 2021 |
| Total | \$16.3M | \$67.1M | | |

| Other Major Bus Improvements | FY21 Budget | Project Cost | Status | Opening Date |
|-----------------------------------|-----------------|-----------------|--|--------------|
| Airport Metro Connector Bus Plaza | \$75M | \$75M | Begin construction in spring 2021 | 2024 |
| G Line (Orange) BRT Improvements | \$20.4M | \$361M | In design; begin construction in fall 2021 | 2025 |
| NoHo To Pasadena BRT | \$5.7M | \$267M | In planning, EIR release winter 2021 | 2024/2025 |
| North San Fernando Valley BRT | \$2.5M | \$180M | In planning, EIR release winter 2021 | 2024/2025 |
| Vermont Transit Corridor | \$3.2M | \$425M | In planning, EIR release date 2021/2022 | 2028 |
| Total | \$106.8M | \$1,308M | | |

| | | | | |
|--------------------|-----------------|-----------------|--|--|
| Grand Total | \$123.1M | \$1,375M | | |
|--------------------|-----------------|-----------------|--|--|



NextGen Capital Program

\$15M Program for FY 21-22

Speed & Reliability Improvements on Tier 1 Corridors

- Bus Priority Lanes on Tier 1 Corridors
- Transit Signal Priority Loop Detection
- All Door Boarding Expansion
- Bus Zone Optimization
- LADOT & External Affairs Support

Systemwide Upgrades

- Transit Signal Priority for Local Buses
- Bus Stop Bulb Outs
- Metro Rail Speed Analysis
- Station Cleanliness & Evaluation

Phasing Over Two Years

FY 21 Program (\$7M)

- Technical Analysis & Outreach for Bus Priority Lanes on 5 new Tier 1 Corridors
- Implement Bus Priority Lanes as Prioritized from Technical Analysis & Outreach Process
- All Door Boarding Expansion
- Bus Zone Optimization
- Metro Rail Speed Analysis
- Station Cleanliness & Evaluation

FY 22 Program (\$8M)

- Implement remaining Bus Priority Lanes
- Transit Signal Priority Expansion
- Bus Stop Bulb Outs Expansion



Metro

Rail Recovery Phasing Plan

BASE COVID Enhanced Sunday Service

PHASE 1 “Orders Begin Lifting”

PHASE 2 “Post-COVID FY22 New Norm”

Objective

Provide for essential travel only

Improve headways for returning customers as COVID impacts evolve

Grow back service to Pre-COVID levels in anticipation of Crenshaw and Regional Connector

Timing

April 2020

December 2020

July 2021 – June 2022

Est. Service Levels (RSH)

0.97M (-14%)

1.05M (-7%)

1.05M+ (-7%) est.

Service Adjustments

- A, Expo, Gold, Red/Purple: 12 min between 6am-6pm; 20 min night
- Green: 12 min peaks; 15 min midday
- last train departure at midnight

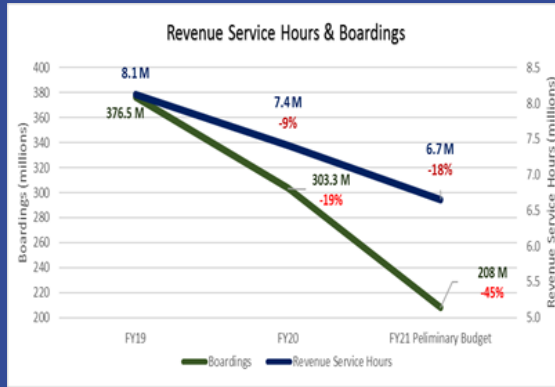
- A, Expo, Gold: 8 min peaks; 12-min base; 20 min night
- Green: 8 min peaks; 15 min base; 20 min night
- Red/Purple: 10 min peaks; 12 min base, 20 min night
- last train departure at midnight
- Reg. Connect. Gold Line cut

- A, Expo, Gold: 8 min peaks; 12 min base; 20 min night
- Green: 8 min peaks; 15 min base; 20 min night
- Red/Purple: 10 min peaks; 12 min base, 20 min night
- last train departure at midnight



Metro

Metro Transit Expense Summary



| Metro Transit Expenses (\$ in millions) | Expense Category | FY20 Budget | FY21 Preliminary | \$ Change | % Change | % of Total |
|---|-----------------------------|-------------------|-------------------|------------------|-------------|-------------|
| Direct Operating Cost | Labor - FTE | \$ 1,147.9 | \$ 1,192.6 | \$ 44.7 | 4% | 53% |
| | Labor - Overtime | \$ 88.9 | \$ 53.0 | \$ (35.9) | -40% | 2% |
| | Total Labor | \$ 1,236.8 | \$ 1,245.7 | \$ 8.9 | 1% | 55% |
| | Service-related Consumables | \$ 148.9 | \$ 119.4 | \$ (29.5) | -20% | 5% |
| | Other | \$ 171.4 | \$ 159.0 | \$ (12.5) | -7% | 7% |
| | Total Non-Labor | \$ 320.4 | \$ 278.4 | \$ (42.0) | -13% | 12% |
| Total Direct Operating Cost | | \$ 1,557.2 | \$ 1,524.1 | \$ (33.1) | -2% | 68% |
| Support Costs | | \$ 281.9 | \$ 274.6 | \$ (7.3) | -3% | 12% |
| Total Metro - Transit Operations & Maintenance | | \$ 1,839.1 | \$ 1,798.6 | \$ (40.4) | -2% | 80% |
| Metro Transit - SGR | | \$ 493.5 | \$ 457.0 | \$ (36.5) | -7% | 20% |
| Total Metro Transit | | \$ 2,332.6 | \$ 2,255.6 | \$ (77.0) | -3% | 100% |

Revenue Service Hours (RSH) and Boardings

- Boardings and RSHs drive the costs needed to run service and maintain infrastructure
- On average, FY21 RSH will be 81% of pre-COVID service levels and will support 55% of estimated boardings
- Service will be phased-in and support people returning to work, changing demand, NextGen, and Microtransit implementation

Operations & Maintenance

- Preserve staffing levels & maintain commitment to negotiated CBA provisions
- Reductions in overtime, consumables, and other cost control initiatives offset cost of staffing preservation

State of Good Repair

- Supports bus and rail vehicle deliveries, bus fleet electrification, and reflects cash flow required to complete project milestones and deliverables

NextGen Capital Investment

- Direct Operational planning, technical analysis for a total of \$15 million, \$7 million in FY21 and \$8 million in FY22, is included in Operation's preliminary budget
- Additional investments in Transit Infrastructure, \$123 million in FY21



Board Report

File #: 2020-0061, File Type: Contract

Agenda Number: 30.

CONSTRUCTION COMMITTEE
AUGUST 20, 2020

SUBJECT: EXECUTE CONTRACT MODIFICATION FOR EIGHT (8) DEPOT CHARGERS FOR ORANGE LINE ELECTRIC BUS CHARGING STATIONS, INCREASE CONTRACT MODIFICATION AUTHORITY AND STAFF DELEGATION AUTHORITY

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No. 14 to Contract No. OP28367-001, Part D, awarded to New Flyer of America, to add eight (8) additional Depot Chargers for the Metro Orange Line buses and charging infrastructure at Firm Fixed price of \$1,138,133, increasing the Contract Value from \$73,289,973 to \$74,428,108.
- B. INCREASE the Contract Modification Authority (CMA) from 10% to 15% of the total base and option contract values to \$10,113,208 for Contract No. OP28367-001 Part D with New Flyer of America, Inc.
- C. INCREASE the Contract Modification Authority amount from 10% to 15% of the total base and option of contract values to \$11,795,724 for Contract OP28367-002, Part C, with BYD Coach & Bus, LLC.
- D. INCREASE staff delegation authority with El Dorado National (California), Inc. ("ENC") for future contract modifications for Contract No. OP28367-000, Part A, to a not to exceed amount of \$1,000,000 for each contract modification action.
- E. INCREASE staff delegation authority with New Flyer of America for future contract modifications for Contract No. OP28367-003, Part B, to a not to exceed amount of \$1,000,000 for each contract modification action.
- F. INCREASE staff delegation authority with BYD Coach & Bus, LLC for future contract modifications for Contract No. OP28367-002, Part C, to a not to exceed amount of \$1,000,000 for each contract modification action.

ISSUE

Following contract award of Metro's Zero Emission Buses (ZEB) program there have been lessons learned regarding operational efficiencies and advances in vehicle and charging equipment technologies. Staff's recommendations address the need to respond to the rapid pace of potential changes necessary to operate ZEBs efficiently as changes in technology occur. For example, Metro has adopted the same depot charging solution for both ZEB contractors New Flyer and BYD, which was not available at time of award. This offers the same benefits as the standardization of the on-route charging. Further, the onset of COVID-19 has necessitated changes to Metro's operating services.

Recommendation A will allow for operational efficiencies to be realized. Currently, only two (2) of the ten (10) charging locations at Division 8 are equipped with chargers. Approval of Recommendation A will permit the remaining charging locations to be equipped with chargers.

Recommendation B and C will allow Metro and the Contractor to negotiate future change orders in a timely manner to ensure that the maximum cost and schedule benefits can be realized. This increase in Contract Modification Authority (CMA) is also necessary to address the rapidly evolving technologies in Zero Emission Buses (ZEB) and infrastructure.

Additionally, this recommendation will allow for Metro to quickly execute any pilot technical solutions in response to COVID-19. Recommendations D, E, and F are being requested to address the expectation that those contracts will have similar constraints. Project Management will manage all respective CMA within the previously approved Life of Project Budgets for the affected projects. The CMA increases requested by this action do not include the value of the Options exercised and approved by the Board, however it is part of the total percentage of CMA requested.

Recommendations D, E, and F will allow Metro and the Contractor to negotiate future change orders in a timely manner to ensure that the maximum cost and schedule benefits are realized. The request for an increase in staff delegation authority from \$500,000 to \$1,000,000 for individual contract changes is consistent with Board authorizations for other Rolling Stock programs, such as for the light rail vehicle Contracts P3010 and P2550, and 60-foot New Flyer Electric Buses under Contract OP28367-001, Part D.

BACKGROUND

In April 2016 Metro's Board of Directors authorized staff to solicit a procurement for a combination of up to 1000 40-foot and 60-foot CNG or Zero Emission Buses. In July 2017 the Board Authorized five Contracts for 295 CNG Buses and 100 Zero Emission Buses of various sizes, totaling \$379,381,178. At the time of Base Contract award, it was not known what quantity or combination of Buses staff would recommend for subsequent Option vehicle purchases, therefore CMA could not be adequately defined. In September 2019 the Board further authorized the exercise of 259 CNG buses and 40 Zero Emission Buses totaling \$301,061,732. This Board action requests CMA on the total combination of the Base and Option Contract values awarded.

DISCUSSION

Approval of Recommendation B, C, D, E and F increases the Contract Modification Authority which

allows for Metro staff to address unforeseen changes to be successfully negotiated and addressed with Bus Manufacturers in an expedited manner thus minimizing impact to the project schedule. Additionally, this will allow for Metro to quickly execute any pilot technical solutions in response to COVID-19.

DETERMINATION OF SAFETY IMPACT

Recommendations B, C, D, E and F will allow Metro to quickly negotiate and execute any modifications needed in response to COVID-19.

FINANCIAL IMPACT

Budget for this action is included in the Life of Project (LOP) budgets of Capital project(s) 201057 - El Dorado 40 Foot CNG Buses, 201073 - New Flyer 60 Foot Zero Emission Buses, 201076 - New Flyer 60 Foot CNG Buses, and 201077 - BYD 40 Foot Zero Emission Buses. Subject to board approval, the FY21 budget will include \$208 million for bus acquisitions, charging infrastructure purchases, and installation.

Because the respective projects require multi-year contracts, the Cost Center Manager, and Project Manager will be responsible for future fiscal year budgeting.

Impact to Budget

The combined funding for these projects include Federal, State and Local sources including Green Funds. Additionally, staff will continue to pursue all additional grant and rebate opportunities as they materialize. This will ensure that the Bus Acquisition and Electrification Program remain within the Board adopted LOP budgets.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This item supports the following Strategic Goals 1) Provide high-quality mobility options that enable people to spend less time traveling and 5) Provide responsive, accountable, and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

Staff considered remaining with the limited number of chargers. This alternative was not selected as it lessens Metro's ability to charge the vehicles at Division 8 in a timely manner and raise maintenance and operational costs of the electric bus deployments.

NEXT STEPS

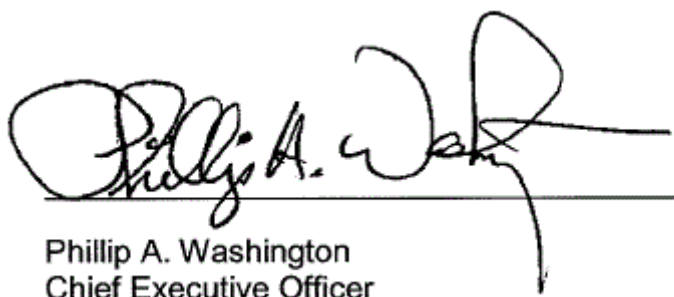
Upon Board approval, staff will execute the Contract Modification with New Flyer of America, and staff will negotiate and execute within staff authority future contract modifications.

ATTACHMENTS

- Attachment A - OP28367-001 New Flyer of America, Inc. Procurement Summary
- Attachment B - OP28367-001 New Flyer of America, Inc. Contract Modification Log
- Attachment C -OP28367-002 BYD Coach & Bus, LLC Procurement Summary
- Attachment D - OP28367-002 BYD Coach & Bus, LLC Contract Modification Log
- Attachment E - OP28367-000 EIDorado National (California), Inc. Procurement Summary
- Attachment F - OP28367-000 EIDorado National (California), Inc. Contract Modification Log
- Attachment G - OP28367-003 New Flyer of America, Inc. Procurement Summary
- Attachment H - OP28367-003 New Flyer of America, Inc. Contract Modification Log

Prepared by: Steve Schupak, Electric Vehicle Program Manager (213) 617-6294

Reviewed by: James T. Gallagher, Chief Operations Officer (213) 418-3108
Debra Avila, Chief Vendor/Contract Management Officer (213) 418-3051



Phillip A. Washington
Chief Executive Officer

DEOD SUMMARY**NEW FLYER OF AMERICA, INC. - 60' LOW FLOOR ZERO EMISSION BUSES/
OP28367-001****A. Small Business Participation**

New Flyer of America, Inc., a Transit Vehicle Manufacturer (TVM), is on the Federal Transit Administration's (FTA) list of eligible TVMs. New Flyer of America, Inc. reported that it submitted its overall Disadvantaged Business Enterprise (DBE) goal of 3.50% to FTA for FY20, in compliance with 49 Code of Federal Regulations (CFR) Section 26.49(a)(1). TVMs submit overall DBE goals and report participation directly to FTA annually.

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing Wage is not applicable to this modification.

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.

E. Local Employment Plan

Local Employment Plan Program is applicable on this contract. Staff will monitor progress on all LEP commitments, including the contractual commitments in creating employment opportunities in the State of California and the 40% commitment to hire disadvantaged workers.

PROCUREMENT SUMMARY

NEW FLYER OF AMERICA, INC. - 60' LOW FLOOR ZERO EMISSION BUSES/
OP28367-001

| | | | |
|----|---|----------|---|
| 1. | Contract Number: OP28367-001 | | |
| 2. | Contractor: New Flyer of America, Inc. (NFA) | | |
| 3. | Mod. Work Description: Procure 8 additional units of depot charging equipment; Increase Contract Modification Authority | | |
| 4. | Contract Work Description: Procure 60' Low-Floor ZE transit buses | | |
| 5. | The following data is current as of: 07/24/20 | | |
| 6. | Contract Completion Status | | Financial Status |
| | Contract Awarded: | 07/27/17 | Contract Award Amount: \$60,050,097 |
| | Notice to Proceed (NTP): | 11/15/17 | Total of Modifications Approved: \$13,239,876 |
| | Original Complete Date: | 09/16/19 | Pending Modifications (including this action): \$1,138,133 |
| | Current Est. Complete Date: | 11/30/20 | Current Contract Value (with this action): \$74,428,106 |
| 7. | Contract Administrator: Elizabeth Hernandez | | Telephone Number: (213) 922-7334 |
| 8. | Project Manager: Steve Schupak | | Telephone Number: (213) 922-6652 |

A. Procurement Background

1. This Board Action is to approve Contract Modification No. 14 for Contract OP28367-001 issued in support of Metro's bus fleet electrification program and replacement plan for the manufacture and delivery of 40 units of 60' zero emission buses from New Flyer of America Inc. This Modification is to procure 8 additional units of depot charging equipment for the G (Orange) Line in the amount of \$1,138,133, including tax.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price.

2. Further, this Board Action is to approve an increase in the Contract Modification Authority from 10% to 15% (\$10,113.208) to procure 60' ZE buses from New Flyer of America, Inc.

On July 27, 2017, the Board awarded Contract No.: OP28367-001 New Flyer of America, Inc. for the manufacture and delivery of the 35 units of 60' ZE transit buses in the Not-To-Exceed amount of \$60,050,097. On March 22, 2018, the Board

approved the exercise of 5 option buses for a firm fixed price of \$7,371,287. Contract Modification Nos. 1 through 13 were issued within staff delegated authority.

(Refer to Attachment B – Contract Modification/Change Order Log)

B. Cost/Price Analysis

The recommended price of \$1,138,133, including tax, has been determined to be fair and reasonable based upon MAS audit findings, an independent cost estimate, cost analysis, technical evaluation, fact finding, and negotiations.

| Proposal Amount | Metro ICE | Negotiated Amount |
|------------------------|------------------|--------------------------|
| \$1,344,012 | \$1,433,771 | \$1,138,133 |

The recommendation for an increase in the Contract Modification Authority from 10% to 15% (\$10,113,208) ensures that the maximum cost and schedule benefits are realized. Additionally, this will allow for Metro to quickly execute any technological advancements and solutions in response to COVID-19.

CONTRACT MODIFICATION/CHANGE ORDER LOG

NEW FLYER OF AMERICA, INC. - 60' LOW FLOOR ZERO EMISSION BUSES/
OP28367-001

| Mod. no. | Description | Status (approved or pending) | Date | \$ Amount |
|----------|--|------------------------------|----------|---------------------|
| 1 | Add 5 option buses to the base buy from 35 to 40 vehicles; and increase opportunity and depot charging equipment | Approved | 03/22/18 | \$7,371,287 |
| 2 | Pilot buses battery capacity upgrade from 250kWh to 320 kWh | Approved | 08/30/18 | \$226,384 |
| 3 | Production buses battery upgrade from 250kWh to 320 kWh | Approved | 10/25/18 | \$2,792,074 |
| 4 | Optional Bus Configurations | Approved | 11/13/18 | \$485,933 |
| 5 | Update Special Provision-38 Terms | Approved | 01/09/19 | \$0 |
| 6 | Training Aids and E-Learning Modules | Approved | 08/13/19 | \$1,514,419 |
| 7 | Modify bus configurations | Approved | 10/23/19 | (\$30,107) |
| 8 | Modify project delivery terms | Approved | 10/29/19 | \$0 |
| 9 | Modify contract payment terms | Approved | 02/25/20 | \$0 |
| 10 | Depot charging equipment changes | Approved | 02/27/20 | \$26,017 |
| 11 | Upgrade of 4 on-route charging equipment | Approved | 06/1/20 | \$ 853,869 |
| 12 | Update changes on Pricing Forms | Approved | 06/23/20 | \$0 |
| 13 | Modify project delivery terms | Approved | 07/13/20 | \$0 |
| 14 | Procure 8 additional units of depot charging equipment | Pending | TBD | \$1,138,133 |
| | Modification Total: | | | \$14,378,009 |
| | Original Contract: | | | \$60,050,097 |
| | Total: | | | \$74,428,106 |

DEOD SUMMARY**BYD COACH & BUS, LLC - SIXTY 40' ZERO EMISSION TRANSIT BUSES/
OP28367-002****A. Small Business Participation**

BYD Coach and Bus, LLC, a Transit Vehicle Manufacturer (TVM), is on the Federal Transit Administration's (FTA) list of eligible TVMs. BYD Coach and Bus, LLC reported that it submitted its overall Disadvantaged Business Enterprise (DBE) goal of 3% to FTA for FY20, in compliance with 49 Code of Federal Regulations (CFR) Section 26.49(a)(1). TVMs submit overall DBE goals and report participation directly to FTA annually.

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing Wage is not applicable to this modification.

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.

E. Local Employment Plan

Local Employment Plan Program is applicable on this contract. Staff will monitor progress on all LEP commitments, including the contractual commitments in creating employment opportunities in the State of California and the 10% commitment to hire disadvantaged workers.

PROCUREMENT SUMMARY

**BYD COACH & BUS, LLC - SIXTY 40' ZERO EMISSION TRANSIT BUSES/
OP28367-002**

| | | | |
|----|--|----------|--|
| 1. | Contract Number: OP28367-002 | | |
| 2. | Contractor: BYD Coach & Bus LLC | | |
| 3. | Mod. Work Description: Increase Contract Modification Authority | | |
| 4. | Contract Work Description: Procure 40' ZE transit buses | | |
| 5. | The following data is current as of: 07/16/20 | | |
| 6. | Contract Completion Status | | Financial Status |
| | Contract Awarded: | 07/27/17 | Contract Award Amount: \$47,774,723 |
| | Notice to Proceed (NTP): | 11/15/17 | Total of Modifications Approved: \$(146,930) |
| | Original Complete Date: | 8/16/19 | Pending Modifications (including this action): \$30,863,440 |
| | Current Est. Complete Date: | 11/01/21 | Current Contract Value (with this action): \$78,491,233 |
| 7. | Contract Administrator: Elizabeth Hernandez | | Telephone Number: (213) 922-7334 |
| 8. | Project Manager: Julio Rodriguez | | Telephone Number: (213) 922-6603 |

A. Procurement Background

This Board Action is to approve an increase in the Contract Modification Authority from 10% to 15% (\$11,795,724) for Contract OP28367-002 to procure 40' ZE buses from BYD Coach & Bus, LLC. and staff delegated authority to negotiate and execute future contract modifications in the not-to-exceed amount of \$1,000,000.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price.

On July 27, 2017, the Board awarded Contract No.: OP28367-002 to BYD Coach & Bus, LLC. for the manufacture and delivery of the 60 units of 40' ZE transit buses in the Not-To-Exceed amount of \$47,774,723. On September 19, 2019, the Board authorized the exercise of 40 option buses in the amount of \$30,863,440.

Contract Modification Nos. 1 through 4 were issued with staff delegated authority.

(Refer to Attachment D – Contract Modification/Change Order Log)

B. Cost/Price Analysis

The recommendation to increase the CMA from 10% to 15% and for staff delegated authority to negotiate and execute future change orders in the not-to-exceed amount of \$1,000,000 for each contract modification action ensure that the maximum cost and schedule benefits are realized. Additionally, this will allow for Metro to quickly execute any technological advancements and solutions in response to COVID-19. The recommended option was determined to be fair and reasonable based on cost analysis at the time of the original contract award.

CONTRACT MODIFICATION/CHANGE ORDER LOG

BYD COACH & BUS, LLC - SIXTY 40' ZE TRANSIT BUS/OP28367-002

| Mod. no. | Description | Status (approved or pending) | Date | \$ Amount |
|-----------------|-----------------------------------|-------------------------------------|-------------|---------------------|
| 1 | Update Special Provision-38 Terms | Approved | 01/09/19 | \$0 |
| 2 | Optional Bus Configuration | Approved | 12/03/19 | \$326,780 |
| 3 | Modify project delivery terms | Approved | 12/27/19 | \$0 |
| 4 | Modify bus configurations | Approved | 04/16/20 | \$(473,710) |
| | Exercise of Option | Pending | TBD | \$30,863,440 |
| | Modification Total: | | | \$30,716,510 |
| | Original Contract: | | | \$47,774,723 |
| | Total: | | | \$78,491,233 |

DEOD SUMMARY**EL DORADO NATIONAL CALIFORNIA, INC. - 40' LOW FLOOR CNG BUS/
OP28367-000****A. Small Business Participation**

El Dorado National California, Inc., a Transit Vehicle Manufacturer (TVM), is on the Federal Transit Administration's (FTA) list of eligible TVMs. El Dorado National California, Inc. reported that it submitted its overall Disadvantaged Business Enterprise (DBE) goal of 3.72% FTA for FY20, in compliance with 49 Code of Federal Regulations (CFR) Section 26.49(a)(1). TVMs submit overall DBE goals and report participation directly to FTA annually.

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing Wage is not applicable to this modification.

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.

E. Local Employment Plan

Local Employment Plan Program is applicable on this contract. Staff will monitor progress on all LEP commitments, including the contractual commitments in creating employment opportunities in the State of California and the 10% commitment to hire disadvantaged workers.

PROCUREMENT SUMMARY

EL DORADO NATIONAL CALIFORNIA, INC. - 40' LOW FLOOR CNG BUS/
OP28367-000

| | | | |
|----|---|----------|---|
| 1. | Contract Number: OP28367-000 | | |
| 2. | Contractor: El Dorado National California, Inc. (ENC) | | |
| 3. | Mod. Work Description: Increase Contract Modification Authority | | |
| 4. | Contract Work Description: Procure 40' Low-Floor CNG transit buses | | |
| 5. | The following data is current as of: 07/16/20 | | |
| 6. | Contract Completion Status | | Financial Status |
| | Contract Awarded: | 06/29/17 | Contract Award Amount: \$203,567,748 |
| | Notice to Proceed (NTP): | 09/01/17 | Total of Modifications Approved: \$190,105,203 |
| | Original Complete Date: | 11/29/19 | Pending Modifications (including this action): 0 |
| | Current Est. Complete Date: | 10/31/21 | Current Contract Value (with this action): \$393,672,951 |
| 7. | Contract Administrator: Elizabeth Hernandez | | Telephone Number: (213) 922-7334 |
| 8. | Project Manager: Kwesi Annan | | Telephone Number: (213) 922-5953 |

A. Procurement Background

This Board Action is to approve an increase in staff delegated authority to negotiate and execute future contract modifications in the not-to-exceed amount of \$1,000,000. for Contract OP28367-000 to procure 40' CNG buses from El Dorado National California, Inc. (ENC).

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price.

On June 29, 2017, the Board awarded Contract No.: OP28367-000 to El Dorado National California, Inc. (ENC) for the manufacture and delivery of the 295 units of 40' CNG transit buses base buy in the Not-To-Exceed amount of \$203,567,748. On September 26, 2019, the Board approved the exercise of the options for 259 buses for a firm fixed price of \$189,369,145. Contract Modification Nos. 1 through 13 were issued within staff delegated authority.

(Refer to Attachment F – Contract Modification/Change Order Log)

B. Cost/Price Analysis

The recommendation for staff delegated authority to negotiate and execute future change orders in the not-to-exceed amount of \$1,000,000 for each contract modification action ensures that the maximum cost and schedule benefits are realized. Additionally, this will allow for Metro to quickly execute any technological advancements and solutions in response to COVID-19.

CONTRACT MODIFICATION/CHANGE ORDER LOG

EL DORADO NATIONAL CALIFORNIA, INC. - 40' LOW FLOOR CNG BUS/
OP28367-000

| Mod. no. | Description | Status (approved or pending) | Date | \$ Amount |
|----------|---|------------------------------|----------|----------------------|
| 1 | Exercise Optional Configuration Items - Special Tools and Diagnostic Test Equipment | Approved | 11/06/17 | \$1,722,225 |
| 2 | Credit for modifications to vehicle configuration | Approved | 12/03/17 | (\$2,030,332.) |
| 3 | Credit for modifications to vehicle configuration | Approved | 12/27/17 | (\$67,666) |
| 4 | Conformed Technical Specifications | Approved | 01/19/18 | \$0 |
| 5 | Upgrades on vehicle configuration | Approved | 02/06/18 | \$355,714 |
| 6 | Modify fire suppression system | Approved | 04/23/18 | \$0 |
| 7 | Modify bike rack configuration | Approved | 10/03/18 | (\$102,361) |
| 8 | Modify flooring configuration | Approved | 10/26/18 | \$98,972 |
| 9 | Exercise Optional Configuration Training Aids Items | Approved | 11/14/18 | \$349,646 |
| 10 | Modify Contract terms | Approved | 01/09/19 | \$0 |
| 11 | Metro requested modifications | Approved | 01/15/19 | \$279,870 |
| 12 | Conformed Technical Specifications | Approved | 01/17/19 | \$0 |
| 13 | Exercise Optional Configuration Items | Approved | 02/08/19 | \$104,586 |
| 14 | Exercise Option to procure 259 buses | Approved | 09/20/19 | \$189,369,145 |
| 15 | Change Orders on the Option Buy | Approved | 02/21/20 | (\$26,779) |
| 16 | Ethernet Cabling Change Order | Approved | 07/08/20 | \$52,183 |
| 17 | Modify Contract Term | Approved | 07/09/20 | \$0 |
| | Modification Total: | | | \$190,105,203 |
| | Original Contract: | | | \$203,567,748 |
| | Total: | | | \$393,672,951 |

DEOD SUMMARY

SIXTY-FIVE 60' ARTICULATED CNG TRANSIT BUS / OP28367-003 (Group B)**A. Small Business Participation**

New Flyer of America, Inc., a Transit Vehicle Manufacturer (TVM), is on the Federal Transit Administration's (FTA) list of eligible TVMs. New Flyer of America, Inc. reported that it submitted its overall Disadvantaged Business Enterprise (DBE) goal of 3.50% to FTA for FY20, in compliance with 49 Code of Federal Regulations (CFR) Section 26.49(a)(1). TVMs submit overall DBE goals and report participation directly to FTA annually.

B. Living Wage and Service Contract Worker Retention Policy Applicability

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

C. Prevailing Wage Applicability

Prevailing Wage is not applicable to this modification.

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.

E. Local Employment Plan

Local Employment Plan Program is applicable on this contract. Staff will monitor progress on all LEP commitments, including the contractual commitments in creating employment opportunities in the State of California and the 40% commitment to hire disadvantaged workers.

PROCUREMENT SUMMARY

SIXTY FIVE 60' ARTICULATED CNG TRANSIT BUS / OP28367-003 (Group B)

| | | | |
|----|---|------------|---|
| 1. | Contract Number: OP28367-003 | | |
| 2. | Contractor: New Flyer of America, Inc | | |
| 3. | Mod. Work Description: Increase Contract Modification Authority | | |
| 4. | Contract Work Description: Procure 60' Low-Floor CNG transit buses | | |
| 5. | The following data is current as of: 07/16/20 | | |
| 6. | Contract Completion Status | | Financial Status |
| | Contract Awarded: | 07/27/2017 | Contract Award Amount: \$67,688,610 |
| | Notice to Proceed (NTP): | 01/30/18 | Total of Modifications Approved: \$74,210,127 |
| | Original Complete Date: | 03/30/20 | Pending Modifications (including this action): \$1,109,757 |
| | Current Est. Complete Date: | 01/22/21 | Current Contract Value (with this action): \$143,008,494 |
| 7. | Contract Administrator: Wayne Okubo | | Telephone Number: (213) 922-7466 |
| 8. | Project Manager: | | Telephone Number: |

A. Procurement Background

This Board Action is to approve an increase in staff delegated authority to negotiate and execute future contract modifications in the not-to-exceed amount of \$1,000,000 for Contract OP28367-003 to procure 60' CNG buses from New Flyer of America, Inc.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price.

On July 27, 2017, the Board awarded Contract No.: OP28367-003 to New Flyer of America, Inc for the manufacture and delivery of the 65 units of 60' CNG transit buses base buy in the Not-To-Exceed amount of \$67,688,610. On September 26, 2019, the Board approved the exercise of the options for 70 buses for a price not to exceed \$73,457,860.

(Refer to Attachment B – Contract Modification/Change Order Log)

B. Cost/Price Analysis

The recommendation to increase the CMA from 10% to 15% and for staff delegated authority to negotiate and execute future change orders in the not-to-exceed amount of \$1,000,000 for each contract modification action ensures that the maximum cost and schedule benefits are realized. Additionally, this will allow for Metro to quickly execute any technological advancements and solutions in response to COVID-19. The recommended option was determined to be fair and reasonable based on cost analysis at the time of the original contract award.

CONTRACT MODIFICATION/CHANGE ORDER LOG

SIXTY FIVE 60' ARTICULATED CNG TRANSIT BUS / OP28367-003 (Group B)

| Mod. no. | Description | Status (approved or pending) | Date | \$ Amount |
|-----------------|----------------------------------|-------------------------------------|-------------|----------------------|
| 1 | Optional Vehicle Configurations | Approved | 10/11/19 | \$501,397 |
| 2 | Optional Vehicle Configurations | Approved | 10/11/19 | \$224,499 |
| 3 | Exercise Option for 70 Vehicles | Approved | 11/21/19 | \$73,457,860 |
| 4 | Add Payment Discount Terms | Approved | 1/24/20 | \$ 0 |
| 5 | Configuration Changes | Approved | | \$26,371 |
| 6 | Training Aids | Pending | | \$707,965 |
| 7 | Additional Configuration Changes | Pending | | (\$4,748) |
| 8 | TAP Retrofit | Pending | | \$22,965 |
| 9 | Optional Special Tools | Pending | | \$383,575 |
| | Modification Total: | | | \$75,319,884 |
| | Original Contract: | | | \$67,688,610 |
| | Total: | | | \$143,008,494 |



Board Report

File #: 2020-0514, **File Type:** Informational Report

Agenda Number: 40.

EXECUTIVE MANAGEMENT COMMITTEE AUGUST 20, 2020

SUBJECT: EQUITY AND RACE PROGRAM UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on the Equity and Race Program.

ISSUE

This report outlines the activities taken under the leadership of Metro's new Executive Officer, Equity and Race and plans to continue implementing the Metro Equity Platform Framework adopted by the Board in March 2018.

BACKGROUND

Metro's Equity Platform ("Platform") was approved by the Metro Board of Directors ("Board") in March 2018 (Attachment A). The core objective is to increase access to opportunities including housing, jobs, healthcare, education, and other key determinants of health and thriving communities. The Platform is explicit in its focus on the vast disparities that exist in access to opportunity and is intended to help identify and implement projects or programs that reduce and ultimately eliminate those disparities. It is driven by access needs, not geographic equality, though some disparities have a geographic element.

The Platform provides a framework for advancing equity. It has been incorporated into Metro's Vision 2028 Strategic Plan and must be a critical factor in our decision making. In 2019, Metro published an Equity Platform FY19 Activation Plan (Attachment B) to highlight the Platform's broad portfolio of current, planned, and conceptual initiatives, and to show the Platform's intent and the distance the agency still has to go to fully realize the Platform's potential and impact for change. In January 2020, Metro welcomed the first Executive Officer, Equity and Race to lead, coordinate, and develop implementation of efforts under the Platform.

DISCUSSION

The Equity Platform stands on four pillars - Define and Measure, Listen and Learn, Focus and Deliver, and Train and Grow. Progress over the last six months and objectives for the future under

each of the four pillars are outlined below:

A. Define and Measure

Under this pillar, we are tasked with defining equity, defining the target communities in need of more equitable transportation investments, determining how to measure disparities and gaps in opportunity, and understanding the benefits and burdens of our services, programs, and policies and how they are shaped by those disparities and gaps.

- 1. Equity Definition** - Since the adoption of the Equity Platform, there has been a growing need to define equity, to help orient Platform efforts, and clarify what equity is and is not in the context of the Platform. Accordingly, Metro has developed the following definition of equity. Moving forward it will be used to orient our work around equity and create project specific equitable outcomes.

“Equity is both an outcome and a process to address racial, socioeconomic, and gender disparities, to ensure fair and just access - with respect to where you begin and your capacity to improve from that starting point - to opportunities, including jobs, housing, education, mobility options, and healthier communities. It is achieved when one’s outcomes in life are not predetermined, in a statistical or experiential sense, on their racial, economic, or social identities. It requires community informed and needs-based provision, implementation, and impact of services, programs, and policies that reduce and ultimately prevent disparities.”

- 2. Defining High Need Areas** - One of the first steps Metro took under this pillar was to try to identify target communities, where strategic transportation investments can have the greatest impact in eliminating disparities. Accordingly, in September 2019, the Board approved the Equity Focused Communities (EFC), as a working definition. This definition has been used in various projects from the Long Range Transportation Plan (LRTP) to the Business Solution Center Expansion study to the TOC Implementation Plan. Other projects have created project specific definitions of high need areas, that include some EFC factors (race, income, car ownership), along with additional factors. The NextGen Bus Study and Plan’s Transit Propensity Index is a great example. Moving forward, the Executive Officer, Equity and Race will continue to work with project teams across the agency from the Better Bus Initiative to the Goods Movement Strategic Plan to the Comprehensive Pricing Study, and community members, as they work to understand disparities and needs in the context of their specific projects.

- 3. Agency-wide Equity Assessment** - While it’s important to address the equity impacts of each Metro decision, it’s also important to understand how we are performing at a macro -level, what decisions and strategies would help the agency perform better, and how to prioritize decisions and investments based on equity. To that end, over the next year the Office of Equity and Race will explore development of an agency-wide equity study, to create a baseline understanding of key disparities, challenges, successes, and opportunities, including community and employees perceptions of Metro’s performance related to Equity, Diversity, and Inclusion. We will then use that to inform an Equity Strategic Plan. While there are resource constraints, given the importance of this work, we will consider a phased approach.

B. Listen and Learn

Under this pillar Metro must improve its efforts to listen and learn from the communities that we serve, to understand how to better serve them. It pushes us to focus on the needs of those faring the worst, recognizing that opportunity doesn't trickle down, it cascades up, and if we understand how to increase access to opportunity for those faring the worse, we will be able to increase access for all. It also focuses on meaningful community engagement as opposed to outreach. To implement this pillar, the Executive Officer, Equity and Race has joined ongoing projects and engagement efforts, been appointed to lead, partner with, or develop new workgroups, and joined national and local conversations about Equity in transportation and the built environment.

1. **Community Based Organization (CBO) Partnership Strategy** - Responding to lessons learned from the Blue Line, First/Last Mile Plan's transformative approach to partnering with Community Based Organizations, the Communications, Planning, Vendor and Contract Management Departments have continued to prepare a new policy to guide enhanced partnerships with CBOs on several levels, including a clear process for contracting opportunities within Metro's larger public engagement efforts. The Executive Officer, Equity and Race has joined this team and Metro is exploring how her office can support this effort as it moves to implementation.
2. **Community Safety and Security** - Another outgrowth of the work on the Blue Line, First/Last Mile Plan was the formation of the Community Safety and Security Work Group (CSSWG). In early 2019, it was developed to help Metro work with community members to listen to and address neighborhood and rider concerns regarding Metro safety and security. Upon joining Metro, the Executive Officer, Equity and Race was appointed to lead the CSSWG and hosted one meeting in May 2020. In July 2020, the Metro Board directed Metro's Chief Executive Officer to establish a Transit Public Safety Advisory Committee that incorporates the existing CSSWG. As directed the Executive Officer, Equity and Race will work with the Committee, Office of Civil Rights, Executive Officer for Customer Experience, and the Office of Safety, Security, and Law Enforcement to develop a community-based approach to public safety on the transit system.
3. **WHAM Taskforce** - The WHAM Taskforce includes representatives from each of the agencies overseeing Measures W, H, A, and M and its goals are to create efficiencies across the programs, eliminate redundancies, coordinate programmatic and project planning, implement specific multi-benefit projects, and leverage W, H, A, and M funding with existing County and other funding resources. The Executive Officer, Equity and Race is the Metro representative on the task force and will coordinate across the agency to fulfill Metro's tasks under the Taskforce's strategic plan.
4. **Aging Disability Transportation Network (ADTN)** - The ADTN is a coalition of groups working with people with disabilities and older adults, formed in 2017, which emerged through advocacy efforts starting with development of the 2016-2019 Coordinated Plan. The ADTN has partnered with Metro in the development of the Board directed 2019 Aging and Disability Report and the corresponding Forum, and will continue partnering with Metro as we work to draft the next Coordinated Plan and address various recommendations from

the coalition to better support people with disabilities and older adults. The Executive Officer, Equity and Race has been appointed to lead Metro's efforts in partnering with the ADTN and will lead coordination across the agency to support related efforts to better meet the needs of people with disabilities and older adults.

5. **Equity Advisory Board** - While Metro will continue partnering with the Equity Committee of the Policy Advisory Council as a technical advisory body as we work to implement the Equity Platform, we are still exploring the development of an Equity Advisory Board. This board would include Equity thought leaders throughout LA County, California, and potentially, the Country. This would be an interdisciplinary group charged with advising the agency on specific topics and issues with equity concerns, especially those which intersect between transportation and other disciplines and opportunity areas.
6. **National and Local Conversations** - Since joining Metro, the Executive Officer of Equity and Race has been very active in local and national conversations around Equity, Diversity, and Inclusion in Transportation and the Built Environment. She has participated in virtual panels hosted by various industry partners from the American Public Transportation Association to Transit Center to the Rail~volution National Steering Committee. She has also participated in panels hosted by local chapters of industry associations including the American Planning Association, Urban Land Institute, and American Institute of Architects. She has presented to or led conversations with local stakeholder groups from Move-LA and Investing in Place to the San Fernando and Gateway Cities Council of Governments. As implementation of the Equity Platform continues, the Office of Equity and Race will continue participating in national and local conversations to discuss best practices, learn from other experts in the field, build partnerships, and generally support and encourage efforts to advance equity in transportation and the built environment.

C. **Focus and Deliver**

This pillar charges Metro with carrying out processes supported by the Equity Platform objectives and principles, which ensure that our actions, programs, and policies lead to more equitable outcomes. It incorporates what's learned from the first two pillars to help us plan, build, invest, and operate in a manner that removes barriers and supports increased access to opportunity for all.

1. **Equity Tool** - Since January 2020, the Executive Officer, Equity and Race has explored the development of a guiding tool to help Metro consistently identify equity concerns and solutions to improve access to opportunity. While the EFC definition helps define high need communities, the Equity Tool will help support more substantive assessments of impacts on those communities by exploring and answering key questions. While still in the development phase, in its current draft form, the tool is a form with a series of questions to guide Metro in developing, implementing, and evaluating programs, plans, and other decisions. It is based on two ideas: 1) deep-rooted and pervasive racial and socioeconomic inequities exists that create disparate impacts, even when the intention is to help all, and 2) we must understand the root causes of those inequities in order to develop solutions that help those faring the worse to actually improve access to opportunity for all. It's based on

the results-based accountability framework developed by Mark Friedman, which is also the basis of the race equity tools developed by the Government Alliance on Race and Equity, in which Metro is a member. During Fiscal Year 2021, the Executive Officer, Equity and Race will work with the Equity Liaisons (see below) and the Equity Committee of the Metro Policy Advisory Council to finalize the draft tool and pilot it on at least three projects.

2. **Rapid Equity Assessment** - Early on during the COVID-19 Crisis, the Executive Officer, Equity and Race recognized the need to center our emergency and fast response decisions on equity. Subsequently, she was appointed as a member of the COVID-19 Recovery Taskforce (Taskforce), and by the second meeting the Taskforce established an equity subcommittee which the Executive Officer, Equity and Race would lead. The committee agreed that they needed a tool to help assess all recommendations that would come from the Taskforce. Initially they explored the draft Equity Tool but determined they needed something simpler for the fast-paced nature of the taskforce process. The Executive Officer, Equity and Race drafted the Rapid Equity Assessment (Attachment C) and worked with the Equity Subcommittee to pilot and fine-tune it. The Rapid Equity Assessment tool has been applied to all Taskforce recommendations and used to help prioritize decisions. In an effort to expand its use, the tool was presented to the Metro Senior Leadership Team. Over the next fiscal year, the Executive Officer, Equity and Race will work with the Equity Liaisons to build capacity to use the Rapid Equity Assessment Tool across the agency, with a goal of eventually requiring use of an equity tool for most Metro decisions.

3. **Agency-wide Project Support** - Since the establishment of the Equity Platform, Metro has worked to incorporate its principles into various projects and programs, including some that are at or near completion, such as NextGen, the Understanding How Women Travel Report, and the Long Range Transportation Plan, to name a few. Over the last six months, the Executive Officer, Equity and Race has assisted with new and on-going projects to do the same. From the COVID-19 Recovery Taskforce to the 710 South Project, the Comprehensive Pricing Study to Transit Oriented Communities Implementation Plan and several others, she has worked in roles that range from occasional consulting to regular workgroup membership, to support projects as they explore how to create more inclusive project development processes and plan for equitable project outcomes. These efforts will continue into FY21 and be supplemented as Metro expands Office of Equity and Race and trains its Equity Liaisons and others to support this work.

D. Train and Grow

This pillar focuses on Metro as an organization and recognizes that successful implementation of the Equity Platform requires commitment, education and training, and prioritization of the Platform's principles across Metro at all levels and in all departments. This pillar will be implemented by efforts of the Office of Equity and Race as well as the Department of Civil Rights and Inclusion in partnership with the Department of Human Capital and Development and other Departments, as applicable.

1. **Agency-wide Education and Conversations** - The Executive Officer, Equity and Race joined Metro in late January, just before the COVID-19 pandemic reached Los Angeles

County and a few months before the civil unrest sparked by the deaths of George Floyd and Breonna Taylor began. Between the public health crisis' disproportionate impact on Black, Latinx, and Indigenous communities, the rise in COVID-19 related racist attacks on people of Asian descent, and the spotlighting of historic and present systemic racism and anti-blackness in America, the need and desire to have conversations and develop actions to create a more equitable and inclusive society at Metro have only amplified.

To meet that need and implement this pillar, the Executive Officer, Equity and Race has met with various units and sometimes departments to present on the Equity Platform and discuss how Metro can advance equity through our work. She has also joined the Metro Chief Executive Officer and Chief Civil Rights Officer to facilitate an employee town hall to discuss the civil unrest. She has presented to SLT to introduce the Rapid Equity Assessment and explore eventually requiring an equity section in all board reports.

Metro will work to build the internal infrastructure to support a future required equity section in all board reports, that provides a substantive analysis of a decision's equity impacts. The Executive Officer, Equity and Race will continue meeting with staff across the agency and explore the development of a racial equity training for all staff. In the more immediate, the Executive Officer, Equity and Race is working to launch a voluntary Justice, Equity, Diversity, and Inclusion (JEDI) Book Club for employees who want to educate and empower themselves to be JEDI advocates.

- 2. Equity Liaisons** - In June 2020, the Executive Officer, Equity and Race established the Equity Liaisons Working Group, which includes one to two staff from each Metro department. The Liaisons were nominated by their respective SLT member and are leaders in their departments, with interest in helping Metro advance equity and a desire to learn and grow. The goal of the Equity Liaison Working Group is to build an internal team of equity fluent leaders to help support implementation of the Equity Platform. The Equity Liaison work plan includes, but is not limited to, learning key concepts related to justice, equity, diversity, and inclusion; being trained to use, help test, and strengthen the application of equity tools; advising on Equity Platform implementation efforts; and helping to identify opportunities and challenges to addressing equity within each department and the agency as a whole. The Equity Liaisons meet regularly and will continue through FY21 and beyond.

In summary, these highlighted initiatives should not be viewed as the only elements that will impact, support, or add to the implementation of the Equity Platform. The Platform will be carried out through an ongoing portfolio of agency actions.

FINANCIAL IMPACT

Implementation of the Equity Platform will in many cases involve shaping and adjusting the direction of current projects within existing budgets. In other cases, it will require new activities and program development. Metro will need to build the staff infrastructure and provide sufficient resources to support all Equity Platform implementation activities. Where a proposed equity-based initiative requires stand-alone revenues, a separate budget action would be taken.

Impact to Budget

There is no impact to the existing extended FY19-20 budget as a result of this Receive and File

report.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports strategic plan goals #1.1, 3.1, 3.2, 3.3, and 3.4 by helping Metro to target infrastructure and service investments toward those with the greatest needs and enhancing communities and lives through mobility and access to opportunity. Implementation of the equity framework is an explicit recommended action under the goals 1.1 and 3.3, and it supports actions under 3.1, 3.2, and 3.4.

NEXT STEPS

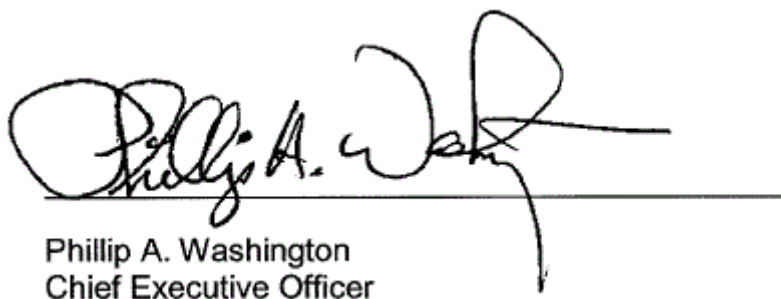
Staff will report on milestones achieved on individual Equity Platform actions and provide overall updates on an ongoing basis, as appropriate.

ATTACHMENTS

- Attachment A - Metro Equity Platform Report
- Attachment B - Equity Platform FY19 Activation Plan
- Attachment C - Rapid Equity Assessment Tool

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Phillip A. Washington
Chief Executive Officer



Board Report

File #: 2017-0912, **File Type:** Policy

Agenda Number: 21.

**REVISED
EXECUTIVE MANAGEMENT COMMITTEE
FEBRUARY 15, 2018**

SUBJECT: METRO EQUITY PLATFORM FRAMEWORK

ACTION: ~~RECEIVE AND FILE~~ APPROVE METRO EQUITY PLATFORM FRAMEWORK

RECOMMENDATION

APPROVE Metro’s Equity Platform Framework.

ISSUE

Access to opportunity should be a core objective of public decision making, public investment, and public service - and transportation is an essential lever to enabling that access. Unfortunately, there exists vast disparity among neighborhoods and individuals in Los Angeles County in their ability to see and seize opportunity - be it jobs, housing, education, health, safety or other essential facets of thriving in vibrant, diverse communities. A multi-point equity platform provides a basis for Metro to actively lead and partner in addressing and overcoming those disparities.

Metro staff does not approach the subject of equity lightly or uninformed. The adoption of Measure M included performance metrics that were tied to disadvantaged communities. The major revision to the Long Range Transportation Plan has committed to incorporating equity as a crosscutting issue since its introduction to the Board in February 2017. The Policy Advisory Council has flagged this as a major topic of interest. Most importantly, recent and engaged experience with community members with several projects (i.e., First/Last Mile planning, the Transformative Climate Communities grant for Rail to Rail, and a body of innovative workforce development initiatives) all underscore both the timeliness and urgency that equity considerations bring to Metro’s portfolio. In addition, staff informally reached out to representatives from academia, foundations, advocacy organizations and local government in developing this platform. Their demonstrated experience in research and collective action, and their candid feedback on challenges and opportunities in the equity space were invaluable.

DISCUSSION

Metro’s multi-point equity platform is wrapped around four pillars.

First, we need to define a common basis for talking about and building an agenda around equity, and how to improve it.

- Equity holds different perspectives and priorities for everyone and anyone who will be part of

this conversation.

- At its core, *inequity* exists when there are fundamental differences in access to opportunity, not just with respect to where you begin, but in your capacity to improve from that starting position.
- Historically and currently, race and class have largely defined where these disparities are most concentrated: in poor, minority communities throughout LA County. Age, gender, disability, and residency also can expand or constrain opportunities.
- It would be presumptuous to begin a truly inclusive conversation with a pre-determined definition of “equity” and all its facets, but Metro can enter into that conversation committing to the following:
 - Establish meaningful goals around a shared definition of equity and actions to achieve those goals.
 - Define metrics to evaluate outcomes and consider redirected actions if needed. It will be particularly critical to infuse equity-based performance metrics in Metro’s investment decisions. These cannot be the only investment considerations. Transportation is rife with tradeoffs. But equity metrics need to be definable, impactful, measurable, accountable, and at the front end of the analysis, not the back end.
 - Seek and invite the diverse range of voices that must participate with Metro in accomplishing the above. Importantly, we need to proactively reach out to those who have remained on the margins of decision-making in the past. These will include historically underserved communities and organizations that represent them. But we must also reach out and hear voices that may not be aligned with established groups.

Second, Metro needs to establish comprehensive, multiple forums to engage the community meaningfully and actively in pursuit of the first step discussed above. An important opening conversation with LA’s community members would address: a) where they believe achieving equity has been problematic - broadly, and specific to transportation’s role; and b) where improved relationships, partnerships and actions aligned with Metro’s portfolio of responsibility can be defined to advance more equitable transportation outcomes going forward.

- This will be a challenging conversation, insofar as it requires the Metro as Board and staff to invite the community to articulate where it has experienced, in fact deeply felt, inequity in Metro’s past. This isn’t a platform for Metro to defend or be defensive; people feel what they feel, and it is going to be impossible to define a new path and build a different position of trust if past experience is not given voice and legitimacy.
- That said, the main point of this conversation forum should be to learn and move forward based on that acknowledgement. This may require reconciling divergent opinions to arrive at some shared goals and actions. Actions going forward may redress past ills - that is to be determined - but they certainly should not repeat them, if at all possible. It is also an opportunity to discuss with community members those initiatives where Metro has actively tackled disparity gaps, such as its growing portfolio of workforce development initiatives.
- Advice and best practices on how to effectively have these community-driven conversations

will be key.

- Metro can start with lessons learned from other cities across the country. San Francisco, Seattle, Oakland and others all have models to tap.
 - These forums would benefit from professional facilitation. Foundations have established several venues that Metro might pivot from (e.g. the on-going national Strong, Prosperous and Resilient Communities Challenge (SPARCC) Initiative includes Los Angeles as a participating city - LA Thrives coalition is the local lead; the California Endowment and others have underwritten numerous initiatives across the County); or seek new support.
- As noted at the outset, Metro consulted with equity thought leaders whose advice informed the core of this platform. Retaining this cross-sectional consultation will be critical to successfully implementing a platform that requires dedication and time. In particular, the community forums envisioned will benefit from a circle of demonstrated leaders. We certainly don't hold all the keys on issues, and making use of the rich resources around us is essential.
- A key step will be to establish a formal or informal advisory group supporting the equity platform, and to incorporate, as appropriate, the equity agenda into existing advisory groups.
- In addition, the following initiatives are also suggested:
- Actively develop and invest in a Community Based Organization (CBO) oriented public engagement program. This approach may not be applicable to every Metro investment, program or activity located in, or otherwise impacting, LA County's historically underinvested (HU) communities. As stated above, we must be mindful that any single group does not represent all voices in every community. However, this approach should be added to and implemented as part of our public process, if we are going to establish and maintain legitimacy within impacted communities when addressing equity issues that they themselves are experiencing directly.
 - Invest in the transportation technical capacity of local governments that serve HU communities. Metro cannot and should not be the sole partner in all transportation or transportation-impacted decisions, legally or practically. And traditional funding and regulatory programs in particular assume effective participation by local jurisdictions. In short, strengthening cities that are home to equity communities is probably a core requirement for a more equitable County. This assistance can range from delivering transportation improvements swiftly and effectively to competing for discretionary funding more successfully; to better supporting more community-inclusive decision-making around transport investments.

Third, the Long Range Transportation Plan (LRTP) must have a concentrated focus on equity. There are two major arenas for that focus to take root.

Where Metro **Leads**

- First and foremost, we must tackle impacts of the LA County's transportation system under our

direct responsibility via Metro's role as transportation planner, operator, builder and funder. As such, equity is a "cross cutting" principle that will be applied throughout the LRTP's development, as reported to the Board in prior presentation's on the Plan's design and rollout.

- Critically, what we choose - or do not choose - to invest in that system is paramount. Over the 40-year span of the LRTP, a considerable amount of funding controlled by Metro is legally or legislatively dictated, such as Measure M. It should be noted that equity related factors were considered as part of the 5 performance measures developed to assess and prioritize Measure M's expenditure plan projects. Specifically, the "Economy" and "Sustainability/Quality of Life" themes included metrics attached to investments in disadvantaged communities. But while there are important additional equity considerations Metro can assess as projects are implemented, there are practical limitations to rethinking or redirecting certain funds that are statutorily prescribed.

However, a significant amount of funding in the long range plan is not yet locked down for 40 years, allowing us to reassess current patterns of investment and either reaffirm them or change them.

- These investment decisions should be based on performance outcomes and, as presented here, front and center considerations should be given to those that actively:
 - advance outcomes that promote and sustain opportunities in underserved communities; or
 - avoid outcomes that lead to or aggravate disparities in opportunity in those communities.
- Notably, investments must be made to operate, maintain and rebuild the existing transportation system, in addition to expanding it. The community's ability to access that transportation system - where, when, how, and at what cost - impacts their opportunities to jobs, housing, education and health. Thus, measuring equity against that access, and for whom, is central to our planning process.
 - In this realm, there will be several, discrete transportation activities that will be developed alongside the LRTP where equity will be front and center: any discussion of "right sizing" fares, redesign of the Metro bus system, our continuing work in Work Force Development and small business support, to name a few.
 - The Long Range Transportation Plan will not duplicate analysis and recommendations in these areas. It will incorporate goals, decisions, and any actions attached to all of them, and will likely help facilitate equity-driven discussions in each of them.
 - These issues address critical transportation access concerns, and will be important venues for coordinating community involvement.

Where Metro **Partners**

- Beyond its core transportation responsibilities, there will be an expectation to take on a new, countywide, visible equity challenge: the Metro transport system's interface with gentrification/displacement/affordable housing.

- Neighborhoods throughout the county are facing escalating housing costs, real estate developments that are reshaping community culture, and in both cases, frequently forcing existing residents into painful relocation or transportation decisions. Gentrification/displacement/affordable housing is a common thread of concern among elected officials and advocates. And it hits every corner of the County.
- Metro cannot address this subject by ourselves - it will require active partnerships with others, such as the County, cities, Council of Governments, private sector and business as well as community representatives. Foundations are extremely interested in this arena and could bring valuable resources to the table.
- Among other considerations, these issues underscore the complexity of equity concerns and the necessarily complex response to them. By taking up a big problem - but not Metro's problem alone - it gives us the space to explore, experiment and advance change while building necessary partnerships at the outset.

Fourth, we need to pursue equity training within Metro. Successfully setting and delivering on a new equity agenda requires "top to bottom" ownership throughout the agency.

- In recent years, there has been a growing body of equity training designed for governmental agencies. LA County departments have deployed these programs, among others. We intend to explore options and commit to internal education that would be required at certain levels and positions.
- Training would be in two important areas:
 - Methods to evaluate equity including data collection, measurement and analysis; and
 - Approaches to effectively communicate and work with communities in a manner that recognizes and respects equity issues.

This platform is a starting point, and should be considered a working outline that can be adjusted with experience and feedback. The commitment expressed herein, however, should be a guiding constant - for Metro, our transportation partnerships, and the people we serve.

NEXT STEPS

Staff will proceed to use the Equity Platform as a framework for specific analyses and actions attached to Metro initiatives, as outlined in this report. Progress will be reported periodically to the Board, particularly as it relates to key plans and programs underway, such as the Long Range Transportation Plan.

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Phillip A. Washington
Chief Executive Officer



Metro Equity Platform Framework

Executive Management Committee
February 15, 2018
Legistar File 2017-0912



Metro

Metro Equity Platform Framework

Access to opportunity: a core concept to public decision-making, public investment, and public service

- Vast disparity exists in LA County among neighborhoods and individuals:
 - To seize opportunity – jobs, housing, education, health, safety;
 - To improve their circumstances to do so.
- Transportation is an essential lever to enable that access.



Metro Equity Platform Framework

Why an Equity Platform now?

- As a transportation leader, Metro can and should address disparities.
- Metro has already signaled a change:
 - Measure M: performance metric considerations
 - New Long Range Transportation Plan committed early to Equity
 - Recent, targeted community collaborations (First/Last Mile, Rail to Rail grant effort)
- Exploratory outreach to LA County equity thought leaders



Metro Equity Platform Framework

Multi-point Equity Platform built around four pillars:

I. Define and Measure

II. Listen and Learn

III. Focus and Deliver

IV. Train and Grow



Metro Equity Platform Framework

I. Define and Measure

Need a common basis to build an equity agenda.

- “Equity” holds different perspectives and priorities for many.
- Inequity → fundamental differences in access to opportunity
- Race and Class—historically and currently—predominate disparities in LA County
 - Concentrated in poor, minority communities
 - Age, gender, disability, and residency also can expand or constrain opportunities



Metro Equity Platform Framework

I. Define and Measure (cont.)

- Pursue an inclusive conversation that commits to:
 - Establish meaningful goals around a shared definition of equity – and actions to achieve those goals;
 - Define metrics to evaluate outcomes, including investment decisions;
 - Ensure consideration at the front end, not the back end;
 - Seek out and involve the diverse range of voices that must collaborate on above.



Metro Equity Platform Framework

II. Listen and Learn

Establish comprehensive, multiple forums to engage the community meaningfully and actively in defining, measuring and acting on equitable outcomes.

- Open the conversation with LA's community members to address:
 - where achieving equity has been problematic — broadly, and specific to transportation;
 - where improved relationships, partnerships and actions can advance more equitable transportation outcomes going forward.

Metro Equity Platform Framework

II. Listen and Learn (cont.)

- Recognizing past experience provides foundation for a different future.
- Community-driven conversation is essential.
 - Seek best practices.
 - Establish distinct advisory body for the equity agenda.
 - Engage CBOs in community outreach and problem solving.
 - Build local government technical capacity serving historically underserved communities

Metro Equity Platform Framework

III. Focus and Deliver

The Long Range Transportation Plan is unifying activity with 2 major crosscutting Equity arenas:

- Where Metro Leads
 - Transportation planner, operator, builder and funder;
 - Performance-based investment decisions that:
 - a) advance outcomes to promote and sustain opportunities;
 - b) avoid outcomes that aggravate disparities in opportunity;
 - Operating/maintaining the system impacts opportunity as much as infrastructure investments.

Metro Equity Platform Framework

III. Focus and Deliver (cont.)

- Where Metro Partners
 - Beyond Metro's core transportation responsibilities—Land Use
 - Gentrification/displacement/affordable housing
 - An urgent issue in every corner of the county
 - Metro cannot address alone—Partners are essential: local government, business, community advocates, foundations

Metro Equity Platform Framework

IV. Train and Grow

A new equity agenda requires “top-to-bottom” ownership throughout the agency.

- Training in two important areas:
 - Methods to evaluate equity including data collection, measurement and analysis;
 - Approaches to effectively communicate and work with communities with priority and respect for equity issues.

Metro Equity Platform Framework

Next Steps

- The Equity Platform is a framework.
- It intends to shape specific analyses and actions going forward.
- Experience may redirect and improve the platform.
- The PAC is an essential touchstone for input and checkpoint for progress.
- Presentations to the Metro Board are key.



Thank you



Metro®



Board Report

File #: 2018-0580, **File Type:** Plan

Agenda Number: 39.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 17, 2019**

SUBJECT: EQUITY PLATFORM FY19 ACTIVATION PLAN

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Equity Platform FY19 Activation Plan.

ISSUE

This report outlines the set of activities that Metro is pursuing to implement the Metro Equity Platform Framework adopted by the Board in March 2018.

DISCUSSION

The Equity Platform (“Platform”) stands on four pillars - Define and Measure, Listen and Learn, Focus and Deliver, and Train and Grow (Attachment A). Because the Platform is designed to inform, shape and guide all lines of the agency’s business, on a continuing basis, this “activation plan” highlights a broad portfolio with some elements that are and will be on-going; current or planned projects that have a discrete beginning and end; and new initiatives still in the conceptual stage. This mix underscores the reach and depth of the Platform’s intent - and likewise illustrates the distance the agency still has to go to fully realize the Platform’s potential and impact for change. Incorporated into the agency’s recently adopted Vision 2028 Strategic Plan, the Platform will never be a singular task that is finished; instead it is an agency commitment to incorporate Equity principles into, and pursue equitable outcomes emerging from, everything we do.

It is important to reiterate the basis of the Equity Platform, and what outcomes are intended to be achieved. While we acknowledge many different definitions of “equity” exist, the Platform is explicit in its focus on the vast disparities in access to opportunity -- jobs, housing, health care, and education to name a few -- among many people and communities within Los Angeles County. Race and income have and continue to be strong indicators of where these gaps exist. The Equity Platform is intended to help identify and implement projects or programs that close or eliminate those gaps. Equity defined here is not a calculated geographic distribution -- it is a set of outcomes driven by access needs, though such needs may be located in many places. Equity will not be the sole criterion for investments, but it is a critical one that must be addressed front and center in our

complex decisions.

Our objectives and progress over the next year under each of the Equity Platform's four pillars are outlined below:

A. Define and Measure

This pillar embraces the key task of defining "equity" in the transportation realm - and where transportation intersects with other disciplines. This must be matched with performance metrics that allow us to determine whether equity, as defined, is being meaningfully achieved as part of Metro's actions. It is essential that equity definitions and metrics be done in a collaborative environment, to include those voices which may not have been previously sought at the forefront of Metro-driven decisions. Efforts include:

1. Work with the Policy Advisory Council (PAC) to define "opportunity gaps" - measurable evidence where inequities exist - and related performance metrics to measure how those gaps can be minimized or closed. This activity is being done as part of the Long Range Transportation Plan that the Board will use to prioritize investments over a 40-year period.
2. Construct and apply equity-driven performance metrics in key Metro initiatives
 - Develop overall guide to consistently identify equity concerns, and solutions, as a component for internal evaluations. This should ideally emerge from the Long Range Transportation Plan definition and performance metric efforts above.
 - In the meantime, include appropriate metrics in both the evaluation and recommendations of major initiatives.
 - For example, the NextGen bus reassessment has established an advisory group that includes representatives from ridership and community advocates; and on-going adjustments are being made to the NextGen analysis to ensure equity considerations are addressed.
 - All Planning Board Reports will include an "equity assessment" section.

B. Listen and Learn

This pillar establishes the crucial connection between Metro and the larger Los Angeles County community in carrying out the principles of the Platform. The following elements have been initiated or are in progress:

1. Establish new partnerships with Community Based Organizations (CBOs).
 - Blue Line, First/Last Mile Plan lessons learned: The Board was briefed in May 2018 on the transformative approach pursued under this study, including the active contributions of CBOs in report development, and the inclusion of CBOs as contracted participants in implementing the project.
 - Responding to lessons learned, the Communications Department is preparing a new policy to guide enhanced partnerships with CBOs on several levels, including a clear process for contracting opportunities within Metro's larger public engagement efforts.
 - As an outgrowth of our engagement work with the Blue Line Metro staff are working with community members to listen to and address neighborhood and rider concerns regarding Metro safety and security.

- On other fronts, the agency is involved with collaborative policy and program efforts, such as serving as a Transportation Working Group co-chair of the South Los Angeles Promise Zone (Slate Z).
2. The PAC has spearheaded community-driven collaborations on Metro's Transit Oriented Communities (TOC) policy development; PAC representatives sitting on other Metro advisory groups (i.e., the Citizens Advisory Council and the Aging and Disability Network) have introduced the Equity Platform in those forums.
 3. Establish Equity Advisory avenues.
 - Staff is considering two tracks to address this "Listen and Learn" recommendation:
 - Assigning the PAC and its associated networks a technical advisory role in Equity Platform implementation (see Define and Measure discussion as one example);
 - Developing a model to draw Equity thought leaders throughout LA County into a "Blue Ribbon Commission" or similar forum to advise staff on specific topics, particular equity concerns that traverse between transportation and other disciplines: affordable housing/displacement; public health; community safety and security.
 - Actively participate in local and national forums addressing equity challenges, to increase Metro's exposure to best practices and to learn from other experts in the field.

C. Focus and Deliver

The third pillar addresses the need to implement actions and programs that carry out Equity Platform objectives and principles. Over the next year, these include, but are not limited to:

- Next Gen: revisit/strengthen equity focus
- Women and Girls Governing Council: council agenda includes specific gender-oriented equity studies (e.g. planned RFP and outreach to understand women's travel needs on Metro's system)
- LRTP - apply equity focus throughout the Long Range Transportation Plan's various phases, including identification of vulnerable populations, equity-specific performance measures (see Define & Measure above) and need-based transportation investment analyses.
- Continuing assistance to Disadvantaged Business Enterprise/Veterans Business Enterprise firms (e.g. recent special forums on contracting opportunities with future public/private partnerships)
- Career Pathway initiatives, including the launch of a Transportation School
- Explore the potential to establish consultant assistance to resource-challenged local jurisdictions in Los Angeles County, to enable them to plan and deliver transportation improvements to the underserved communities they represent.

D. Train and Grow

This fourth pillar recognizes that implementing the Equity Platform effectively will require significant commitments within the Metro organization to understand, embrace and maximize equity advancements in the other pillars. Commitments include:

- Pursue senior-/executive-level training program in racial equity.

- Work with philanthropic foundations on possible training/seminars geared to Metro-related focus areas.
- Host workshop on technical best practices for equity measurement and analysis among other public agencies and academic institutions.

In summary, these highlighted initiatives should not be viewed as the only elements that will impact or add to activation of the Equity Platform. The Platform will be carried out through an ongoing portfolio of agency actions.

DETERMINATION OF SAFETY IMPACT

There is no impact on safety standards for Metro.

FINANCIAL IMPACT

Implementing the Equity Platform in many cases involves shaping and adjusting the direction of current projects within existing budgets. In any case where a proposed equity-based initiative requires stand-alone revenues, a separate budget action would need to be taken.

Impact to Budget

There is no impact to the existing FY19 budget as a result of this Receive and File report.

NEXT STEPS

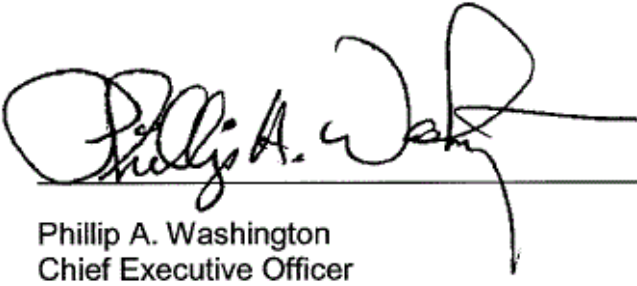
Staff will report on milestones achieved on individual Equity Platform actions on an ongoing basis, as appropriate.

ATTACHMENT

Attachment A - Equity Platform Summary and Objectives

Prepared by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077

Reviewed by: Phillip A. Washington, Chief Executive Officer, (213) 922-7555



Phillip A. Washington
Chief Executive Officer



Metro Equity Platform Framework

Summary and Objectives

Metro Equity Platform Framework

Access to opportunity: a core concept to public decision-making, public investment, and public service

- Vast disparity exists in LA County among neighborhoods and individuals:
 - To seize opportunity – jobs, housing, education, health, safety;
 - To improve their circumstances to do so.
- Transportation is an essential lever to enable that access.

Metro Equity Platform Framework

Why an Equity Platform now?

- As a transportation leader, Metro can and should address disparities.
- Metro has already signaled a change:
 - Measure M: performance metric considerations
 - New Long Range Transportation Plan committed early to Equity
 - Recent, targeted community collaborations (First/Last Mile, Rail to Rail grant effort)
- Exploratory outreach to LA County equity thought leaders



Metro Equity Platform Framework

Multi-point Equity Platform is built on four pillars:

I. Define and Measure

II. Listen and Learn

III. Focus and Deliver

IV. Train and Grow



Metro Equity Platform Framework

I. Define and Measure

Need a common basis to build an equity agenda.

- “Equity” holds different perspectives and priorities for many.
- Inequity → fundamental differences in access to opportunity
- Race and Class—historically and currently—predominate disparities in LA County
 - Concentrated in poor, minority communities
 - Age, gender, disability, and residency also can expand or constrain opportunities



Metro Equity Platform Framework

I. Define and Measure (cont.)

- Pursue an inclusive conversation that commits to:
 - Establish meaningful goals around a shared definition of equity – and actions to achieve those goals;
 - Define metrics to evaluate outcomes, including investment decisions;
 - Ensure consideration at the front end, not the back end;
 - Seek out and involve the diverse range of voices that must collaborate on above.

Metro Equity Platform Framework

II. Listen and Learn

Establish comprehensive, multiple forums to engage the community meaningfully and actively in defining, measuring and acting on equitable outcomes.

- Open the conversation with LA's community members to address:
 - where achieving equity has been problematic — broadly, and specific to transportation;
 - where improved relationships, partnerships and actions can advance more equitable transportation outcomes going forward.

Metro Equity Platform Framework

II. Listen and Learn (cont.)

- Recognizing past experience provides foundation for a different future.
- Community-driven conversation is essential.
 - Seek best practices.
 - Establish distinct advisory body for the equity agenda.
 - Engage CBOs in community outreach and problem solving.
 - Build local government technical capacity serving historically underserved communities

Metro Equity Platform Framework

III. Focus and Deliver

The Long Range Transportation Plan is unifying activity with 2 major crosscutting Equity arenas:

- Where Metro Leads
 - Transportation planner, operator, builder and funder;
 - Performance-based investment decisions that:
 - a) advance outcomes to promote and sustain opportunities;
 - b) avoid outcomes that aggravate disparities in opportunity;
 - Operating/maintaining the system impacts opportunity as much as infrastructure investments.

Metro Equity Platform Framework

III. Focus and Deliver (cont.)

- Where Metro Partners
 - Beyond Metro's core transportation responsibilities—Housing, Public Health, Economic Development
 - Example: Gentrification/displacement/affordable housing
 - An urgent issue in every corner of the county
 - Metro cannot address alone—Partners are essential: local government, business, community advocates, foundations

Metro Equity Platform Framework

IV. Train and Grow

A new equity agenda requires “top-to-bottom” ownership throughout the agency.

- Training in two important areas:
 - Methods to evaluate equity including data collection, measurement and analysis;
 - Approaches to effectively communicate and work with communities with priority and respect for equity issues.

Metro Equity Platform Framework

Next Steps

- The Equity Platform is a framework.
- It intends to shape specific analyses and actions going forward.
- Experience may redirect and improve the platform.
- The Policy Advisory Council (PAC) is an essential touchstone for input and checkpoint for progress.
- Presentations to the Metro Board are key.



Thank you



Metro®

Los Angeles County Metropolitan Transportation Authority



Metro Equity Platform Framework

Fiscal Year 2019 Activation Plan



Metro Equity Platform Framework

Access to opportunity: a core concept to public decision-making, public investment, and public service

- Vast disparity exists in LA County among neighborhoods and individuals:
 - To seize opportunity – jobs, housing, education, health, safety;
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Metro Equity Platform Framework

Why an Equity Platform now?

- As a transportation leader, Metro can and should address disparities.
- Metro has already signaled a change:
 - Measure M: performance metric considerations
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 - Recent, targeted community collaborations (First/Last Mile, Rail to Rail grant effort)
- Exploratory outreach to LA County equity thought leaders

Metro Equity Platform Framework

The Platform is not any single task that will be “finished”. Instead, the Platform is:

- A vehicle to inform, shape and guide all lines of the agency’s business on a continuing basis
- A commitment to incorporate Equity principles and pursue equitable outcomes
- A paradigm that will help identify and implement projects or programs that close or eliminate disparities in access to opportunity
- A set of outcomes driven by access needs and not merely a calculated geographic distribution

Metro Equity Platform Framework

Multi-point Equity Platform is built on four pillars:

- I. Define and Measure
- II. Listen and Learn
- III. Focus and Deliver
- IV. Train and Grow

Metro Equity Platform Framework

I. Define and Measure

Defining “equity” and matching with performance metrics. Efforts include:

- Work with the Policy Advisory Council to define “opportunity gaps” and related performance metrics as part of the Long Range Transportation Plan (LRTP)
- Construct and apply equity-driven performance metrics in key Metro initiatives:
 - LRTP process to develop guide for identifying equity concerns and solutions
 - NextGen Bus Study
 - Equity Assessment section in all Planning Board Reports

Metro Equity Platform Framework

II. Listen and Learn

Establishing a connection between Metro and the Los Angeles County community. Efforts include:

- New partnerships with Community Based Organizations (CBOs):
 - Blue Line, First/Last Mile Plan lessons learned
 - Communications Dept policy on CBO partnerships
 - Staff have engaged community members on safety and security concerns raised by riders
 - Agency is serving as Transportation Working Group co-chair of the South Los Angeles Promise Zone (Slate Z)
- Community-driven collaborations led by the Policy Advisory Council



Metro

Metro Equity Platform Framework

II. Listen and Learn (cont.)

- Evaluating and establishing Equity Advisory avenues
 - Assigning the Policy Advisory Council and its associated networks a technical advisory role
 - Developing a “Blue Ribbon Commission” or similar forum to draw Equity thought leaders from LA County to advise on specific topics (housing/displacement, public health, community safety and security)
 - Actively participating in local and national forums to address equity challenges and increase exposure to best practices

Metro Equity Platform Framework

IV. Train and Grow

Top-to-bottom commitment from within Metro to understand, embrace and maximize equity advancement. Efforts include:

- Senior- and executive-level training program in racial equity
- Trainings and seminars geared to Metro-related focus areas in collaboration with philanthropic foundations
- Workshop on technical best practices for equity measurement and analysis

Metro Equity Platform Framework

III. Focus and Deliver

Implementing actions and programs that carry out the Platform. Efforts include:

- NextGen Bus Study
- Women and Girls Governing Council
- LRTP
- Assistance to Disadvantaged Business Enterprise/Veterans Business Enterprise firms
- Career Pathway initiatives, including Transportation School
- Potential consultant assistance to resource-challenged local jurisdictions in Los Angeles County

Metro Equity Platform Framework

Next Steps

- Staff will report on milestones achieved on individual Equity Platform actions on an ongoing basis



Thank you



Rapid Equity Assessment

The Challenge Ahead: The COVID-19 Pandemic has highlighted racial and socioeconomic disparities in our health care, economic, and transportation systems. While anyone can contract the virus, it has disproportionately impacted and threatened the lives of black, Latinx, and low-income communities. Due to systemic inequities, these communities are more likely to have underlying health conditions, have poorer access to health care, be essential workers who cannot work from home, have limited access to digital tools for continuing education and telecommuting, and rely on public transit for essential trips. **Metro’s response to the COVID-19 crisis presents an opportunity to help prevent the same disparate results and further widening of the gaps shaped by existing racial and economic disparities.**

Equity in a Time of Crisis: By rooting our decision making in equity, we can ensure that historically marginalized communities, and other groups that have been disproportionately impacted by COVID-19, are not left behind as we respond to this public health crisis and as we recover. We must understand the potential impact of our decisions for those faring the worse in order to truly improve conditions for all of our customers, front-line Metro family, and the broader Los Angeles County community.

Using the Assessment: This Rapid Equity Assessment tool was developed to assist Metro staff in identifying and prioritizing equity opportunities. All questions should be answered to the best extent possible before a decision is made. If you answer no to questions one or two, or cannot identify burdens under question three, please contact your Department’s Equity Liaison immediately for assistance. The Assessment should be completed by a diverse group within the project team, including staff with a variety of experiences, knowledge, backgrounds, and skillsets. The completed form should be emailed to the *Office of Equity and Race*, copying your Department’s Equity Liaison, for review and potential follow-up. A summary of your assessment should be included in any report, including a board report, board box, or other document explaining the decision or recommendation. Email your Department’s Equity Liaison for assistance in using the tool.

Proposed Action: Click or tap here to enter text.

Team Members: Click or tap here to enter text.

1. Will the decision being made impact any of the following groups? (If no, skip to number 2.)

- | | |
|--|---|
| <input type="checkbox"/> Historically marginalized communities (Communities of Color, Limited English Proficiency, Avg. incomes < \$35K) | <input type="checkbox"/> Older adults (Over 62 years old) |
| <input type="checkbox"/> Equity Focused Communities (See the map on page 2) | <input type="checkbox"/> People with disabilities |
| | <input type="checkbox"/> Individuals with chronic medical conditions |
| | <input type="checkbox"/> Disadvantaged Business Enterprise or Disabled Veterans Business Enterprise |

2. Could this present an equity opportunity? (Yes or No)

An “Equity Opportunity” is a decision that is designed to enhance positive impacts or reduce negative impacts for historically marginalized communities or others most likely to be impacted by COVID-19.

Rapid Equity Assessment

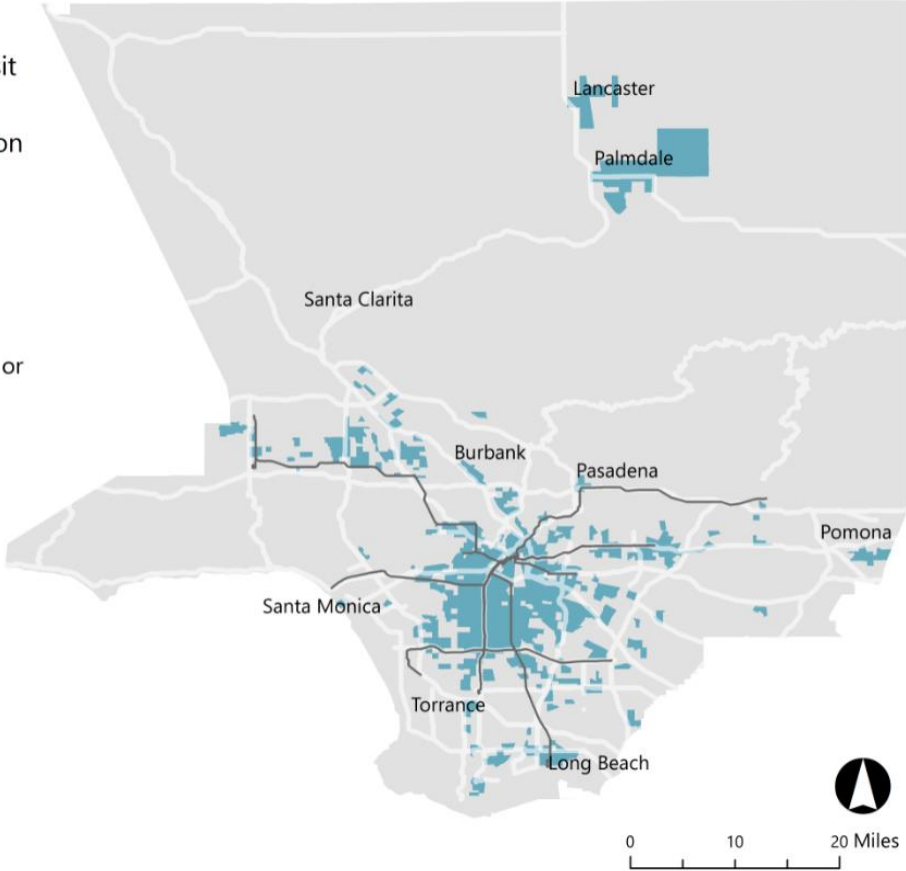
Equity Focused Communities Map

- Highways
- Fixed guideway transit
- EFC Communities
30% of LAC Population

Census Tract Thresholds

- > 40% Low Income
- > 80% Non-white
- > 10% Zero Car

*Thresholds are based on:
1) Non-white AND Low Income, or
2) Low Income AND Zero Car





Equity and Race Program Update

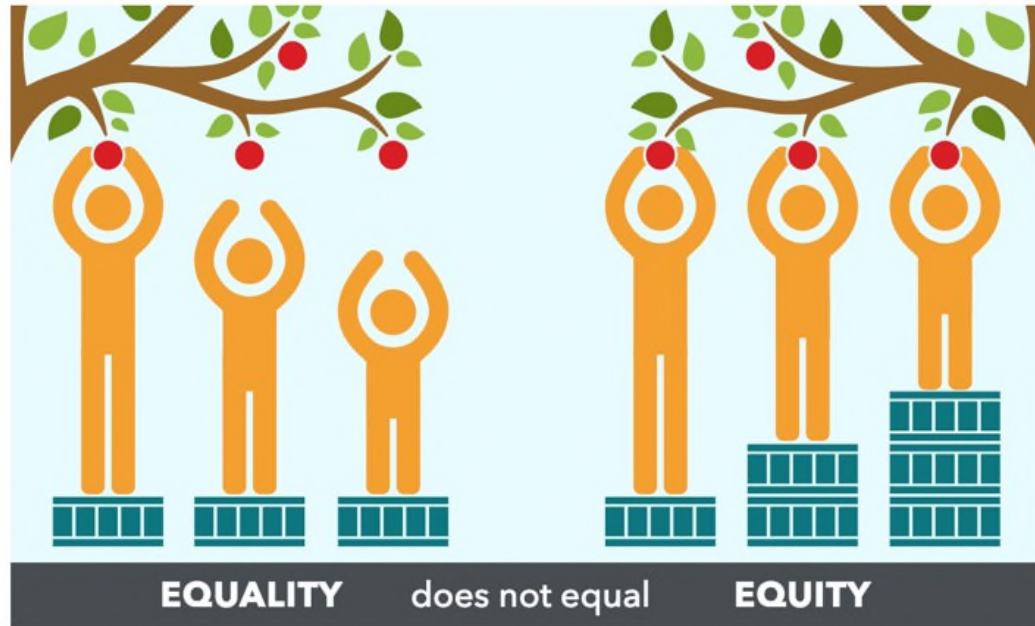
Executive Management Committee



METRO EQUITY PLATFORM FRAMEWORK

- Board Approved as of March 2018
- Core Objective:
 - Increase access to opportunity
- Four Pillars
 - Define and Measure
 - Listen and Learn
 - Focus and Deliver
 - Train and Grow

WHY EQUITY?



WHY EQUITY?



Source: Matt Kinshella from Meyer Memorial Trust and Northwest Health Foundation Competition

WHAT IS EQUITY?

Equity is both an outcome and a process to address disparities to ensure fair and just access to opportunities.

ADVANCING EQUITY

❖ Create Equitable Processes

- ❖ Best Practices
- ❖ Equity Tools
- ❖ Community Engagement

❖ Build Capacity

- ❖ Office of Equity and Race
- ❖ Equity Liaisons

WHAT'S NEXT

- ❖ Equity Section in Board Reports
- ❖ Agencywide Assessment and Strategic Plan
- ❖ JEDI Book Club
- ❖ Equity Training for Staff



Board Report

File #: 2020-0470, File Type: Program

Agenda Number: 44.

EXECUTIVE MANAGEMENT COMMITTEE AUGUST 20, 2020

SUBJECT: VOLUNTARY SEPARATION INCENTIVE PROGRAM

ACTION: APPROVE ADDITIONAL OPTIONAL BENEFIT FOR EMPLOYEES

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to implement a Voluntary Separation Incentive Program (VSIP) that offers an enhanced additional benefit that provides cash payments of up to \$7,500, and an additional two years of retirement service credit, to eligible Non-Contract, AFSCME and Teamsters represented employees who voluntarily agree to separate or retire from Metro within a pre-designated retirement period. Metro Board approval is required in order to provide any additional or enhanced benefit to employees.

ISSUE

The COVID-19 pandemic has fundamentally disrupted the very fabric of our community. Health concerns, and mandated efforts to stop the spread of the disease including stay-at-home orders, nonessential business closures, and working from home, have led to a substantial decline in Metro's overall ridership and revenue. Current estimates project a \$1.8 Billion-dollar loss in revenue, with a slow recovery of ridership levels for the next two fiscal years.

BACKGROUND

Metro remains committed to the priorities of allocating resources to maintain ample supplies of personal protective equipment, the preservation of jobs, ensuring the safety of our riders, and improve operational efficiency while continuing to adjust our operations and service levels to reflect the on-street reality of less demand for public transit.

Metro's response to the pandemic to date includes a substantial reduction in both bus and rail service, the closure of Bus Division 10, the agency wide reduction of overtime costs, and a hiring freeze. Offering a voluntary separation incentive program will give Metro more flexibility to restructure operations, reduce personnel costs, open career pathways for emerging leaders, and better address diversity goals without the need for involuntary layoffs of our workforce.

DISCUSSION

Below are the Program Guidelines and the Key Terms of the VSIP Program:

Eligibility

All permanent employees are eligible to participate in the program. This includes employees currently on a medical or administrative leave. Part-time employees would receive a pro rata amount of the lump sum cash benefits offered. There are two components to this program, 1) employees who are not eligible to retire would receive the lump sum cash payment, and 2) employees eligible to retire would receive the lump sum cash payment and 2 years of pension service credit.

Cash Benefits

Employees accepted into the program will receive the following cash benefits:

| Years of Service | Lump Sum Payment |
|---------------------------------------|-------------------------|
| One year, but less than Two years | \$1,000 |
| Two Years but less than Three years | \$2,000 |
| Three Years, but less than Four Years | \$3,000 |
| Four Years but less than Five Years | \$4,000 |
| Five years, but less than Ten Years | \$5,000 |
| Ten or more Years | \$7,500 |

Employees may elect to transfer this cash benefit to a 401(k) or 457 deferred compensation plan, within the maximum contribution limits established by law. If paid directly to the employee, the cash benefit will be subject to withholding taxes.

Service Credit

Employees who are vested members of CalPERS and eligible to retire (five or more years working for any CalPERS covered employer), Metro's Non-Contract Employees Retirement Income Plan (includes Teamsters), or the AFSCME Retirement Income Plan, will receive an additional two years of service credit. Employees currently enrolled in the Deferred Retirement Option Plan (D.R.O.P.) are not eligible for additional service credit (as they have already retired from the Retirement Income Plan), but they are eligible to receive the cash incentive.

Additional Program Rules

Employees with less than five years' service with Metro who sign a VSIP separation agreement and receive the cash incentive will be ineligible to reapply to Metro for two (2) fiscal years.

Employees who retire from CalPERS and receive the two years additional service credit benefit will lose the additional two years' service credit if they receive unemployment benefits or apply for reinstatement from retirement. We propose the same conditions will be applied to the Non-Contract and AFSCME Retirement Income Plans.

Employees may take vacation of up to 30 days prior to the effective date of their retirement.

Human Resources Policy 11 states that employees who retire between the ages of 50 and 65 with five or more years of service are eligible for continued enrollment in Metro's medical and dental plans if they immediately retire and were already enrolled in Metro's plan at the time of retirement. Savings will be realized in this area as retirees with less than 25 years of service contribute an additional 4% of plan premium for each year less than 25 years of service.

Enrollment

Interested employees must submit a request for VSIP benefits within a specified period not to exceed 60 days from the date of the announcement of the VSIP. If the VSIP does not attract enough interest to meet Metro's goals in establishing the VSIP, Metro may choose to not implement.

DETERMINATION OF SAFETY IMPACT

Approval of the additional optional benefit will not have any adverse safety impacts on Metro's employees or patrons.

FINANCIAL IMPACT

The financial impact of the VSIP is determined by the number of participants who enroll in the program and the number of positions that are eliminated.

Personnel Cost Reductions and Savings

For each of the past three years, an average of 76 Non-Contract, AFSCME and Teamster employees have retired from Metro. There are 2,537 employees eligible for the VSIP program, of which approximately 1,126 are eligible to retire.. If savings are calculated assuming 15% of the participants are retired or separated at the end of the designated retirement period, Metro will incentivize 169 employees to retire through the VSIP. The program will begin returning a significant financial benefit within 30 days after the program is fully implemented and has a projected salary savings of \$85,033,341 over the next 5 years. Projected savings scenarios and the cost benefit analysis is shown on Attachment A.

The CEO's directives to Senior Leadership will include a mandate that at least 50% of the positions vacated due to the VSIP will be permanently eliminated. The remaining 50% of the vacated positions will be pooled together and restructured into entry level positions. This restructuring will support Metro's goals of increasing promotional and learning opportunities for mid-level managers and career pathways for its qualified interns and trainees. In addition, when higher salaried long-term positions are replaced with lower salaried entry level positions, Metro achieves additional structural pension cost savings. Retirees hired before January 1, 2013 are "classic" members of CalPERS and do not contribute to any portion of the cost of their pensions, however, any staff hired after 2013 who are new members to CalPERS must contribute a portion of the costs of their pension due to the California pension reform legislation (PEPRA) enacted in 2012.

VSIP Costs

The cost of the VSIP is paid through an increase in Metro's contribution rate for the retirement plans starting two fiscal years after the designated VSIP enrollment period. For the CalPERS plan, interest accrues on the cost commencing with the fiscal year after the end of the designated period. The increased cost is estimated to be between 0.23% and 1.01%, calculated based upon the costs of each individual employee who accepts the additional benefit. The cost to the Retirement Income Plans will be based on an annual actuarial valuation and is expected to be minimal due to the small number of members remaining in the plans.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal #5: To provide responsive, accountable, and trustworthy guidance within the Metro Organization, Initiatives 5.2: Metro will exercise good public policy judgment and sound fiscal stewardship, and 5.4: Metro will apply prudent commercial business practices to create a more effective agency. By approving this recommendation, Metro will have additional options and flexibility to restructure the workforce as the agency recovers from the effects of the pandemic.

Workplace Impact

Departments will be required to submit a reorganization plan that anticipates vacancies made by VSIP will remain vacant or be underfilled.

The reorganizational plan will include a toolkit and guidelines to help departments determine how to address their organizational structure. The plan will focus on maximizing the remaining workforce to address the department's mission, goals and workload. The tool and guidelines will assist the department with identifying the duties of the vacated positions and how that work can be best distributed across the department.

To ensure Metro does not lose institutional knowledge when employees retire or separate from the agency, Metro's Talent Development department has created a Transfer of Knowledge Program. The program is designed to facilitate collaboration between the retiring employee and the department through dialogue and information sharing prior to the retiring employee's retirement or separation date. In addition, employees who retire through CalPERS may work up to 960 hours in a fiscal year without jeopardizing their retirement benefits.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the additional optional benefit; however, this alternative is not recommended as it will not support Metro's goals of increasing promotional and learning opportunities for mid-level managers and career pathways for its qualified interns and trainees.

NEXT STEPS

Upon Metro's Board approval of the VSIP, staff will present a modified CalPERS contract to the Public Transportation Services Corporation Board of Directors for Approval. The modified contract proposal must be made public for review and comment for at least two weeks prior to its approval. The PTSC Board will then vote to formally approve the amended CalPERS agreement following the

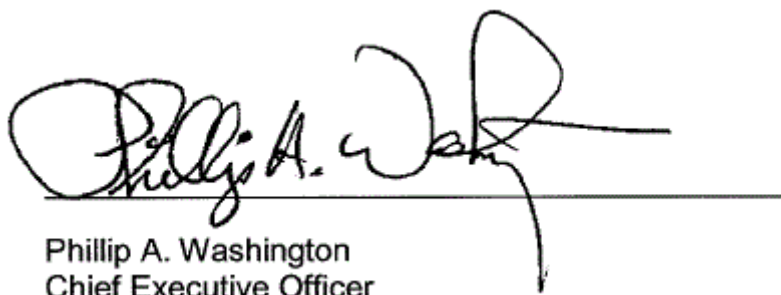
two-week review and comment period. Amendments to the Retirement Income Plans will be presented to the respective Plan's Trustees for approval. Once approved, we anticipate the VSIP enrollment period to begin in October 2020.

ATTACHMENTS

Attachment A - VSIP Program Estimated Cost Analysis

Prepared by: Teyanna Williams, Executive Officer, Labor and Employee Services
(213) 922-5580

Reviewed by: Joanne Peterson, Chief Human Capital & Development Officer
(213) 418-3088



Phillip A. Washington
Chief Executive Officer

Estimated CalPERS Contribution and Salary Savings Analysis

| | | At a 5% Participation (56 Employees) | At a 10% Participation (113 Employees) | At a 15% Participation (169 Employees) | At a 20% Participation (225 Employees) | At a 22% Participation (250 Employees) |
|---|---------------------|--|--|--|--|---|
| FY20 CalPERS Payments | | CalPERS Contribution Rate Increase .23% | CalPERS Contribution Rate Increase .46% | CalPERS Contribution Rate Increase .69% | CalPERS Contribution Rate Increase .92% | CalPERS Contribution Rate Increase 1.01% |
| PEPRA | \$17,724,556 | | | | | |
| CLASSIC | \$21,984,588 | | | | | |
| ANNUAL TOTAL | \$39,709,144 | \$91,331 | \$182,662 | \$273,993 | \$365,324 | \$401,062 |
| 5 YEAR TOTAL | | \$456,655 | \$913,310 | \$1,369,965 | \$1,826,621 | \$2,005,312 |
| Salary Savings | | | | | | |
| ANNUAL TOTAL | | \$5,744,439 | \$11,536,222 | \$17,280,661 | \$23,025,100 | \$25,644,817 |
| 5 YEAR TOTAL | | \$28,722,195 | \$57,681,111 | \$86,403,306 | \$115,125,502 | \$128,224,087 |
| 5 YEAR COST BENEFIT ANALYSIS | | | | | | |
| 5 YEAR TOTAL SALARY SAVINGS | | \$28,722,195 | \$57,681,111 | \$86,403,306 | \$115,125,502 | \$128,224,087 |
| 5 YEAR TOTAL CONTRIBUTION PAYMENTS | | \$456,655 | \$913,310 | \$1,369,965 | \$1,826,621 | \$2,005,312 |
| 5 YEAR TOTAL SAVINGS | | \$28,265,540 | \$56,767,801 | \$85,033,341 | \$113,298,881 | \$126,218,775 |

This program will begin returning significant financial benefits 30 days after the program is fully implemented

Notes:

Contribution Rate was calculated based off instructions from CalPers

CalPers actual contributions for FY20

Salary Savings are assuming that 50% of positions will not be reinstated and the remaining 50% will be underfilled at the entry level for career pathway opportunities

Salary Savings include the one-time lump sum



Item #44

Voluntary Separation Incentive Program (VSIP)

August 27, 2020

What is VSIP?

- > An enhanced benefit for employees in 3 workgroups:
Non-contract, AFSCME and Teamsters
 - Provide one-time payment of up to \$7,500 to all employees who separate during a defined time period
 - Provide an additional 2 years of service credit to eligible retirees

Benefits

- > Generates a reduction in overall Personnel Costs by eliminating/underfilling positions
- > Underfilled positions can be redirected to focus on various priorities, changing needs, or strategic objectives
- > Provides Opportunities to **Advance Career Pathways**
 - Realize return on investment in workforce development over the past 5 years
 - Current practice of Internal hires – 56%
 - Limited Entry Level Positions – currently 16% of the workforce

Estimated Net Costs and Savings



| Summary of Program Savings Over 5 Years | Participation | | | | |
|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 5% | 10% | 15% | 20% | 22% |
| Cost | | | | | |
| One Time Incentive Payment | \$ 350,000 | \$ 706,250 | \$ 1,056,250 | \$ 1,406,250 | \$ 1,562,500 |
| Contribution Rate for Service Credit | \$ 456,655 | \$ 913,310 | \$ 1,369,965 | \$ 1,826,621 | \$ 2,005,312 |
| Total | \$ 806,655 | \$ 1,619,560 | \$ 2,426,215 | \$ 3,232,871 | \$ 3,567,812 |
| Savings | | | | | |
| Salary of 50% Retirees | \$ 23,444,450 | \$ 46,888,905 | \$ 70,333,350 | \$ 93,777,805 | \$ 104,662,730 |
| Conversion of Sr to Jr Staff | \$ 5,279,685 | \$ 10,796,122 | \$ 16,075,812 | \$ 21,355,493 | \$ 23,570,019 |
| Conversion of Classic to PEPRA | \$ 348,060 | \$ 702,335 | \$ 1,050,394 | \$ 1,398,454 | \$ 1,553,838 |
| Total | \$ 29,072,195 | \$ 58,387,361 | \$ 87,459,556 | \$ 116,531,752 | \$ 129,786,587 |
| Net Savings | \$ 28,265,540 | \$ 56,767,801 | \$ 85,033,341 | \$ 113,298,881 | \$ 126,218,775 |

What are our peers doing?

- > 46 agencies have submitted applications to CalPERS
- > City of Los Angeles
 - 2% x years of service x Maximum Annual Salary with cap of \$80,000
- > City of Ventura
 - \$10,000 plus .5% x years of service
- > City of Santa Monica
 - 5 to 10 years of service – \$5,000 plus 18 months of medical benefits
 - 10+ years of service – \$10,000 plus 18 months of medical benefits



Board Report

File #: 2020-0566, **File Type:** Motion / Motion Response

Agenda Number: 45.1.

**EXECUTIVE MANAGEMENT COMMITTEE
AUGUST 20, 2020
REVISED**

Amending Motion by:

DIRECTORS BUTTS, GARCETTI, AND GARCIA

Related to Item 45: Report on Motion to “Uplift the Human Spirit Through Metro Art”

Metro staff has returned to the Board with an excellent response to the above Motion in so far as identifying immediate initiatives that can be implemented in the next six months including:

1. Champion artistic expression of local visual artists through posters within Metro’s allocation of advertising spaces, including on buses and trains, when/where space is available
2. Partner with community based cultural organizations to interpret and document this pivotal moment
3. Curate cultural programming to foster connections with the public, and
4. Commission local artists to creatively convey ‘new manners’, safety messaging and mobility.

While the report is very good as far as it goes, the Item before us is presented for information only with no financial funding being recommended.

We cannot accomplish the initiatives described above and create an inclusionary synergy with Metro’s Customer Experience “Surprise and Delight” program, including such aspects as Performance Art, without providing funding.

SUBJECT: AMENDMENT TO REPORT ON MOTION TO "UPLIFT THE HUMAN SPIRIT THROUGH METRO ART"

RECOMMENDATION

APPROVE Amending Motion by Directors Butts, Garcetti, and Garcia that the Board direct the CEO to initiate the following policy directives:

1. Instruct staff to return to this Board in September with a specific set-aside percentage of interior space on both rail and busses to accommodate the placement of Metro Art posters, with preference for local artists, as we have done in the past; and
2. Include in the FY 21 Budget \$400,000 dollars to accomplish the goals outlined above. Staff will reprioritize available resources and work cross-departmentally to identify internal and external funding opportunities to support the projects.

ATTACHMENTS

Attachment A - RBM Item 45.1 (Before Revision)



Metro

Board Report

File #: 2020-0566, **File Type:** Motion / Motion Response

Agenda Number: 45.1.

EXECUTIVE MANAGEMENT COMMITTEE AUGUST 20, 2020

Amending Motion by:

DIRECTORS BUTTS, GARCETTI, AND GARCIA

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Board Report

File #: 2020-0491, **File Type:** Contract

Agenda Number: 48.

CONSTRUCTION COMMITTEE AUGUST 20, 2020

SUBJECT: I-5 NORTH HOV & TRUCK LANE ENHANCEMENT CONSTRUCTION SUPPORT SERVICES CONSULTANT (CSSC) CONTRACT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. Negotiate and execute a 5-year cost-plus fixed fee Contract No. PS67828 with Hill International, Inc. to provide Construction Support Services for the I-5 North HOV & Truck Enhancement Project (Project), in an amount not-to-exceed \$50,000,000, and exercise 2 one-year options, when deemed appropriate; and
- B. Authorize the CEO to execute individual Contract Modifications within the Board approved Life of Project Budget.

ISSUE

A Construction Support Services Consultant (CSSC) is required to assist Metro staff in construction management oversight for the Project. Support services will begin in the construction contract procurement phase, continue through pre-construction activities and construction, and culminate in construction contract close. The CSSC will assist Metro staff with ensuring compliance with contract requirements and government regulations.

BACKGROUND

The Project is located both within the City of Santa Clarita and the unincorporated area of Los Angeles County, and consists of capacity and safety enhancements on I-5 between the SR-14 Interchange and the Parker Road Interchange, as well as Intelligent Transportation System (ITS) improvements between the I-405 and I-210 interchanges. The Project is approximately 17 miles in

total, with 13.6 centerline miles of median improvements to accommodate one HOV lane in each direction from north of SR-14 to just south of Parker Road interchange. It also includes outside improvements for auxiliary lanes at various locations between SR-14 and Parker Road to enhance freight operations and overall safety. ITS improvements, including count stations, closed-circle television (CCTV), and ramp metering will be performed along the entire alignment. The overall Project objectives are to improve public safety, enhance freight traffic flow and safety, and to ease congestion, enhance mobility, and improve regional traffic flow and travel time.

DISCUSSION

The Project is a design-bid-build project, meaning that all design plans and specifications have been 100% completed by Metro's design consultants prior to award of a construction contract. As such, it is beneficial to have additional technical reviews of those technical bid documents by a consultant team to minimize risks to Metro during bidding and construction. The CSSC will provide review support of the technical bid documents, administration, inspection services and technical support during the bid period, and construction and close out phases of the project. The CSSC will provide skilled individuals to assist Metro with the construction management of the project. The consultant team will reside in an integrated project field office with Metro staff.

Hill International, Inc. was selected based on qualification and price criteria used to evaluate a total of five proposers. They have the experience and competence in construction support services, design-bid-build and integrated team structures on some of the most challenging and complex projects in Los Angeles County. The CSSC Contract is for a base term of five (5) years plus two (2) one-year options. The CSSC Contract will be a cost plus fixed fee contract, meaning the consultant services will be performed within the cost constraints of an Advanced Cost Agreement (ACA). The ACA will include negotiated direct labor rates, indirect cost rates, general and administrative expenses (if applicable), fixed fee, and negotiated labor hours for the level of effort to match the work. The contract will be funded from the existing Project budget with consideration given to information available at the time of planning and applicable time constraints on performance of the work. LACMTA Program Management shall ensure that strict project controls are in place so that LACMTA may closely monitor the expenditure of the contract not-to-exceed amount and schedule. No funds are obligated until negotiations for each annual plan are finalized.

Contract No. PS67828 includes an eighteen percent (18%) goal for Disadvantaged Business Enterprise (DBE) requirement of the Total Contract Price. Hill International, Inc. made a DBE Commitment of 24.99% DBE goal. DEOD will actively monitor the consultant and their subcontracting plan to ensure the awarded party will uphold their commitment to the DBE goals during the Contract.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety.

FINANCIAL IMPACT

The Project is funded on a fiscal year basis under number 460313 cost center 8510, under various accounts including Professional/Technical Services and ROW acquisitions. The CSSC contract work scope will plan and fund on an annual basis until the Life of Project Budget is established. It is the responsibility of the Project Manager and Chief Program Management Officer to budget for this project in future fiscal years.

IMPACT TO BUDGET

The source of funds for this recommendation is Surface Transportation Block Grant Program, Fastlane/INFRA Grant, SB1 Trade Corridor Funding, Measure R Highway Capital and Measure M Highway Capital Funds. No other funds have been considered. These funds are not eligible for Metro's operations of bus and rail.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project is consistent with the following Metro Vision 2028 Goals and Objectives:

Goal 1: Providing high-quality mobility options and improve transit efficiency;

Goals 4 and 5: Transforming LA County through regional collaboration with Caltrans and the corridor cities by contributing funds and providing resources to assist Caltrans in completion of these projects

ALTERNATIVES CONSIDERED

The Board could direct Metro staff to perform construction support tasks with current in-house resources. This alternative would require Metro to divert resources from on-going projects and/or hire multiple full-time personnel that are not immediately available or funded. Additionally, this decision would result in further schedule delay and cost increases.

NEXT STEPS

After Board approval of the recommended action, staff will complete the process to award and execute Contract No. PS67828.

ATTACHMENTS

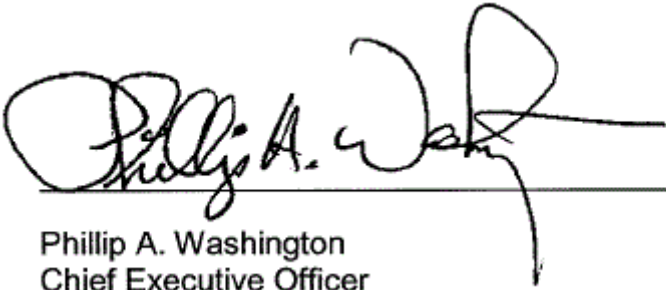
Attachment A - Procurement Summary
Attachment B - DEOD Summary

Prepared _By
Prepared by:
Brad Owen, Executive Officer, Program Management (213) 418-3143

Reviewed by:

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

Richard Clarke, Chief Program Management Officer, Program Management (213) 922-7447



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**I-5 N HOV AND TRUCK LANE ENHANCEMENT CONSTRUCTION SUPPORT
SERVICES CONSULTANT (CCSC)
PS67828**

| | | |
|----|---|--|
| 1. | Contract Number: PS67828 | |
| 2. | Recommended Vendor: Hill International, Inc. | |
| 3. | Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order | |
| 4. | Procurement Dates: | |
| | A. Issued : January 10, 2020 | |
| | B. Advertised/Publicized: January 11, 2020 through January 16, 2020 | |
| | C. Pre-Proposal Conference: January 16, 2020 | |
| | D. Proposals Due: March 5, 2020 | |
| | E. Pre-Qualification Completed: | |
| | F. Organizational Conflict of Interest Review Completed by Ethics: July 31, 2020 | |
| | G. Protest Period End Date: August 24, 2020 | |
| 5. | Solicitations Picked up/Downloaded: 132 | Proposals Received: 5 |
| 6. | Contract Administrator: Robert Romanowski | Telephone Number: 213-922-2633 |
| 7. | Project Manager: Paul Sullivan | Telephone Number: 213-922-4958 |

A. Procurement Background

This Board Action is to approve Contract No. PS67828 I-5 N HOV and Truck Lane Enhancement Construction Support Services Consultant (CSSC) to provide construction support services that will assist and support Metro in the performance of Metro's responsibilities managing the Construction of the upcoming I-5 N HOV and Truck Lane on behalf of Caltrans including assist and support overall project and construction management, community involvement, coordination of construction impacts with surrounding community, coordination with Metro Program Management Office including Construction Management, coordination with Caltrans, safety and security compliance oversight and loss prevention, quality management, cost and schedule management, environmental and project control oversight.

Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was a competitively negotiated procurement process, performed in accordance with Metro Procurement Policies and Procedures. This process required each of the Proposers' proposals and qualifications to be evaluated based on the evaluation criteria set forth in the RFP. The evaluation criteria were weighted, including the cost proposal. The Proposers were rated accordingly and the results are shown below. The RFP was issued with a DBE goal of 18%. The contract type is a cost plus fixed fee. The Contract is for a base term of five (5) years plus two (2) one-year options.

Seven amendments were issued during the solicitation phase of the RFP:

- Amendment No. 1, issued on January 27, 2020, extended the Proposal Due Date to February 25, 2020.
- Amendment No. 2, issued on February 11, 2020, extended the Proposal Due Date to March 3, 2020.
- Amendment No. 3, issued on February 12, 2020, corrected two required Certifications to correct template formatting errors.
- Amendment No. 4, issued on February 19, 2020, extended the Proposal Due Date one final time to March 5, 2020; deleted unnecessary clauses from the Contract template; modified and finalized the Submittal Requirements; and reinstated the CHANGES clause as a mandatory flow-down provision.
- Amendment No. 5, issued February 20, 2020, confirmed the Proposal Due Date of March 5, 2020, issued a CSSC STAFFING PLAN with a standardized level of effort (labor hours) for Proposers to use in preparing their Cost and Fee Proposal, and modified the Scope of Services to finalize the Direct Labor Categories.
- Amendment No. 6, issued February 25, 2020, deleted the requirement that Proposers demonstrate evidence of bonding capacity that had previously been added to the Submittal Requirements in Amendment No. 4.
- Amendment No. 7, issued March 2, 2020, confirmed the Proposal Due Date of March 5, 2020 and finalized the DBE requirements.

A total of five (5) proposals were received on March 5, 2020 from the following firms, listed in alphabetical order:

- AECOM
- Arcadis U.S., Inc.
- Hill International, Inc.
- North Valley Partners, Joint Venture
- PreScience Corporation

B. Evaluation of Proposals

A Proposal Evaluation Team (PET), consisting of staff from Metro Construction Management and Office of Transit Project Delivery, was convened and conducted a comprehensive evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and the associated weightings:

- Experience and Qualifications of Firms on the Consultant's Project Team 30 percent
- Experience and Capabilities of the Key Personnel 20 percent
- Project Understanding and Approach 30 percent
- Cost Proposal 20 percent

The evaluation criteria were appropriate and consistent with criteria developed for other, similar procurements for professional services. Several factors were considered when developing the weightings, giving the greatest importance to Experience and Qualifications of Firms on the Consultant's Project Team and Project Understanding and Approach.

The PET evaluated all five (5) written qualification proposals. On March 24, 2020, the PET held oral presentations with all five (5) Proposers. The firms were given the opportunity to present on:

Experience and Qualifications of Firms on the Consultant's Project Team and Project Understanding and Approach.

The proposing firms had the opportunity to present their proposed key personnel in the context of their presentation of the two Evaluation Criteria specified above as well as respond to the PET's clarifying questions. In general, each Proposer's presentation addressed the requirements of the RFP.

Of the five (5) proposals received, all five (5) were determined to be within the competitive range as defined by the determination that all five proposals are technically adequate and are responsive to the Submittal Requirements of the RFP.

Qualifications Summary of Firms within the Competitive Range in Alphabetical Order:

AECOM

- Proposal substantially meets the RFP minimum requirements and exceeds the requirements in the area of the Experience and Qualifications of Firms on the Consultant's Project Team and also in the area of Project Understanding and Approach.

ARCADIS U.S., INC.

- Proposal substantially meets the RFP minimum requirements and exceeds the requirements in the area of the Experience and Qualifications of Firms on the Consultant's Project Team.
- Proposal significantly exceeds the RFP minimum requirements in the area of Project Understanding and Approach.

HILL INTERNATIONAL, INC.

- Proposal substantially meets the RFP minimum requirements and exceeds the requirements in the area of the Experience and Qualifications of Firms on the Consultant’s Project Team.
- Response generally meets the RFP minimum requirements in the area of Experience and Capabilities of the Key Personnel.
- Proposal significantly exceeds the RFP minimum requirements in the area of Project Understanding and Approach.

NORTH VALLEY PARTNERS, JOINT VENTURE

- Response generally meets the RFP minimum requirements in the area of Experience and Qualifications of Firms on the Consultant’s Project Team.
- Response substantially meets the RFP minimum requirements and exceeds the requirements in the area of Project Understanding and Approach.

PRESCIENCE CORPORATION

- Response generally meets the RFP minimum requirements in the area of Experience and Qualifications of Firms on the Consultant’s Project Team.
- Response lacks information in demonstrating responsiveness to the Experience and Capabilities of Key Personnel.
- Response substantially meets the RFP minimum requirements and exceeds the requirements in the area of Project Understanding and Approach.

The PET evaluated and scored all five (5) proposals as follows, based on the evaluation criteria in the RFP, and assessed major strengths, weaknesses and associated risks of each of the Proposers. The most advantageous Proposer was determined to be Hill International, Inc. The final scoring was based on evaluation of the written proposals, as supported by oral presentations, clarifications received from the Proposers, and Cost. The results of the final scores are shown below:

| | Firm | Average Score | Factor Weight | Weighted Average Score | Rank |
|--|---|----------------------|----------------------|-------------------------------|-------------|
| | HILL INTERNATIONAL, INC. | | | | |
| | Experience and Qualifications of Firms on the Consultant’s Project Team | 87.22 | 30% | 26.17 | |
| | Experience and Capabilities of the Key Personnel | 83.75 | 20% | 16.75 | |
| | Project Understanding and Approach | 86.10 | 30% | 25.83 | |
| | Cost Proposal | 98.75 | 20% | 19.75 | |
| | Total | | 100.00% | 88.50 | 1 |
| | | | | | |

| | | | | | |
|--|---|--------|----------------|--------------|----------|
| | ARCADIS U.S., INC. | | | | |
| | Experience and Qualifications of Firms on the Consultant's Project Team | 86.22 | 30% | 25.87 | |
| | Experience and Capabilities of the Key Personnel | 85.35 | 20% | 17.07 | |
| | Project Understanding and Approach | 87.77 | 30% | 26.33 | |
| | Cost Proposal | 79.85 | 20% | 15.97 | |
| | Total | | 100.00% | 85.23 | 2 |
| | | | | | |
| | NORTH VALLEY PARTNERS, JOINT VENTURE | | | | |
| | Experience and Qualifications of Firms on the Consultant's Project Team | 82.43 | 30% | 24.73 | |
| | Experience and Capabilities of the Key Personnel | 83.50 | 20% | 16.70 | |
| | Project Understanding and Approach | 88.83 | 30% | 26.65 | |
| | Cost Proposal | 81.50 | 20% | 16.30 | |
| | Total | | 100.00% | 84.38 | 3 |
| | | | | | |
| | PRESCIENCE CORPORATION | | | | |
| | Experience and Qualifications of Firms on the Consultant's Project Team | 75.57 | 30% | 22.67 | |
| | Experience and Capabilities of the Key Personnel | 66.65 | 20% | 13.33 | |
| | Project Understanding and Approach | 87.30 | 30% | 26.19 | |
| | Cost Proposal | 100.00 | 20% | 20.00 | |
| | Total | | 100.00% | 82.19 | 4 |
| | | | | | |
| | AECOM | | | | |
| | Experience and Qualifications of Firms on the Consultant's Project Team | 90.10 | 30% | 27.03 | |
| | Experience and Capabilities of the Key Personnel | 79.60 | 20% | 15.92 | |
| | Project Understanding and Approach | 84.43 | 30% | 25.33 | |
| | Cost Proposal | 55.05 | 20% | 11.01 | |
| | Total | | 100.00% | 79.29 | 5 |

* Weighted Scores are rounded up to the nearest second decimal point.

** Cost proposals were based on the Proposer's rates for a sample level of effort. Scores shown above for the cost proposals are based on formulae in the RFP with the highest score going to the lowest cost proposal.

C. Cost/Price Analysis

Metro performed a price analysis of labor rates and comparing the five (5) proposals in the competitive range with one another as well as Metro's estimate. All Cost Proposals were based on direct labor rates, overhead cost rates, other direct costs, sub-consultant costs and fixed fee. The proposed cost rates for the recommended firm were determined to be fair and reasonable. Negotiations have not yet been finalized.

| | Proposer Name | Cost Proposal Amount ⁽¹⁾ | Metro ICE | Recommended Contract Amount ⁽²⁾ |
|---|---|--|------------------|---|
| 1 | Prescience Corporation | \$23,595,013.93 | \$54,034,293 | \$50,000,000 |
| 2 | Hill International, Inc. | \$23,896,911.90 | | |
| 3 | North Valley Partners, Joint Venture | \$28,950,711.54 | | |
| 4 | Arcadis U.S., Inc. | \$29,544,993.37 | | |
| 5 | AECOM | \$42,862,892.61 | | |

Notes:

- (1) The cost proposal amounts shown are only for the standardized level of effort based on a Staffing Plan of 121,064 labor hours of Key Personnel issued in the RFP, in order to perform price analysis for evaluation purposes only. Hourly labor rates, overhead rates, ODCs, and fixed fee will be negotiated in order to reach a final Total Contract Price that can be determined to be fair and reasonable.
- (2) The amount \$50,000,000 is the requested NTE for the basic term of the contract. Work will be funded annually according to an Annual Work Program.

D. Background on Recommended Contractor

The recommended firm, Hill International, Inc. is an advisory and project construction management (PM/CM) consulting firm. Hill International, Inc. has managed similar projects for Caltrans District 7 and 8, among others.

DEOD SUMMARY

I-5 NORTH HOV & TRUCK LANE ENHANCEMENT CONSTRUCTION SUPPORT
SERVICES / PS67828**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established an 18% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Hill International, Inc. made a 24.99% DBE commitment. Hill International, Inc.'s final DBE commitment will be determined once negotiations have concluded.

| | | | |
|----------------------------|----------------|----------------------------------|-------------------|
| Small Business Goal | 18% DBE | Small Business Commitment | 24.99% DBE |
|----------------------------|----------------|----------------------------------|-------------------|

| | DBE Subcontractors | Ethnicity | % Committed |
|-------------------------|---|-----------------------------|--------------------|
| 1. | Destination Enterprises, Inc. | Caucasian Female | 2.07% |
| 2. | IQON Engineers, Inc. | Subcontinent Asian American | 0.11% |
| 3. | PacRim Engineering, Inc. | Asian Pacific American | 0.11% |
| 4. | KZAB Engineers, Inc. | Subcontinent Asian American | 6.29% |
| 5. | FCG Consultants, Inc. | Caucasian Female | 3.33% |
| 6. | S2 Engineering, Inc. | Subcontinent Asian American | 6.35% |
| 7. | California Testing and Inspections | Hispanic American | 0.12% |
| 8. | TEC Management Consultants, Inc. | African American | 1.43% |
| 9. | Mammoth Associates, LLC | Caucasian Female | 1.17% |
| 10. | D'Leon Consulting Engineers | Hispanic American | 0.14% |
| 11. | CQMS, Construction Quality Management Solutions, Inc. | Caucasian Female | 3.87% |
| Total Commitment | | | 24.99% |

B. Contracting Outreach and Mentoring Plan

Proposers were required to submit a Contracting Outreach and Mentoring Plan (COMP), which included its plan to mentor three (3) DBE firms for protégé development. Hill International, Inc. met this requirement.

C. Living Wage and Service Contract Worker Retention Policy Applicability

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

D. Prevailing Wage Applicability

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA).

E. 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.



File #: 2020-0579, File Type: Oral Report / Presentation

Agenda Number: 49.

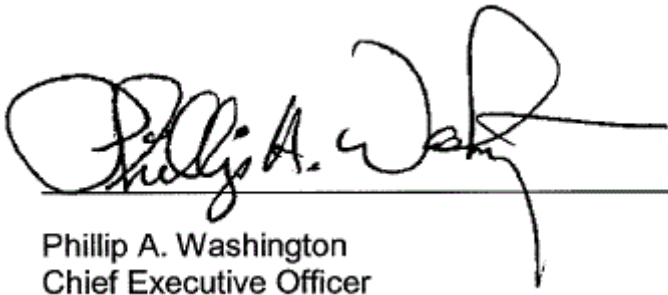
**REGULAR BOARD MEETING
AUGUST 27, 2020**

SUBJECT: UPDATE ON CRENSHAW/LAX PROJECT

ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE oral report on Crenshaw/LAX Project.



Phillip A. Washington
Chief Executive Officer

Next stop: more rail.

CRENSHAW/LAX TRANSIT PROJECT



**Board Meeting – Crenshaw/LAX
Community Outreach**

Metro

August 27, 2020



Community Outreach and Engagement

- **Direct Outreach to Area Stakeholders**
 - Door-to-door distribution of construction notice to business owners and residents within ¼ mile
 - Electronic notification of construction notice via emails to project stakeholder list and postings on project website, social media, and NextDoor.com
 - Construction mitigation support to businesses via Eat Shop Play campaigns and signage
 - Stakeholder engagement with faith-based organizations and first responders
- **Briefings:**
 - City Council Districts (concurrence for closures granted)
 - Cities of Los Angeles and Inglewood
 - Neighborhood Council
 - Community Leadership Council
- **Community Construction Update Meeting (virtual):**
 - September 23, 2020

Street Closures



Park Mesa Heights
Partial Street Closure at
Crenshaw Blvd. and 54th St.

Anticipated Remaining Full Street Closures

Description

Park Mesa Heights Crossings & Intersections

Complete roadway repairs, pave cross streets, and pave intersections (48th St, 50th St, 52nd St, 54th St, 57th St, 59th St, at the intersections of Crenshaw Bl)

Slauson Crossing & Intersection

Complete roadway repairs, and paving Slauson intersection at the intersection of Crenshaw Bl

Crenshaw Bl Cut & Cover Structures

Complete final paving lift (Expo, MLK, Vernon Stations; UG-3 & UG-4)

Redondo Bl, West Bl, High St, Locust St

Complete final paving adjacent to West and La Brea Stations

La Cienega Bl

Full depth roadway paving at Florence Ave

104th St at Aviation Bl

LADWP power utility protection

Imperial Highway at Aviation Bl

Lower roadway profile and paving

Banners – Leimert Park Station



Banners

Banners Installed at Leimert Park Station

Banners – Leimert Park Station

Banners

Banners Installed at Leimert Park Station



Banners – Leimert Park Station

Banners

Banners Installed at Leimert Park Station



Banners – Leimert Park Station

Banners

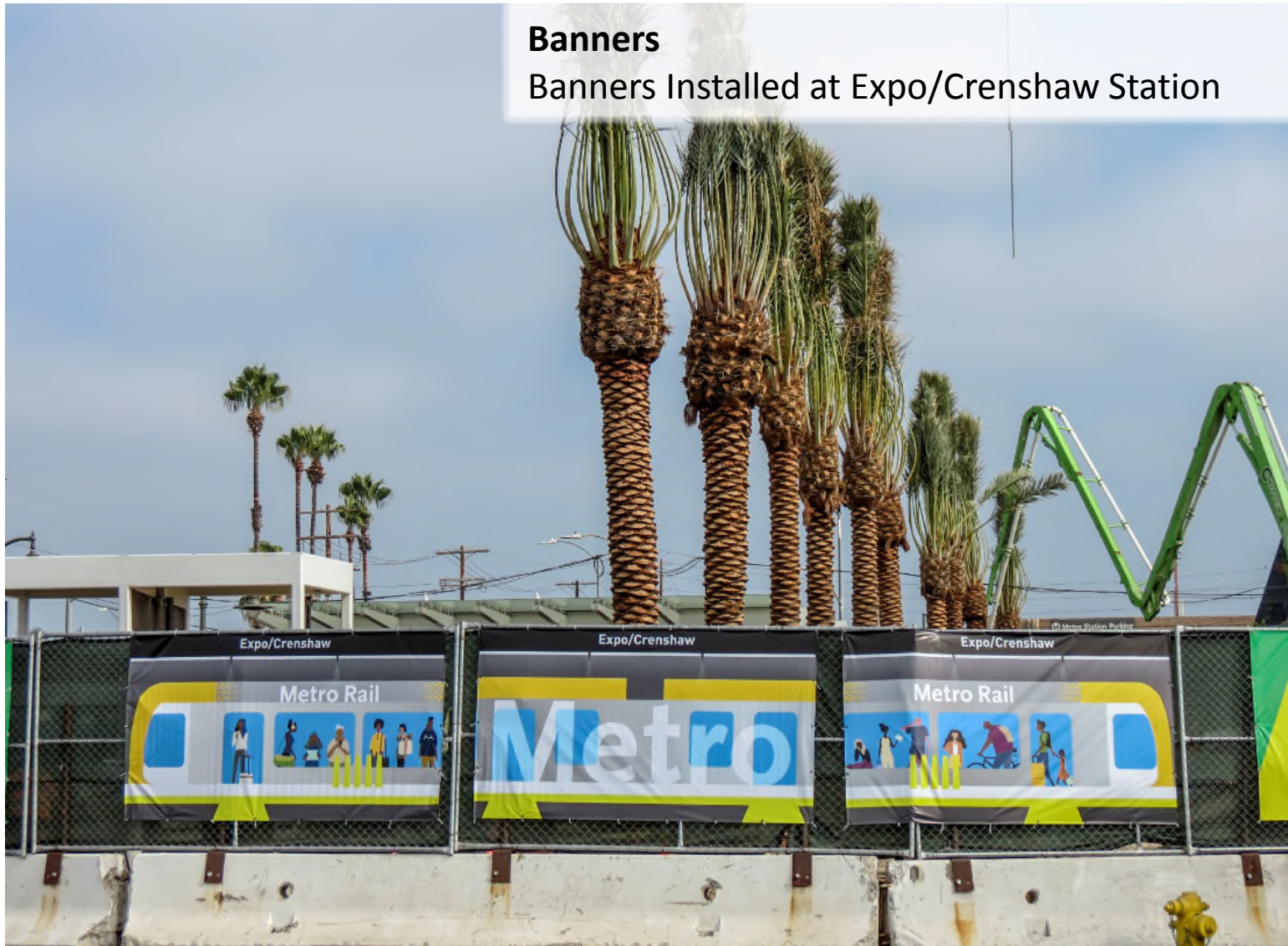
Banners Installed at Leimert Park Station



Banners – Expo Crenshaw Station

Banners

Banners Installed at Expo/Crenshaw Station



Banners – Expo Crenshaw Station

Banners

Banners Installed at Expo/Crenshaw Station



Banners – Expo Crenshaw Station

Banners

Banners Installed at Expo/Crenshaw Station



Banners – Expo Crenshaw Station

Banners

Banners Installed at Expo/Crenshaw Station



Banners – Expo Crenshaw Station

Banners

Banners Installed at Expo/Crenshaw Station



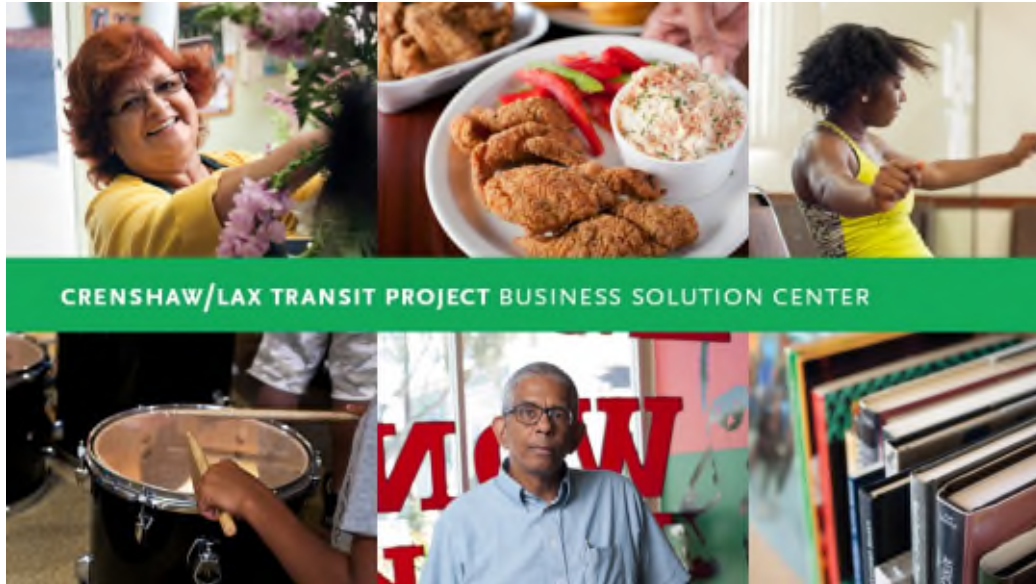
Banners – Expo Crenshaw Station

Banners

Banners Installed at Expo/Crenshaw Station



Business Solution Center (BSC)



BSC Business Resources:

- Hands-on business development
- Expert business advice and coaching
- Technical assistance
- Referrals to technical experts

BSC Program Statistics (from December 2014 – July 2020):

- Number of businesses Contacted: 474
- Number of business Intakes/Assessments: 363
- Total Number of Clients Served: 341
- Number of referrals: 1,145

Business Interruption Fund (BIF)

BUSINESS INTERRUPTION FUND



Total Awards to Date

| | |
|----------------|-----------------|
| Grants awarded | 704 |
| Grant value | \$17,269,476.87 |
| Business count | 223 |

Status as of 8/19/20

Next stop: more rail.

CRENSHAW/LAX TRANSIT PROJECT



Board Meeting Update

Metro

August 27, 2020

Budget / Schedule

◆ BUDGET

| | <u>Current</u> | <u>Forecast</u> |
|------------|----------------|-----------------|
| TOTAL COST | \$2,148M | \$2,148M |

◆ SCHEDULE

| | <u>Current</u> | <u>Forecast</u> |
|-------------------|----------------|-----------------|
| REVENUE OPERATION | May 2021 | May 2021 |

- Overall Project Progress is 96.1% complete.
- Contractor continues rework for trackwork and underground stations conduits.
- Contractor continues work at all stations and street work restoration/landscaping across Project.
- Concerned that contractor is not applying sufficient work force to complete their remaining work and their systems testing by December 2020.



Excavating/removing section of pavement for restoration on southbound Crenshaw Blvd and 54th St.



Continue installing supports and fixtures for the crossover lighting at the invert level of Expo/Crenshaw Station.



Street Closures



Park Mesa Heights
Partial Street Closure at
Crenshaw Blvd. and 54th St.

Train Testing (La Brea Bridge)



Train Testing at La Brea Bridge (Downtown Inglewood)

Train Testing (405 Bridge)



Critical Work – System Testing



Expo Station
Subcontractor Performing
Continuity Test

08/10/2020 10:41

Critical Work – System Testing



Expo Station
Subcontractor Performing Troubleshooting
for Local Control Panel (LCP)

Critical Work – System Testing



Westchester – Veterans Station
Subcontractor Performing Public
Address (PA) Sound Level LFAT

07/28/2020 09:43

Critical Work – Station Finishes



Expo Station
Palm Tree Planting

Critical Work – Street Restoration



Challenges

- Target Contractor Handover Date of December 2020
- Significant Volume of Complex Testing
- Technical Difficulties
- Lack of Resources
- Repairs of Deficient Work



Board Report

File #: 2020-0461, **File Type:** Policy

Agenda Number: 50.

**REGULAR BOARD MEETING
AUGUST 27, 2020**

SUBJECT: ROSECRANS/MARQUARDT GRADE SEPARATION PROJECT

**ACTION: ADOPT RESOLUTION OF NECESSITY TO ACQUIRE
PROPERTY RM-17**

RECOMMENDATION

CONSIDER:

A. Holding a hearing on the proposed Resolution of Necessity; and

B. Adopting a Resolution of Necessity authorizing the commencement of an eminent domain action to acquire a Utility Overhang Easement and a 54-month Temporary Construction Easement from the property identified as Parcel RM-17 (APN: 8059-029-036; formerly 8059-029-006 and 8059-029-007). The property listed above is herein referred to as the "Property".

REQUIRES 2/3 VOTE

BACKGROUND

The acquisition of the Property is required for the construction and operation of the Rosecrans/Marquardt Grade Separation Project ("Project"). The Project will improve the safety and traffic flow of the Rosecrans Avenue and Marquardt Avenue intersection.

A written offer to purchase the Property was delivered to the Owners of Record ("Owner") of the Property, as required by California Government Code Section 7267.2. The Owner has not accepted the offer of Just Compensation made by the Los Angeles County Metropolitan Transportation Authority ("LACMTA"), and the parties have not reached negotiated settlement as of this date. Since the Property is necessary for construction of the Project, staff recommends the acquisition of the Property through eminent domain to maintain the Project schedule.

In accordance with the provisions of the California Eminent Domain law and Sections 30503, 30600, 130051.13, 130220.5 and 132610 of the California Public Utilities Code (which authorize the public acquisition of private property by eminent domain), LACMTA has timely prepared and mailed notice of this hearing to the Owner informing them of their right to appear at this hearing and be heard on the following issues: (1) whether the public interest and necessity require the Project; (2) whether the

Project is planned or located in the manner that will be most compatible with the greatest good and the least private injury; (3) whether their respective Property is necessary for the Project; (4) whether either the offer required by Section 7267.2 of the Government Code has been made to the Owner, or the offer has not been made because the Owner cannot be located with reasonable diligence; (5) whether environmental review of the Project has complied with the California Environmental Quality Act (CEQA) and (6) whether LACMTA has given the notice(s) and followed the procedures that are a prerequisite to the exercise of the power of eminent domain.

After all of the testimony and evidence has been received by LACMTA's Board from all interested parties at the hearing, LACMTA's Board must make a determination as to whether to adopt the proposed Resolution of Necessity to acquire the Property by eminent domain. In order to adopt the Resolution, LACMTA's Board must, based on the evidence before it, and by a vote of two-thirds of all of its members, find and determine that the conditions stated in the items 1-6 above exist. Attached is evidence submitted by staff that supports adoption of the Resolution that has been approved by counsel, which sets forth the required findings (Attachment A).

DETERMINATION OF SAFETY IMPACT

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

FINANCIAL IMPACT

The funding for the Overhead Utility Easement and 54-month Temporary Construction Easement is included in the Fiscal Year 2021 Budget for the Rosecrans Marquardt Grade Separation Project in Cost Center 2415 under Project Number 460066. Since this is a multi-year project, the Cost Center Manager, Project Manager and Chief of Program Management will be responsible for future fiscal year budgeting.

Impact to Budget

The FY 2021 budget is designated for the Rosecrans Marquardt Grade Separation Project and is funded with Measure R 20% Highway Capital Funds. The FY 2021 funds were planned and designated for this project. Design and construction of this project does not have an impact to operations funding sources.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Equity Platform Framework Consistency

Equity is afforded to property owners to engage and have a voice in the decision-making process with regards to the acquisition of their property.

Strategic Plan Consistency

The recommended Board action is consistent with LACMTA Vision 2028, Goal #1: Provide high quality mobility options that enable people to spend less time traveling. Acquisition of property is a

required step for the ultimate construction and operation of the Rosecrans Marquardt Grade Separation Project which will provide additional mobility.

NEXT STEPS

If this action is approved by the Board, LACMTA's condemnation counsel will be instructed to take all steps necessary to commence legal proceedings in a court of competent jurisdiction to acquire the property interest by eminent domain. Counsel will also be directed to seek and obtain an Order of Prejudgment Possession in accordance with the provisions of the eminent domain law, as necessary.

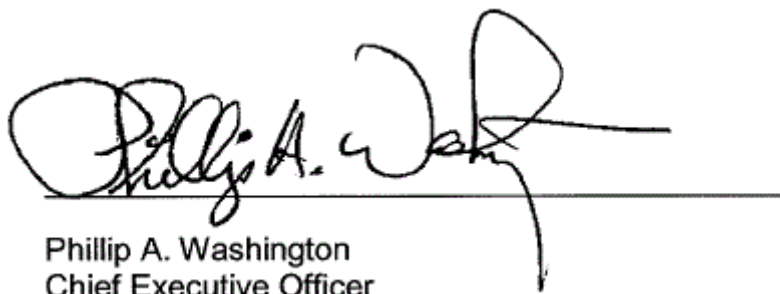
ATTACHMENTS

Attachment A - Staff Report

Attachment B - Resolution of Necessity

Prepared by: Craig Justesen Director of Real Property Management & Development, (213) 922-7051
Velma C. Marshall, Deputy Executive Officer- Real Estate (213) 922-2415
Holly Rockwell, Senior Executive Officer, Real Property Management & Development,
(213) 922-5585

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



Phillip A. Washington
Chief Executive Officer

STAFF REPORT REGARDING THE NECESSITY FOR THE ACQUISITION OF PROPERTY FOR THE ROSECRANS/MARQUARDT GRADE SEPARATION PROJECT – RM-17

BACKGROUND

The Property is required by the Los Angeles County Transportation Authority for the construction and operation of the Rosecrans/Marquardt Grade Separation ("Project"). The address, record owners (as indicated by a title report) ("Owner"), physical description, and nature of the property interests sought to be acquired for the Project are summarized in the table below.

| Assessor's Parcel Number | Parcel Address | Property Owner | Purpose of Acquisition | Property Interest Sought | LACMTA Parcel Number |
|---|--|-----------------------|--|--|-----------------------------|
| 8059-029-036 formerly 8059-029-006 and 8059-029-007 | 14013 Marquardt Avenue, Santa Fe Springs, CA 90670 | VB-Marquardt, LLC | Rosecrans/Marquardt Grade Separation Project | Utility Overhang Easement and a 54-month Temporary Construction Easement | RM-17 |

A written offer to acquire the Property was presented to the Owner or Owner's Representative by a letter dated May 15, 2019. LACMTA has attempted to negotiate with the Owner and/or their attorneys, and to date, the Owner has not accepted the offers to purchase.

A. The public interest and necessity require the Project.

The purpose of the Project is to:

- 1) Improve safety;
- 2) Maintain access to the railroad for emergency responders;
- 3) Maintain existing railroad facilities and operations; and
- 4) Accommodate future High-Speed Rail in the corridor.

The Rosecrans/Marquardt Avenue and BNSF railroad tracks intersection experiences an average of 45,000 vehicles and 112 trains traveling through the intersection within each 24-hour period, as estimated using Los Angeles County Department of Public Works traffic data from 2011 (Los Angeles County Department of Public Works, 2015). The BNSF line serves approximately 55 long distance and local freight trains, as well as up to 57 passenger trains for both Metrolink commuter and Amtrak within a 24-hour time period (Los Angeles County Metropolitan Transportation Authority, 2016). The existing BNSF

railroad tracks and roadway are at the same grade. This causes a high volume of vehicle conflicts at the intersection. In addition, the railroad crossing traverses the intersection diagonally, which results in poor sight distance between roadway and railroad vehicles.

The combination of these factors has caused the intersection to experience a higher proportion of traffic incidents than average, including fatalities. The ongoing danger has prompted the CPUC under Section 190 to rate this intersection as the most hazardous at-grade railroad crossing in the state. The completion of this Project would alleviate the existing vehicle conflicts and safety hazards at the intersection.

Motorist, cyclist, bus, and emergency vehicle access will need to be maintained at all times during construction of the Project. In addition, train volume in the BNSF corridor is anticipated to increase in the future. Additionally, a third BNSF track is planned for this corridor. The Project would facilitate continued access to and around the Project area, including access to the railroad.

The intersection of railroad and roadway infrastructure poses competing interests, which lead to collisions and accidents in the project area. To accommodate existing and planned railroad facilities and operations, the Project would elevate Rosecrans Avenue to an overpass, which would allow critical improvements along the roadway and BNSF right of way to occur.

The Project area does not currently accommodate for future HSR planned in the BNSF railroad corridor. At the conclusion of the California High-Speed Train System Tier 1 EIR/EIS, FRA and CHSRA identified the BNSF corridor as the proposed corridor for the HSR Los Angeles to Anaheim project section. FRA and CHSRA are currently conducting further Tier 2 environmental analysis and this Project would be designed to accommodate and not preclude future HSR infrastructure, minimizing time and costs between both projects.

B The Project is planned or located in the manner that will be most compatible with the greatest public good and least private injury.

The Environmental Assessment evaluates the proposed action and the Project alternatives that were developed to meet the identified purpose and need of the Project. When developing alternatives, the following criteria were considered:

- Traffic impacts during construction;
- Required utility relocations;
- Access to businesses during construction;
- ROW impacts;
- Impacts to railroad operations; and
- Project costs.

Several build alternatives were considered, but only one build alternative was recognized as feasible, Alternative 2: Offset Overpass with Connector Road. The Build Alternative was identified as a suitable alternative using the criteria above. Therefore, the alternatives considered for the Project are the Alternative 1 (No Build Alternative) and one Build Alternative (Alternative 2). Resource areas evaluated for each alternative include land use, community impacts, utilities/emergency services, traffic and transportation/pedestrian and bicycle facilities, visual/aesthetics, cultural resources, water quality and storm water runoff, hazardous waste/materials, air quality, and noise. In addition, the potential cumulative impact of past, present, and reasonably foreseeable future projects in the project region are evaluated with respect to these resources.

Under Alternative 1 (No Build Alternative), the current configuration of the Rosecrans/Marquardt Avenue and BNSF railroad tracks intersection would be maintained, and the at-grade railroad crossing would remain. This alternative would not improve safety because each user (trains, vehicles, and pedestrians) would continue sharing the Rosecrans/Marquardt intersection crossing, which would not address the risk of collision. Additionally, the segment of BNSF corridor in the project area has been planned for a third set of BNSF tracks, which would require changes in roadway geometry in the project area. Existing conditions are not conducive to accommodate future HSR infrastructure. Under the No Build Alternative, construction activities would not be completed. However, this alternative would not help to achieve the desired safety or circulation improvements, and would therefore not meet the Project purpose and need.

Under Alternative 2 (Build Alternative), Rosecrans Avenue would be realigned to the south, and an overpass would be constructed to raise Rosecrans Avenue over Marquardt Avenue, the BNSF ROW, and Stage Road. The southern leg of Marquardt Avenue would be extended under the overpass and connected to Rosecrans Avenue. The northern leg of Marquardt Avenue would be connected to Stage Road. A frontage road would also be constructed to connect Anson Avenue to the northern leg of Marquardt Avenue and Stage Road.

Traffic signals would be installed along Rosecrans Avenue: one at the intersection with Marquardt Avenue to the west, and one to the east of the overpass at the intersection with Iseli Road. Other improvements include sidewalk construction, street lighting installation, landscape installation/replacement, parking lot reconfiguration, and utility relocations. Alternative 2 would require full acquisition of eight properties, including six industrial properties and two commercial properties (Sierra Plaza and VCA Animal Hospital), and various partial and temporary easements, including seven roadway easements, one footing easement, one utility easement, and 15 temporary construction easements (TCEs). Construction would be completed over an approximately 24-month period.

Improvements considered under Alternative 2 would meet the purpose and need of the Project. Connectivity between Rosecrans Avenue, Marquardt Avenue, Stage Road, and Anson Avenue would be maintained through the use of signalized intersections. Utilities in the existing roadway would remain in their existing alignment, minimizing the duration

of construction. Proposed transportation structures would be located outside of the BNSF ROW, so that a third set of BNSF tracks and future HSR tracks would be accommodated. The majority of construction activities under this alternative would be completed outside of the existing Rosecrans Avenue footprint in order to meet the purpose and need element, “maintain access to the railroad for emergency responders”, which includes access during Project construction. Access disruptions to residents, businesses, and the community during construction would be minimized to the maximum extent feasible. Operation of Alternative 2 would enhance mobility and quality of life for the community. Therefore, the Project would help achieve the desired safety and circulation improvements, and would meet the Project purpose and need.

C. The Property is Necessary for the Project.

The Property is required for the construction of the overhead pass over Marquardt Avenue, realigning Rosecrans Avenue to the south, and providing the adjacent property located at 13659 Rosecrans Avenue, Santa Fe Springs, temporary access to a public road. The selected alignment is critical in connecting Rosecrans Avenue, Marquardt Avenue, Stage Road, and Anson Avenue.

Staff recommends that the Board find that the acquisition of the Property is necessary for the Project.

D. Offer was made in compliance with Government Code Section 7267.2.

California Code of Civil Procedure section 1245.230 requires that a Resolution of Necessity contain a declaration that the governing body has found and determined that either the offer required by section 7267.2 of the California Government Code has been made to the owner(s) of record, or the offer has not been made because the owner(s) cannot be located with reasonable diligence.

California Government Code section 7267.2 requires that an offer be made to the owner or to the owner(s) of record and in an amount which the agency believes to be just compensation. The amount must not be less than the agency's approved appraisal of the fair market value of the property. In addition, the agency is required to provide the owner(s) with a written statement of, and summary of the basis for, the amount it established as just compensation.

Staff has taken the following actions as required by California law for the acquisition of the Property:

1. Obtained appraisals to determine the fair market value of the Property, which included consideration of any immovable fixtures and equipment as appropriate;
2. Reviewed and approved the appraisal, and established the amount it believes to be just compensation for the Property;
3. Determined the owner(s) of the Property by examining the county assessor's record

and the title report;

4. Made a written offer to the owner(s) for the full amount of just compensation - which was not less than the approved appraised values; and
5. Provided the owner(s) with a written statement of, and summary of the basis for, the amounts established as just compensation with respect to the foregoing offer.

It is recommended that based on the above evidence, the Board find and determine that the offer required by Section 7267.2 of the California Government Code have been made to the owner(s) of record.

E. LACMTA has fulfilled the necessary statutory prerequisites.

LACMTA is authorized to acquire property by eminent domain for the purposes contemplated by the Project under Public Utilities Code §§ 30503, 30600, 130051.13, and 130220.5; Code of Civil Procedure §§ 1230.010-1273.050; and Article I, § 19 of the California Constitution.

F. CEQA/NEPA Compliance

As per Section 21080.13 of CEQA, all railroad grade separation projects are exempt under CEQA; as such this project has been statutory exempted from CEQA. The Notice of Exemption was given February 29, 2016 from the Governor's Office of Planning & Research. The Draft Environmental Assessment report was issued by the Federal Railroad Administration (FRA) in April 2018, pursuant to 42 USC § 4332, 49 USC § 303 and 64 FR 28545.

Accordingly, LACMTA has fulfilled the necessary statutory prerequisites to acquire the Property by eminent domain.

CONCLUSION

Staff recommends that the Board adopt the Resolution of Necessity.

**RESOLUTION OF THE
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY
DECLARING CERTAIN REAL PROPERTY NECESSARY FOR PUBLIC PURPOSES
AND AUTHORIZING THE ACQUISITION THEREOF FOR
THE ROSECRANS/MARQUARDT GRADE SEPARATION PROJECT PARCEL**

RM-17 (APN: 8059-029-036) formerly 8059-029-006 and 8059-029-007

THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY HEREBY FINDS, DETERMINES, AND RESOLVES AS FOLLOWS:

Section 1.

THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY ("LACMTA") is a public entity organized and existing pursuant to Chapter 2 of
Division 12 of the California Public Utilities Code (commencing with Section 130050).

Section 2.

The property interests described hereinafter is to be taken for public use, namely, for
the Rosecrans/Marquardt Project ("Project") and for public transportation purposes and all
uses necessary, incidental or convenient thereto, and for all public purposes pursuant to the
authority conferred upon the Board to acquire property by eminent domain by California
Public Utilities Code Sections 30000-33027, inclusive, and particularly Section 30503 and
30600, Sections 130000-132650, inclusive, and particularly Sections 130051.13, 130220.5,
and 132610, Code of Civil Procedure Sections 1230.010-1273.050, inclusive, and
particularly Sections 1240.510 and 1240.610, and Article I, Section 19 of the California
Constitution.

Section 3.

The property interests consist of the acquisition of a Utility Overhang Easement and
a 54-month Temporary Construction Easement as described more specifically in the Legal
Descriptions (Exhibit A and Exhibit A-1) and depicted on the Plat Maps (Exhibit B and
Exhibit B-1), attached hereto (hereinafter the "Property"), incorporated herein by this
reference.

Section 4.

(a) The acquisition of the above-described Property is necessary for the development, construction, operation, and maintenance of the Project;

(b) As per Section 21080.13 of CQA, all railroad grade separation projects are exempt under CEQA. The Notice of Exemption was given February 29, 2016 from the Governor's Office of Planning & Research. The Draft Environmental Assessment report was issued by the Federal Railroad Administration (FRA) in April 2018, pursuant to 42 USC § 4332, 49 USC § 303 and 64 FR 28545.

Accordingly, LACMTA has fulfilled the necessary prerequisites to acquire the Property by eminent domain.

Section 5.

The Board hereby declares that it has found and determined each of the following:

(a) The public interest and necessity require the proposed Project;

(b) The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;

(c) The Property sought to be acquired, which has been described herein, is necessary for the proposed Project;

(d) The offer required by Section 7267.2 of the Government Code has been made to the Owner; and

(e) The California Environmental Quality does not apply to railroad grade separation projects which eliminate an existing grade crossing, and therefore no environmental document is required for this Project.

Section 6.

Pursuant to sections 1240.510 and 1240.610 of the Code of Civil Procedure, to the extent that the Property is already devoted to a public use, the use to which the Property is to be put is a more necessary public use than the use to which the Property is already devoted, or, in the alternative, is a compatible public use which will not unreasonably interfere with or impair the continuance of the public use to which the Property is already devoted.

Section 7.

The Property sought to be acquired is also necessary for the purpose specified in Section 1240.350 of the Code of Civil Procedure, to provide temporary access to a public road, and as such the taking of the Property is authorized by Section 1240.350 of the Code of Civil Procedure.

Section 8.

The notice of intention to adopt this resolution was given by first class mail to each person whose Property is to be acquired by eminent domain in accordance with section 1245.235 of the Code of Civil Procedure and a hearing was conducted by the Board on the matters contained herein.

Section 9.

Legal Counsel is hereby authorized and directed to take all steps necessary to commence legal proceedings, in a court of competent jurisdiction, to acquire the Property described above by eminent domain. Counsel is also authorized and directed to seek and obtain an Order for Prejudgment Possession of the Property in accordance with the provisions of the eminent domain law and is directed that the total sum of probable just compensation be deposited with the State Treasurer or the Clerk of the Superior Court. Counsel may enter into stipulated Orders for Prejudgment Possession and/or Possession and Use Agreements, where such agreements constitute the functional equivalent of an Order for Prejudgment Possession. Counsel is further authorized to correct any errors or to make or agree to any non-material changes to the legal description of the real property that are deemed necessary for the conduct of the condemnation action or other proceedings or transactions required to acquire the Property.

Counsel is further authorized to compromise and settle, subject to approval by the Board when required, such eminent domain proceedings, if such settlement can be reached, and in that event, to take all necessary action to complete the acquisition, including stipulations as to judgment and other matters, and causing all payments to be made. Counsel is further authorized to associate with, at its election, a private law firm for the preparation and prosecution of said proceedings.

I, MICHELE JACKSON, Secretary of the Los Angeles County Metropolitan Transportation Authority, do hereby certify that the foregoing Resolution was duly and regularly adopted by a vote of two-thirds of all the members of the Board of the Metropolitan Transportation Authority at a meeting held on the 27th day of August, 2020.

Date: _____

MICHELE JACKSON
LACMTA Secretary

ATTACHMENTS

- 1 - Legal Descriptions (Exhibit "A" and Exhibit "A-1")
- 2 - Plat Maps (Exhibit "B" and Exhibit "B-1")

EXHIBIT A

**SOUTHERN CALIFORNIA EDISON COMPANY
OVERHANG EASEMENT
LEGAL DESCRIPTION**

PARCEL A (A.P.N. 8059-029-007)

THAT PORTION OF THE LAND, IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS PARCEL 2 IN THE GRANT DEED RECORDED JANUARY 21, 1997 AS INSTRUMENT NO. 97-100550, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE GENERALLY NORTHEASTERLY LINE OF SAID PARCEL 2 AND THE WESTERLY RIGHT-OF-WAY LINE OF MARQUARDT AVENUE AS DESCRIBED IN THE DOCUMENT RECORDED NOVEMBER 24, 1975 AS INSTRUMENT NO. 4294, OF OFFICIAL RECORDS;

THENCE ALONG SAID GENERALLY NORTHEASTERLY LINE NORTH 74°16'14" WEST, 6.25 FEET TO A LINE THAT IS PARALLEL WITH AND 26.00 FEET WESTERLY, MEASURED AT RIGHT ANGLES, OF THE EASTERLY LINE OF SAID INSTRUMENT NO. 4294;

THENCE LEAVING SAID GENERALLY NORTHEASTERLY LINE AND ALONG SAID PARALLEL LINE SOUTH 00°29'29" EAST, 258.89 FEET;

THENCE LEAVING SAID PARALLEL LINE SOUTH 63°20'00" WEST, 14.80 FEET TO THE SOUTHWESTERLY LINE OF SAID PARCEL 2;

THENCE ALONG SAID SOUTHWESTERLY LINE SOUTH 55°52'34" EAST, 6.87 FEET TO A LINE THAT IS PARALLEL WITH AND 6.00 FEET SOUTHEASTERLY, MEASURED AT RIGHT ANGLES, OF THE LAST SAID COURSE DESCRIBED AS "SOUTH 63°20'00" WEST, 14.80 FEET";

THENCE LEAVING SAID SOUTHWESTERLY LINE AND ALONG LAST SAID PARALLEL LINE NORTH 63°20'00" EAST, 15.18 FEET TO SAID WESTERLY RIGHT-OF-WAY LINE;

THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE THE FOLLOWING FIVE (5) COURSES:

NORTH 00°29'29" WEST, 200.88 FEET;

NORTH 89°30'31" EAST, 2.00 FEET;

NORTH 00°29'29" WEST, 20.00 FEET;

SOUTH 89°30'31" WEST, 2.00 FEET;

NORTH 00°29'29" WEST, 40.01 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 1,689 SQUARE FEET OR 0.039 ACRES, MORE OR LESS.

**LEGAL DESCRIPTION
A.P.N. 8059-029-007**

PARCEL A (TEMPORARY CONSTRUCTION EASEMENT)

THAT PORTION OF THE LAND DESCRIBED IN A DEED TO PAN PACIFIC FIBER, INC., A CALIFORNIA CORPORATION IN THE CITY OF SANTA FE SPRINGS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER DOCUMENT RECORDED JANUARY 21, 1997, AS INSTRUMENT NO. 97-100550, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF THE BURLINGTON NORTHERN SANTA FE RAILWAY RIGHT OF WAY 100 FEET WIDE, WITH THE WESTERLY LINE OF THE EASTERLY 40.00 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 16, TOWNSHIP 3 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS COYOTES AS SHOWN ON THE MAP FILED IN BOOK 284, PAGE 86 OF RECORD OF SURVEYS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY;

THENCE ALONG SAID WESTERLY LINE NORTH 00°29'29" WEST, 42.81 FEET TO THE TRUE POINT OF BEGINNING;

THENCE LEAVING SAID WESTERLY LINE SOUTH 89°30'31" WEST 16.78 FEET;

THENCE NORTH 00°04'51" WEST 52.28 FEET;

THENCE NORTH 89°30'31" EAST 16.40' FEET TO SAID WESTERLY LINE OF SAID EASTERLY 40.00 FEET;

THENCE ALONG SAID WESTERLY LINE SOUTH 00°29'29" EAST 52.28 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 867 SQUARE FEET OR 0.020 ACRES, MORE OR LESS.

SUBJECT TO COVENANTS, CONDITIONS, RESERVATIONS, RESTRICTIONS, RIGHTS OF WAY, AND EASEMENTS OF RECORD, IF ANY.

ALL AS MORE PARTICULARLY SHOWN ON EXHIBIT "B", ATTACHED HERETO AND MADE A PART HEREOF.

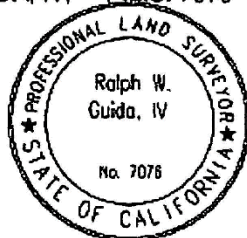
THIS DOCUMENT HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.



RALPH W. GUIDA, IV, P.T.S. 7076

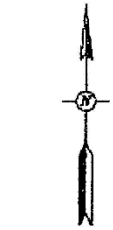
1/4/17

DATE



PLAT TO ACCOMPANY
LEGAL DESCRIPTION

SOUTHERN CALIFORNIA EDISON COMPANY
OVERHANG EASEMENT
IN THE CITY OF SANTA FE SPRINGS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



SCALE: 1" = 80'

APN: 8059-029-005

APN: 8059-029-006

PORTION OF PARCELS 1 AND 2
INST. NO. 97-100550, O.R.
RECORDED 1/21/1997
14037 MARQUARDT AVENUE
APN: 8059-029-007

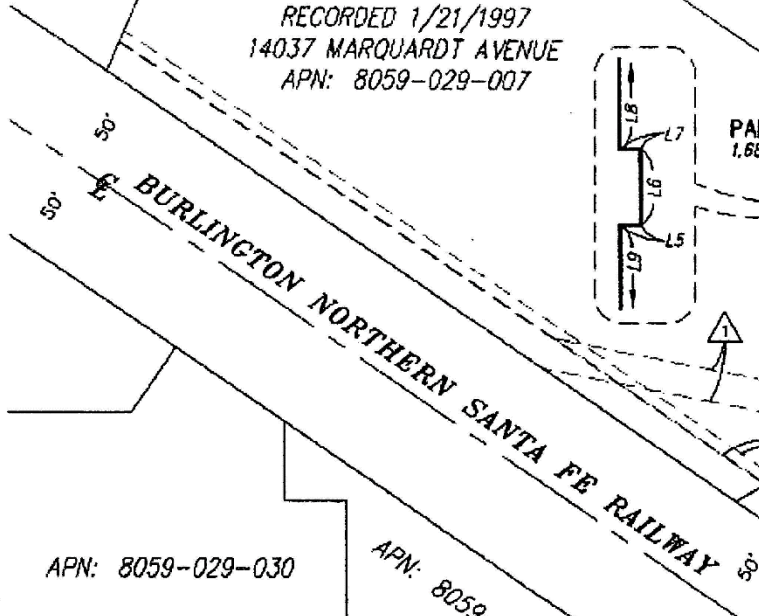
40' 40'

APN: 8059-029-004

P.O.B.

PARCEL A
1,689 SQ.FT.

MARQUARDT AVENUE



APN: 8059-029-030

APN: 8059-029-029

ROSECRANS AVENUE



PREPARED BY ME OR UNDER MY DIRECTION:

Ralph W. Guida, IV
RALPH W. GUIDA, IV P.L.S. 7076

7/16/18
DATE

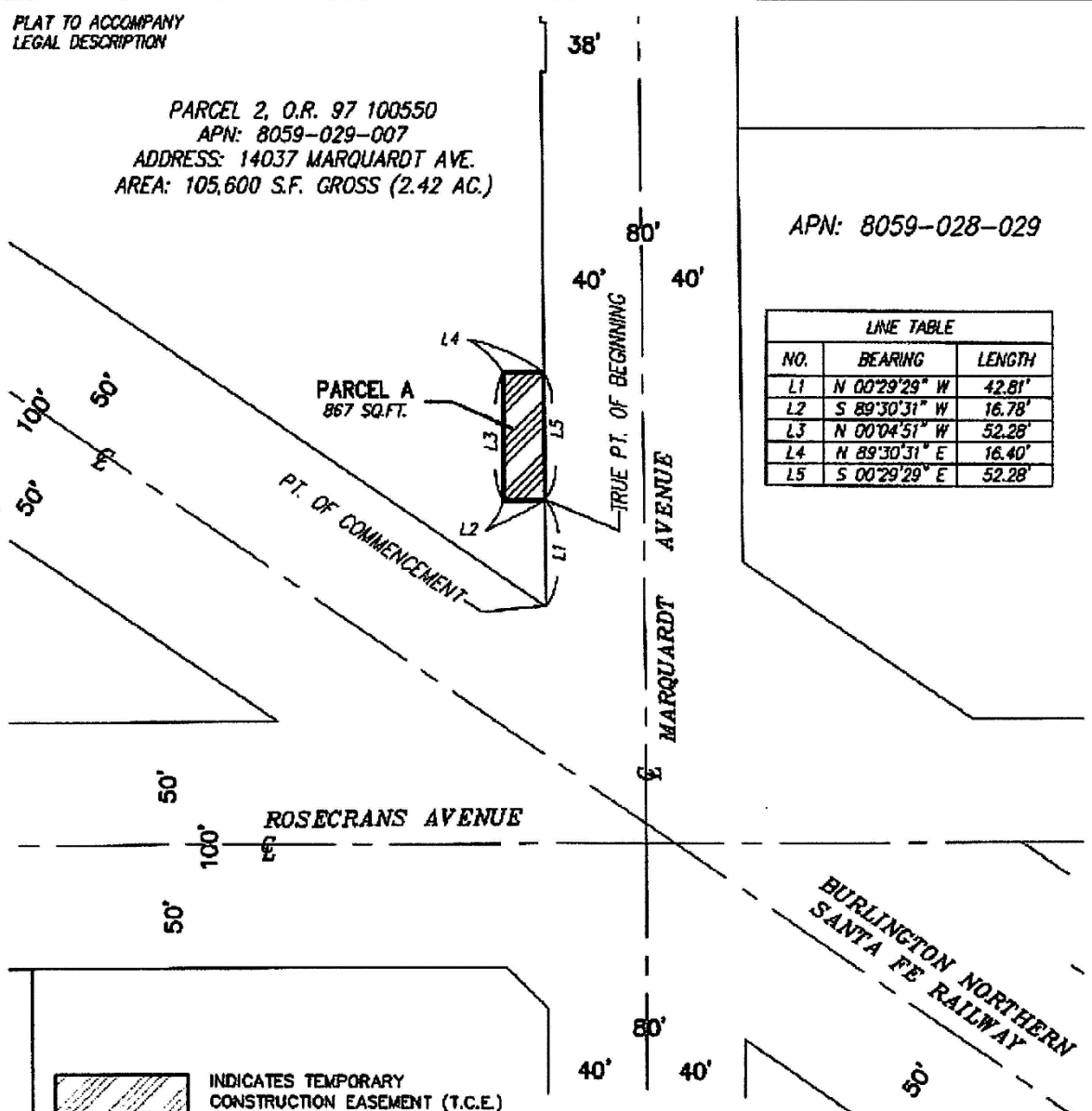
NOTE:
SEE SHEET 2 FOR LEGEND
AND LINE TABLE

PLAT TO ACCOMPANY
LEGAL DESCRIPTION

PARCEL 2, O.R. 97 100550
APN: 8059-029-007
ADDRESS: 14037 MARQUARDT AVE.
AREA: 105,600 S.F. GROSS (2.42 AC.)

APN: 8059-028-029

| LINE TABLE | | |
|------------|---------------|--------|
| NO. | BEARING | LENGTH |
| L1 | N 00°29'29" W | 42.81' |
| L2 | S 89°30'31" W | 16.78' |
| L3 | N 00°04'51" W | 52.28' |
| L4 | N 89°30'31" E | 16.40' |
| L5 | S 00°29'29" E | 52.28' |



 INDICATES TEMPORARY CONSTRUCTION EASEMENT (T.C.E.)

PREPARED BY ME OR UNDER MY DIRECTION:
Ralph W. Guida, IV 01/04/17
RALPH W. GUIDA, IV DATE
P.L.S. 7076

SHEET 2 OF 2



TEMPORARY CONSTRUCTION EASEMENT
APN: 8059-029-007

HEARING TO ADOPT RESOLUTION OF NECESSITY

ROSECRANS/MARQUARDT GRADE SEPARATION PROJECT

BOARD MEETING AUGUST 27, 2020

AGENDA ITEM # 50, LEGISTAR FILE 2020-0461

HEARING TO ADOPT RESOLUTION OF NECESSITY ROSECRANS/MARQUARDT GRADE SEPARATION PROJECT

Location:

- Rosecrans/Marquardt Avenue intersection in the City of Santa Fe Springs

Purpose:

- Improve safety, eliminate delays and enhance the environment
- Maintain access to the railroad for emergency responders
- Accommodate future High-Speed Rail in the corridor

Property Impacts:

- Acquisition of Utility Overhang Easement and Temporary Construction Easement (TCE) and site improvements
- Duration of TCE is 54 months
- Purpose of the TCE is allow contractor access to grade driveways/parking lot
- There will be no displacement. The business will be able to operate during and after the construction period.

HEARING TO ADOPT RESOLUTION OF NECESSITY ROSECRANS/MARQUARDT GRADE SEPARATION PROJECT

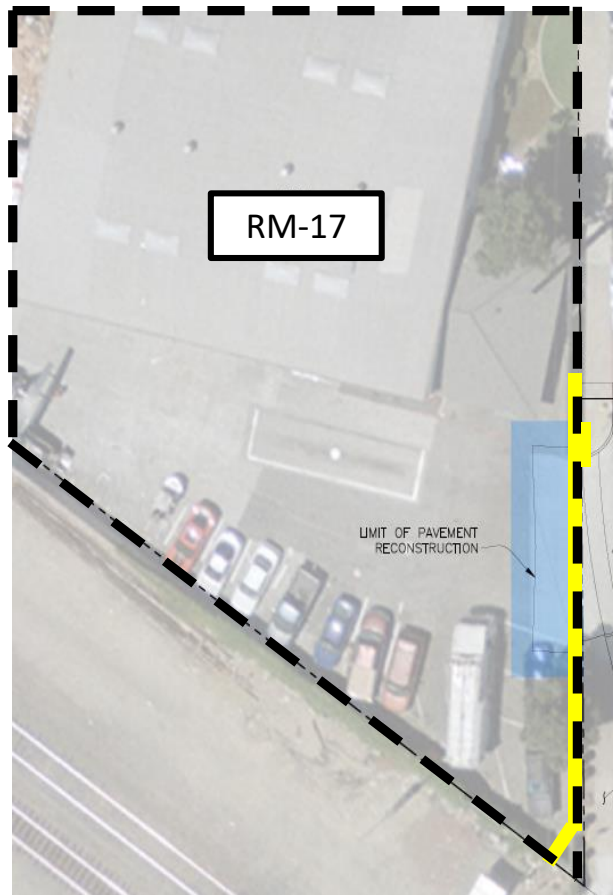
14037 Marquardt Avenue, Santa Fe Springs, CA 90670

RM-17- VB Marquardt, LLC

Utility Overhang Easement and Temporary Construction Easement (TCE)

Temporary
Construction
Easement

Overhang
Easement



HEARING TO ADOPT RESOLUTION OF NECESSITY ROSECRANS/MARQUARDT GRADE SEPARATION PROJECT

Staff recommends the Board make the below findings and adopt the Resolution of Necessity:

- The public interest and necessity require the proposed Project;
- The proposed Project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury;
- The Property sought to be acquired, which has been described herein, is necessary for the proposed Project;
- The offer required by Section 7267.2 of the Government Code has been made to the Owner; and
- Whether the statutory requirements necessary to acquire the property or property interest by eminent domain have been complied with by LACMTA.