



Board Report

File #: 2019-0169, **File Type:** Informational Report

Agenda Number: 34.

**EXECUTIVE MANAGEMENT COMMITTEE
APRIL 18, 2019**

SUBJECT: LOS ANGELES AERIAL RAPID TRANSIT PROJECT UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on the Los Angeles Aerial Rapid Transit Project.

ISSUE

After evaluating the Los Angeles Aerial Rapid Transit Project (Project) under the unsolicited proposal process, Metro is negotiating with Aerial Rapid Transit Technologies LLC (ARTT) to be the CEQA lead agency for ARTT's aerial tram project between Union Station and Dodger Stadium. The Project will be completely funded by ARTT, including Metro staff time.

BACKGROUND

ARTT, a private developer, submitted an Unsolicited Proposal to Metro in April 2018 to fund/finance, design, construct, operate, and maintain the Los Angeles Aerial Rapid Transit gondola connecting Union Station and the Dodger Stadium. After reviewing the Phase 1 submittal, Metro requested a Phase II of ARTT's Unsolicited Proposal for the Project. In December 2018, Metro formally concluded the Unsolicited Proposal process and began exclusive negotiations with ARTT.

DISCUSSION

Metro as CEQA Lead Agency

ARTT has requested that Metro be the CEQA lead agency for the Project. California PUC 130252 states that "All plans proposed for the design, construction and implementation of public mass transit systems or projects, including exclusive public mass transit guideway systems or projects, and federal-aid and state highway projects, shall be submitted to the commission [Metro] for approval." Lead agency, as defined under CEQA, is the public agency which has the principal responsibility for carrying out or approving a project which may have a significant effect upon the environment. Cities and counties are the CEQA lead agencies for private real estate developments, but this is the first time Metro is proposing to be a CEQA lead agency for a private transit developer. As lead agency,

the Metro Board would determine whether or not to approve the Project.

The Project will be funded completely by ARTT. No Metro funds will be used in the design, construction or operation of the Project and all of Metro's staff and consultant time will be paid by ARTT.

Memorandum of Agreement

Staff and ARTT have been in negotiations for a Memorandum of Agreement (MOA) to cover the CEQA process. The agreement is anticipated to include the following terms:

- ARTT will be responsible for development of the CEQA report and all underlying reports necessary to obtain approvals to proceed with the Project. Metro will act in an oversight manner and will be the CEQA lead agency.
- Metro will not fund, subsidize or otherwise financially contribute in any manner toward the development of the Project.
- ARTT will make an initial deposit of \$100,000 to pay for Metro staff and consulting time. When Metro has incurred approximately 75% of that amount, additional deposits will be made.
- Use of Metro's property will be in compliance with Metro property management procedures.
- Metro has the right to review and approve the community outreach plan.
- Insurance and indemnification provisions in adherence with Metro's risk management requirements including indemnification of Metro for any challenges to the environmental reports.
- ARTT will provide evidence of resources and financial capability to develop the Project prior to adoption of CEQA.
- Future agreements will be necessary and may include, but are not limited to: Union Station leasing, CEQA implementation oversight, fare integration, Union Station parking, Union Station security, data sharing, etc.

Although this is a privately-funded Project and does not utilize any Metro funds, ARTT has voluntarily agreed to:

- Conduct CEQA and community outreach consistent with Metro's Equity Platform.
- Endeavor to be consistent with Metro's overall agency Small Business Enterprise (SBE) utilization goal for the overall Project.
- Utilize a competitive procurement process of Metro's already established bench, to the extent the needed skillsets are available on Metro's bench.

Steering Committee and Working Groups

A Steering Committee and working groups have been established with representatives from both

Metro and ARTT to provide input and oversight throughout the project development process.

- Steering Committee - the decision-making body for ARTT and Metro issues.
- Legal working group - negotiate all agreements between ARTT and Metro, with input from other departments, as needed.
- LA Union Station (LAUS) working group - focus on the location of the ARTT project at or near LAUS, access to and from the Project and LAUS, and any aspects involving Metro property that may require leaseholds, pedestrian access or other easements, etc.
- CEQA working group - oversee the CEQA process, consultant retention, work flow, timing, internal reviews, circulation, and other aspects of the environmental review for the Project.
- Community Relations working group - approve communications regarding the Project, including outreach, community meetings, project communications, press releases, media requests, etc. In addition to ARTT and Metro staff, representatives from the Dodgers will participate in this working group.

All Metro staff time for the working groups will be paid for by ARTT. The working groups will meet as needed to address issues and execute project tasks.

EQUITY PLATFORM

Metro will be the CEQA oversight agency, and that role includes defining impacts on the surrounding communities and addressing mitigations for any adverse impacts. ARTT has voluntarily agreed to adopt Metro's Equity Platform and Metro staff will provide its oversight and review through the parameters of the Equity Platform.

DETERMINATION OF SAFETY IMPACT

Any potential adverse safety impacts to our employees, patrons or security will be addressed and mitigated through the CEQA process. The Project has the ability to improve air quality around the Union Station/Dodger area by eliminating car travel in those areas.

FINANCIAL IMPACT

There is no financial impact to Metro for the CEQA process as all costs will be paid for by ARTT. Any construction, operation, security, parking, etc. impacts to Metro will be addressed in future agreements between Metro and ARTT.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposed Project aligns with Strategic Plan Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The Project has the potential to provide an efficient

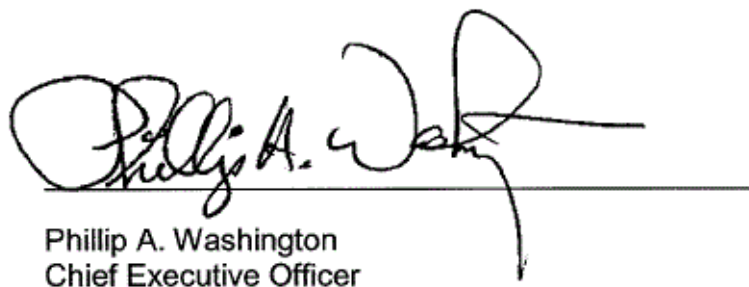
mobility alternative for people to travel to the Dodger Stadium car-free.

NEXT STEPS

Staff will continue negotiations with ARTT on the MOA. Upon execution of the MOA, the CEQA oversight process will begin. Staff will report back to the Board at key milestones for further discussion and to obtain Board input. Upon completion of the CEQA process, the Metro Board will determine whether or not to approve the project.

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Phillip A. Washington
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Los Angeles Aerial Rapid Transit

Executive Management Committee

File# 2019-0169



Project Background

- In April 2018, Aerial Rapid Transit Technologies LLC (ARTT) submitted an Unsolicited Proposal to fund, construct, operate, and maintain the Los Angeles Aerial Transit gondola connecting Union Station to Dodger Stadium
- In December 2018, Metro formally concluded the Unsolicited Proposal process and began exclusive negotiations with ARTT for Metro to be the CEQA lead agency for the Project
- PUC confers to Metro the duty to approve all transit guideway project plans in LA County, including design, construction, and implementation plans
- These statutory responsibilities support Metro assuming the role of lead agency for CEQA purposes
- As lead agency, the Metro Board would determine whether or not to approve the Project



CEQA MOA

- ARTT will be responsible for development of the CEQA report
- Metro will not fund, subsidize or otherwise financially contribute in any manner
- ARTT will make deposits upfront to pay for Metro staff and consulting time
- Metro has the right to review and approve the community outreach plan
- Insurance and indemnification provisions in adherence with Metro's risk management
- ARTT will provide evidence of resources and financial capability to develop the Project prior to adoption of CEQA
- Future agreements will be necessary and may include, but are not limited to: Union Station leasing, CEQA implementation oversight, fare integration, Union Station parking, Union Station security, data sharing, etc.



Voluntary ARTT Commitments

- Conduct CEQA and community outreach consistent with Metro's Equity Platform
- Endeavor to be consistent with Metro's overall agency Small Business Enterprise (SBE) utilization goal for the overall Project
- Utilize Metro's already established bench, to the extent the needed skillsets are available on Metro's bench



Next Steps

- Finalize negotiations with ARTT on the CEQA MOA
- Staff will report back to the Board at key milestones for further discussion and to obtain Board input
- Upon completion of the CEQA process, the Metro Board will determine whether or not to approve the project



Thank you.