



Board Report

File #: 2025-0861, File Type: Program

Agenda Number: 25.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE NOVEMBER 20, 2025

SUBJECT: METRO EXPRESSLANES NET TOLL REVENUE TRANSIT ALLOCATIONS

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

APPROVING a total of \$9,918,750 for the continued Direct Annual Allocation for Transit Service on the I-110 and I-10 ExpressLanes for Fiscal Year 2026 (FY26) as shown in Attachment A.

ISSUE

State law requires that net toll revenues generated from the Metro ExpressLanes be reinvested in the corridor from which they were derived, pursuant to a board-approved expenditure plan. The board-approved funding of incremental additional transit service along both I-10 and I-110 corridors expired June 30, 2025. Staff recommends funding transit lines serving the current ExpressLanes I-110 and I-10 for FY26 through June 30, 2026.

BACKGROUND

Gross toll revenues generated from the ExpressLanes are first used to cover the direct expenses related to the maintenance, operation, and administration of the lanes. The remaining revenue is then used to support incremental additional transit service on the ExpressLanes, program reserves, Caltrans set-aside, and then ExpressLanes-related transportation improvement projects identified through the competitive Net-Toll Revenue Grants.

Since the inception of ExpressLanes, the Board has approved the set-aside of net-toll revenue funds for transit service. This transit allocation provides funding for additional transit service on the I-110 and I-10 corridors to provide an alternative to driving and increase transportation access for residents without a car. Transit reinvestment in these corridors provides a direct benefit to transit riders and contributes to congestion reduction on the Metro ExpressLanes (I-10 and I-110).

DISCUSSION

Continuation of funding for incremental transit service on the I-110 and I-10 ExpressLanes subsidizes the incremental operating costs of maintaining the transit service deployed to support Metro

ExpressLanes. The transit service enhancements provide increased travel options along the ExpressLanes corridors to those traveling on the ExpressLanes using Foothill Transit (Silver Streak and Line 699), Torrance Transit (Line 4X), Gardena GTrans (Line 2), and Metro's J (Silver Line).

The transit lines receiving the ExpressLanes allocation have shown increases in ridership and service over the last 3 years. Gardena's Line 2 has the highest ridership on their system, providing over 71% of system ridership and growing by 33% over the last three years. Torrance Transit's Line 4X ridership is growing faster than the overall system, increasing by 28% over the last three years as compared to a 16% increase in ridership for the entire system. Since 2023 Torrance Transit has increased service hours on Line 4X six times, including resuming weekend service that was temporarily halted during the Covid-19 pandemic. Ridership has increased by 34% over the last 3 years for Metro's J Line and by 36% on Foothill's 699 and Silver Streak combined.

The recommended funding represents a 25% incremental increase in the annual allocation since the amount was last adjusted in FY19/20. The increase in the funding allocation reflects the increased costs for the transit agencies operating the incremental transit service and aligns with increases to the Consumer Price Index (CPI-U) over that same period. The recommended allocation is \$9,918,750 to subsidize the additional transit service on the ExpressLanes.

DETERMINATION OF SAFETY IMPACT

This Board action will not have any adverse safety impacts on Metro's employees or patrons. The additional service operates with adherence to established safety policies and procedures for transit service.

FINANCIAL IMPACT

The recommended transit allocations will be funded with net toll revenues generated from the I-10 and I-110 ExpressLanes. The FY26 budget includes funding of \$9,918,750 for the recommended allocations in cost center 2220 (ExpressLanes) under project 405549 (CRD Transit Subsidy).

Impact to Budget

Net toll revenues generated from the Metro ExpressLanes' operation comprise the entirety of the funds recommended in this action. There is no impact on bus and rail operating and capital projects. Other funds will not be required from Metro.

EQUITY PLATFORM

The reinvestment of ExpressLanes funding to support additional transit will improve affordable access to transit options along the ExpressLanes corridors. Each of the transit lines recommended for funding serves customers of Very High and High Need on the Metro Equity Need Index (MENI). Along the I-110 ExpressLanes corridor, Gardena's Line 2 and Torrance's Line 4 feed to high-capacity transit routes and stations such as Metro's C-Line and Harbor Gateway station and provide direct one-seat service to local schools, senior centers, medical facilities, and sporting venues. Metro's J Line and Foothill's Line 699 and Silver Streak provide express service to downtown Los

Angeles, providing access to jobs, schools, and colleges, and popular recreation venues. These express routes serve areas along the ExpressLanes corridors that have higher concentrations of residents without a vehicle in the household. Riders on these lines save time by the route's use of the ExpressLanes; saving riders an average of 12.7 to 13.7 minutes per trip during peak times as compared to the general-purpose lanes.

VEHICLE MILES TRAVELED OUTCOME

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

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through investment in additional transit service that will benefit and further encourage transit ridership, ridesharing, and active transportation. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

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

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports the following goals of the Metro Vision 2028 Strategic Plan:

Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.

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

ALTERNATIVES CONSIDERED

The Board may choose not to approve or defer approval of funding for additional transit along the I-110 and I-10 ExpressLanes. This is not recommended as the funding allocation provides increased access to transit and improves mobility within the communities adjacent to the ExpressLanes.

NEXT STEPS

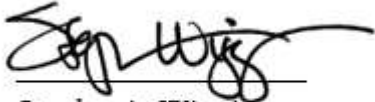
With Board approval, staff will execute funding agreements with the transit operators receiving the funding allocation.

ATTACHMENT

Attachment A - Funding for Incremental Transit Service

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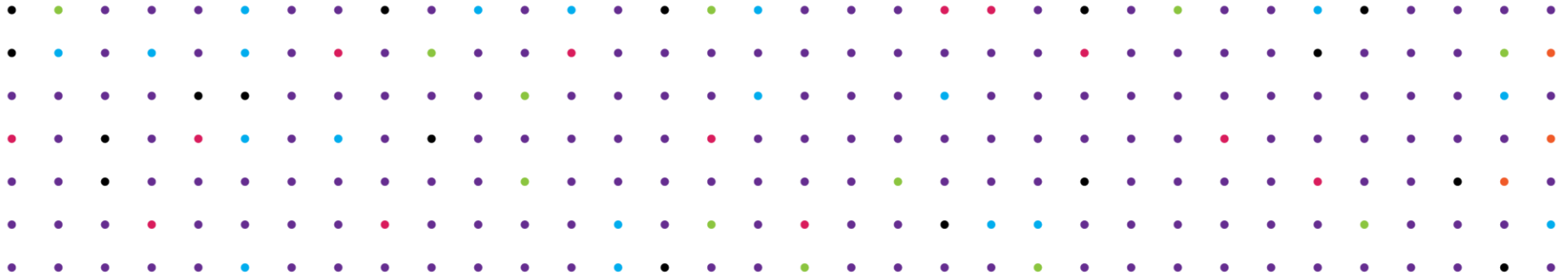
A handwritten signature in black ink, appearing to read 'Step Wiggins', written over a horizontal line.

Stephanie Wiggins
Chief Executive Officer

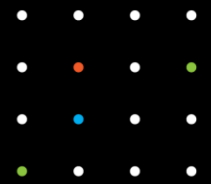
Funding Breakdown for Incremental Transit Service on the I-110 and I-10 Metro ExpressLanes for FY26

<u>Transit Agency</u>	<u>Transit Lines</u>	<u>FY26</u>
Foothill Transit	Silver Streak (Line 707) and Line 699	\$2,300,000
Gardena Municipal Bus Lines	Line 2	\$1,150,000
Metro	J (Silver Line)	\$ 5,462,500
Torrance Transit	Line 4X	\$ 1,006,250
TOTAL		\$9,918,750

METRO EXPRESSLANES NET TOLL REVENUE TRANSIT ALLOCATIONS

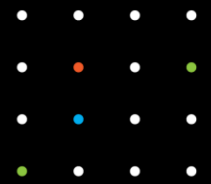


RECOMMENDATION



APPROVING a total of \$9,918,750 for the continued Direct Annual Allocation for Transit Service on the I-110 and I-10 ExpressLanes in Fiscal Year 2026 (FY26) as shown in Attachment A.

ISSUE & DISCUSSION



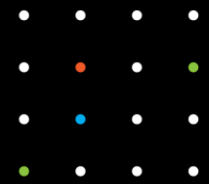
ISSUE

State law requires net toll revenues generated from the ExpressLanes program be reinvested for transportation improvements in the corridor where generated.

DISCUSSION

Staff recommends funding transit lines serving the current ExpressLanes I-110 and I-10 through June 30, 2026.

Recommended Funding Allocations



Total funding of \$9,918,750:

Transit Agency	Transit Lines	FY26 Allocation
Foothill Transit	Silver Streak (Line 707) and Line 699	\$2,300,000
Gardena GTrans	Line 2	\$1,150,000
Metro	J (Silver Line)	\$ 5,462,500
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TOTAL		\$9,918,750