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Agenda - Final

Thursday, January 21, 2021

11:30 AM

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Executive Management Committee

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Hilda Solis, Vice Chair

Ara Najarian, 2nd Vice Chair

James Butts

Paul Krekorian

Sheila Kuehl

Tony Tavares, non-voting member

Phillip A. Washington, Chief Executive Officer

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(ALSO APPLIES TO BOARD COMMITTEES)

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

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

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

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

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CALL TO ORDER**ROLL CALL****APPROVE Consent Calendar Item: 42.**

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

CONSENT CALENDAR

**42. SUBJECT: METRO RIDESHARE/SHARED MOBILITY PROGRAM
SUPPORT**

[2020-0701](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute Modification No. 3 to the Metro Rideshare/Shared Mobility Program Support Contract No. PS42183000 with Innovative TDM Solutions, Inc. (ITS) to exercise the first, one-year option in the amount of \$630,555 increasing the total contract value from \$1,832,308 to \$2,462,863 and extending the period of performance from

January 31, 2021 to January 31, 2022.

Attachments: [Attachment A - Procurement Summary](#)
[Attachment B - Contract Modification/Change Order Log](#)
[Attachment C - DEOD Summary](#)

NON-CONSENT

- 34. SUBJECT: REGIONAL CONNECTOR EARLY COMPLETION INCENTIVE AGREEMENT** [2020-0805](#)

RECOMMENDATION

CONSIDER:

- A. INCREASING the Life of Project (LOP) Budget for the Regional Connector Concurrent Non-FFGA Project Activities, capital project number 861228, by the amount of \$12,948,000 from \$46,441,168 to \$59,389,168 consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy, for the purposes of providing an incentive for Regional Connector Constructors (RCC) to complete transit facilities ten weeks early thereby permitting an earlier Revenue Service Date and mitigating impacts to the community.

Attachments: [Attachment A - Funding Plan](#)
[Attachment B - Measure R and Measure M Unified Cost Management Policy An](#)

- 43. SUBJECT: STATE AND FEDERAL REPORT** [2020-0845](#)

RECOMMENDATION

RECEIVE AND FILE State and Federal Legislative Report.

- 44. SUBJECT: TAP UPDATE** [2020-0844](#)

RECOMMENDATION

RECEIVE oral report on the TAP program.

Attachments: [Presentation](#)

- 45. SUBJECT: METRO SYSTEM ADVERTISING (LICENSE TO SELL AND DISPLAY ADVERTISING ON BUS AND RAIL)** [2020-0811](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE Modification No. 4 to Contract No. PS41099B - License to Sell and Display Advertising on Metro Bus System, with Outfront Media

Group, LLC, to

- 1) Extend the temporary replacement of the Minimum Annual Guarantee (MAG) payments to Metro with monthly payments of 55% of actual sales revenues for one year, from January 1, 2021 to December 31, 2021;
 - 2) Allow contractor to submit payments by the 80th day following the close of each month beginning January 1, 2021;
 - 3) Amend ARTICLE VI of the Contract to revise the basis of the Letter of Credit from 50% of the Minimum Annual Guarantee (MAG) to 50% of projected Gross Annual Advertising Revenue Share for calendar year 2021;
- B. EXECUTE Modification No. 2 to Contract No. PS41099R - License to Sell and Display Advertising on Metro Rail System, with Intersection Parent, Inc. to
- 1) Extend the temporary replacement of the Minimum Annual Guarantee (MAG) payments to Metro with monthly payments of 55% of actual sales revenues for one year, from January 1, 2021 to December 31, 2021;
 - 2) Allow contractor to submit payment by the 80th day following the close of each month beginning January 1, 2021;
 - 3) Amend ARTICLE VI of the Contract to revise the basis of the Letter of Credit from 50% of the Minimum Annual Guarantee (MAG) to 50% of projected Gross Annual Advertising Revenue Share for calendar year 2021;
 - 4) Contingent on outcome of a Commercial Sponsorship and Adoption Policy ("Sponsorship Policy"):
 - i. Upon Board adoption of a Sponsorship Policy - Amend Exhibit B Statement of Work, Article 8, Subarticles 8.6.2.2 and 8.6.2.3 to remove the station domination restriction of maximum 90 days occupancy and repeat sponsor for interoperability of a commercial sponsorship program and instead replace it with the timebound elements of the Sponsorship Policy (temporary, short and long-term placements);
 - ii. Until such time that the Board adopts the Sponsorship Policy - Apply no change to Exhibit B Statement of Work,

Article 8, Subarticles 8.6.2.2 and 8.6.2.3 restricting station domination maximum 90 days occupancy and repeat sponsor, leaving restrictions as-is.

Attachments: [Attachment A - Procurement Summary](#)
[Attachment B - Contract Modification/Change Order Log](#)
[Attachment C - DEOD Summary](#)
[Attachment D - Fiscal Year 2021 and 2022 Revenue Change Presentation](#)

46. SUBJECT: TRAFFIC REDUCTION STUDY UPDATE [2020-0820](#)

RECOMMENDATION

RECEIVE AND FILE status report on Traffic Reduction Study (formerly named the Congestion Pricing Feasibility Study) update.

Attachments: [Attachment A - Informational Resources](#)
[Attachment B - Summary of Key Themes and Takeaways from Phase 1 Stakeholder Presentation](#)

47. SUBJECT: MOVING BEYOND SUSTAINABILITY UPDATE [2020-0828](#)

RECOMMENDATION

RECEIVE AND FILE Moving Beyond Sustainability Update Report

Attachments: [Attachment A. Crosswalk of CARB Reduction Goals and Metro Policies, Plans and Programs](#)

48. SUBJECT: CCO QUARTERLY REPORT [2020-0796](#)

RECOMMENDATION

RECEIVE CCO Quarterly Report.

Attachments: [Presentation](#)

49. SUBJECT: METRO SMALL-SCALE RETAIL [2020-0910](#)

RECOMMENDATION

APPROVE Motion by Directors Garcetti, Kuehl, Solis, and Krekorian that the Board direct the CEO to:

- A. Revisit the findings of the Jones Lang LaSalle Concessions Program Concept for Metro Owned Facilities report dated June 28, 2013 and develop an assessment of needs to establish a small-scale retail program that supports small and disadvantaged businesses, and microentrepreneurs, including context-sensitive community

partnerships, in Metro's current portfolio of projects.

- B. Form a working group to determine opportunities and next steps for advancing this work.

- C. Report back to EMC with an update in 90 days.

SUBJECT: GENERAL PUBLIC COMMENT

[2020-0881](#)

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 #: 2020-0701, **File Type:** Contract**Agenda Number:** 42.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2021****SUBJECT: METRO RIDESHARE/SHARED MOBILITY PROGRAM SUPPORT****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 3 to the Metro Rideshare/Shared Mobility Program Support Contract No. PS42183000 with Innovative TDM Solutions, Inc. (ITS) to exercise the first, one-year option in the amount of \$630,555 increasing the total contract value from \$1,832,308 to \$2,462,863 and extending the period of performance from January 31, 2021 to January 31, 2022.

ISSUE

The Metro Board approved the Metro Rideshare/Shared Mobility Program Support Contract for a three-year base period, with two, one-year options, which began on October 13, 2017. The three-year base contract ended October 12, 2020 and a term extension was executed through January 31, 2021. Metro requires the modification of this contract to exercise Option Year 1 from February 1, 2021 to January 31, 2022. The one-year term extension is required to continue services and support of the Metro Rideshare/Shared Mobility Program.

BACKGROUND

The Metro Rideshare/Shared Mobility Program is a one-stop transportation demand management (TDM) resource for Los Angeles County employers, Transportation Management Associations/Organizations (TMA/O), Employee Transportation Coordinators (ETC) and individual commuters committed to reducing vehicle miles traveled (VMT) by single occupancy vehicles (SOV). In FY20, more than 12.5 million miles were reduced. The program focuses on providing options and resources that include teleworking support and information, Guaranteed Ride Home, ride-matching for carpoolers and vanpool SeatFinding. It also encourages and promotes Commuter Benefits, flex/tiered work schedules, employer-based transit subsidies, vanpool subsidies, and incentive and rewards programs such as Metro Rewards, Go Metro to Work Free for new hires. The Rideshare/Shared Mobility Program is also part of Metro's Long Range Transportation Plan to assist the region in reducing traffic congestion and improving air quality.

In addition, Metro's Shared Mobility and Implementation team provides personalized assistance for

compliance with the South Coast Air Quality Management District (SCAQMD) Rule 2202 Employee Commute Reduction Program (ECRP) and Trip Reduction Plan (TRP) which includes SiSense training (data management and reporting), Average Vehicle Ridership (AVR) surveying and reporting, and the production and distribution of customized RideGuides.

The program also provides semi-annual Rideshare/Shared Mobility certification workshops, facilitates regional awards/recognition ceremonies (California Rideshare Week/ETC Diamond Awards), produces the ridesharing/shared mobility "On The Go" newsletter(s) in collaboration with Orange County Transportation Authority (OCTA), Ventura County Transportation Commission (VCTC), Riverside County Transportation Commission (RCTC), and San Bernardino County Transportation Authority (SBCTA), fosters regional publicity, assists with outreach activities, and works collaboratively with TMA/Os and the SCAQMD.

Metro's Shared Mobility and Implementation team is also part of the TRI-Regional County Transportation Commissions (CTC) Partnership with OCTA and VCTC. The main focus of this collaborative effort is to provide systematic tri-regional ridesharing/shared mobility assistance to drive-alone commuters and to employer ETCs as a way to meet air quality regulations and/or implement congestion management strategies by offering, promoting and encouraging their employees to participate in a variety of green trip options, such as transit, carpooling, vanpooling, biking, walking and telecommuting. This program also directly supports TDM Board Motion #60.

DISCUSSION

Managing congestion-reduction strategies and air quality compliance regulations is complex and requires a solid knowledge base and strong industry specific relationships. Metro relies on a highly trained and dedicated contractor to assist with and provide our required broad range of services. Continuing with this contract will allow Metro's Shared Mobility and Implementation team the ability to continue to provide our exceptional rideshare/shared mobility services to Los Angeles County Employer ETCs, non-regulated employers and to individual non-represented commuters. This will become even more critical when implementing strategies in a post-COVID commute environment.

The current contractor will continue with their proven and effective work style in managing several primary tasks and deliverables. These activities include: RidePro-RP35 and SiSense Program Software and database maintenance; AVR transportation survey and reporting; TRP support and RideGuide processing and distribution; respond to in/outbound calls, emails and online inquires; incentive program eligibility and fulfillment; personalized support to commuters; one-on-one training and support to employer ETCs and TMA/Os; organize and provide assistance at county rideshare/shared mobility events; and support overall program growth initiatives, as well as conduct monthly ETC briefings training.

In addition, the contractor will oversee the Los Angeles County portion of the regional database which will ensure a standardized rideshare/shared mobility operating system with OCTA, SBCTA, RCTC and VCTC thus providing a seamless experience for users across all counties. This customized RP35 proprietary software product provided by Trapeze Software Group (TripSpark), Inc. is under a separate contract. All CTC partners have participated in the design and build-out of the multi-regional ridesharing/share mobility database and reporting system.

COVID-19 Response

In response to the COVID-19 pandemic, the contractor has provided additional support to employers seeking guidance and information regarding teleworking. The contractor has provided web-based information and has responded to inquiries regarding guidelines, best practices, and regulations as they pertain to Rule 2202. As the agency continues to implement an overall recovery plan, Metro staff will be working closely with the contractor to develop changes that can support employers, essential workers, and many Los Angeles County residents who continue to telework.

Equity Platform

The program supports Pillar II, Listen and Learn, as well as Pillar III, Focus and Deliver. Metro's Rideshare/Shared Mobility program provides a public service to employers, businesses and Los Angeles commuters and is committed to implementing a program that is equitable in all aspects.

DETERMINATION OF SAFETY IMPACT

The Board action will not have a negative impact on the safety of Metro's patrons or employees. The Metro Rideshare/Shared Mobility Program has demonstrated effectiveness in reducing the number of cars on the road during peak commute periods through the variety of programs offered and contributes to public safety, reduced traffic congestion and improved air quality.

FINANCIAL IMPACT

Approval of this recommendation will not impact the FY 2021 budget, since funding for this contract is already included under Project 405547, Task 01.10, Cost Center 4540 (Regional Rideshare/Shared Mobility). Staff anticipates the billable amount will be partial during FY 2021 Q2, with most of the billing occurring in Q3 and Q4. 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.

Impact to Budget

The source of funds for this action is Proposition C 25% Streets and Highway, which is not eligible to fund bus and rail operating and capital expenditures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

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 modify the contract and allow the base contract to end on January 31, 2021. Staff, however, does not recommend this because the Metro Rideshare/Shared Mobility

program provides support to commuters throughout Los Angeles County. This program also provides options and information to commuters throughout the region through the promotion and support of ridesharing/carpooling, vanpooling, transit, bike, walk and telecommuting assistance.

NEXT STEPS

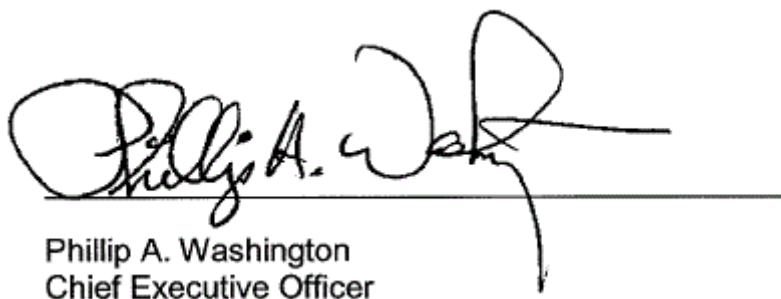
Upon Board approval, staff will execute Modification No. 3 to exercise Option Year 1 of the Rideshare/Shared Mobility Contract No. PS42183000 with Innovative TDM Solutions, Inc.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary

Prepared by: Martin Buford, Senior Manager, Countywide Planning & Development, (213) 922-2601
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

METRO RIDESHARE/SHARED MOBILITY PROGRAM SUPPORT/PS42183000

1.	Contract Number: PS42183000		
2.	Contractor: Innovative TDM Solutions, Inc.		
3.	Mod. Work Description: Exercise One-Year Option Term		
4.	Contract Work Description: Metro Rideshare/Shared Mobility Program Support		
5.	The following data is current as of: 11/25/2020		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	09/28/17	Contract Award Amount: \$1,767,264
	Notice to Proceed (NTP):	N/A	Total of Modifications Approved: \$65,044
	Original Complete Date:	10/12/20	Pending Modifications (including this action): \$630,555
	Current Est. Complete Date:	01/30/22	Current Contract Value (with this action): \$2,462,863
7.	Contract Administrator: Gina Romo		Telephone Number: (213) 922-7558
8.	Project Manager: Martin Buford		Telephone Number: (213) 922-2601

A. Procurement Background

This Board Action is to approve Contract Modification No. 3 issued to exercise the first, one-year option term of the Metro Rideshare/Shared Mobility Program Support Contract No. PS42183000 to Innovative TDM Solutions, Inc.

This Contract Modification will be processed in accordance with Metro's Acquisition Policy and the contract type is firm fixed price.

On September 28, 2017, the Board awarded firm fixed price Contract No. PS42183000 to Innovative TDM Solutions, Inc. for a three-year base period in the amount of \$1,767,264 with two, one-year options, effective October 13, 2017.

Two modifications have been issued to date.

Refer to Attachment B – Contract Modification/Change Order Log.

B. Price Analysis

The recommended price has been determined to be fair and reasonable based on pricing that was evaluated as part of the competitive contract awarded in 2017. Pricing remains unchanged.

Proposal Amount	Metro ICE	Modification Amount
\$630,555	\$708,535	\$630,555

CONTRACT MODIFICATION/CHANGE ORDER LOG

METRO RIDESHARE/SHARED MOBILITY PROGRAM SUPPORT/PS42183000

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Added the Guaranteed Ride Home program.	Approved	11/01/18	\$65,044
2	No cost extension of period of performance (POP) through 1/31/21.	Approved	8/20/20	\$0
3	Exercise One-Year Option extending POP through 1/31/22.	Pending	Pending	\$630,555
	Modification Total:			\$695,599
	Original Contract:	Approved	09/28/17	\$1,767,264
	Total:			\$2,462,863

DEOD SUMMARY

METRO RIDESHARE/SHARED MOBILITY PROGRAM SUPPORT/PS42183000

A. Small Business Participation

Innovative TDM Solutions (ITS) made a 13.21% Small Business Enterprise (SBE) commitment and 3.65% Disabled Veteran Business Enterprise (DVBE) commitment. The project is 81% complete. ITS is exceeding their SBE commitment with 14.57% participation, but has 2.93% DVBE participation, which is a slight shortfall of 0.72%. In response to DEOD's shortfall mitigation request, ITS explained that the DVBE is currently working on a project and scheduled to participate in another project immediately following which will boost the DVBE participation. ITS further indicated that they are committed to meeting and/or exceeding the DVBE commitment.

Notwithstanding, Metro Project Managers and Contract Administrators will work in conjunction with DEOD to ensure that maximum DVBE participation is achieved by ITS. Accordingly, these teams have been provided access to Metro's web-based monitoring system to ensure that all parties are actively tracking Small Business progress.

Small Business Commitment	13.21% SBE 3.65% DVBE	Small Business Participation	14.57% SBE 2.93% DVBE
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SBE Subcontractor Name	% Commitment	% Current Participation¹
The Van Stratten Group, Inc.	13.21%	14.57%
Total	13.21%	14.57%

DVBE Subcontractor Name	% Commitment	% Current Participation¹
Agustin D. Grube	3.65%	2.93%
Total	3.65%	2.93%

¹Current Participation = Total Actual amount Paid-to-Date to Certified firms ÷ Total Actual Amount Paid-to-date to Prime.

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) 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 #: 2020-0805, **File Type:** Budget**Agenda Number:** 34.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2021****SUBJECT: REGIONAL CONNECTOR EARLY COMPLETION INCENTIVE AGREEMENT****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

CONSIDER:

- A. INCREASING the Life of Project (LOP) Budget for the Regional Connector Concurrent Non-FFGA Project Activities, capital project number 861228, by the amount of \$12,948,000 from \$46,441,168 to \$59,389,168 consistent with the provisions of the Board-adopted Measure R and Measure M Unified Cost Management Policy, for the purposes of providing an incentive for Regional Connector Constructors (RCC) to complete transit facilities ten weeks early thereby permitting an earlier Revenue Service Date and mitigating impacts to the community.

ISSUE

Construction of the Regional Connector Transit Project (Project) necessitated the demolition of the Little Tokyo/Arts District Station, which was taken out of rail service on October 24, 2020. This began a twenty-two-month bus bridge between Union Station and the Pico/Aliso L Line (Gold) Station while new underground facilities are constructed and the system commissioned. Based on the construction progress to date, there is an opportunity to complete and begin testing the guideway early, while challenges at the Historic Broadway Street Station are resolved. An early completion of the overall project will provide multiple benefits to the community and to Metro. The design-build construction contract does not contain an incentive provision to encourage the contractor to complete construction early or to resolve issues without delay. The cost of this proposed early completion incentive agreement is not included in the Project budget, necessitating an increase in the LOP Budget.

BACKGROUND

The demolition of the Little Tokyo/Arts District Station started on October 24, 2020 and began a twenty-two-month bus bridge for passengers traveling between Union Station, Little Tokyo/Arts

District and the Pico/Aliso L Line (Gold) stations while new underground facilities are constructed and commissioned. Based on the construction progress to date, there is an opportunity to complete the guideway work early.

Completing early will reduce construction impacts to Little Tokyo, Arts District and downtown neighborhoods and the business communities by restoring revenue service for transit passengers approximately ten weeks earlier than currently planned. The Little Tokyo, Arts District and Boyle Heights communities have been especially impacted by the multiple L Line (Gold) service interruptions, yet they have remained very supportive of the Project during the past five years. The Board-approved operational plan for the Regional Connector creates ease of access across Los Angeles County, attracting people to visit downtown Los Angeles. Once completed, the Regional Connector Project is likely to encourage economic recovery by providing increased access to downtown businesses. Reopening transit service ahead of schedule is consistent with Metro's commitment to reduce impacts to the communities to the extent possible.

Furthermore, an early project completion avoids substantial future costs. The incentive agreement also achieves an expedited completion of the Historic Broadway Station which has been impacted by the addition of structural elements needed to support a future hi-rise commercial building that will be constructed over the station. Incorporating a portion of the overbuild facility's foundation into our station plaza structure was a condition of securing the right-of-way for the station plaza.

DISCUSSION

The Regional Connector design-build contract establishes completion milestones with liquidated damages for failure to complete work on time. The contract does not contain a financial incentive to increase performance to finish construction early or to resolve issues without delay. Based on the progress to date, there is an opportunity to complete and begin testing the guideway facilities early while the challenges at the Historic Broadway Station are resolved. The proposed agreement incentivizes the contractor to complete the guideway facilities ten weeks early thereby permitting pre-revenue operations to begin ahead of schedule. Furthermore, with an earlier start of the pre-revenue service period, the duration of the service interruption on the L Line (Gold), is reduced thereby providing Metro Operations with an estimated \$2M savings in bus operating costs.

The complexity of integrating three operational lines presents significant challenges to the Agency. The extensive testing and operator training needed during the five-month pre-revenue operation period is dependent on having a firm handover date on which to plan their activities. Completing construction and turning over the guideway facilities to Metro Operations independent of the Historic Broadway Street Station eliminates schedule uncertainty and provides the Operations team with a specific pre-revenue operations readiness date necessary for a timely commissioning.

This incentive agreement also achieves an expedited completion of the Historic Broadway Station plaza which has been impacted by the construction of additional structural elements needed to support a future hi-rise commercial building that will be constructed over the station. These requirements arose as the developer refined their structural concepts into a detailed overbuild design. The incentive agreement devotes additional resources to complete the construction of the station plaza during pre-revenue operations of the guideway, yet consistent with achieving the overall

early revenue service date.

Additional benefits of an early completion include eliminating the need to remobilize the Contractor and Metro offices and equipment yards needed for project closeout activities when the lease agreement on the Mangrove Yard expires in June 2022. This represents an estimated \$2.5M cost avoidance. Furthermore, with a two-phased early completion, Metro and consultant Project oversight staff may begin demobilizing early thereby realizing additional savings. Finally, under the incentive agreement, RCC waives all potential claims for additional time or costs arising from events through October 2020 (excluding Covid-19 related direct costs). Accepting incentive payments, as outlined in the agreement, also commits RCC to Liquidated Damages if the early completion dates are not met. In aggregate, an estimated \$19M of additional future costs are avoided.

DETERMINATION OF SAFETY IMPACT

The approval of this LOP Budget increase will allow Metro to achieve an earlier completion of the Regional Connector Project without compromise to safety or reliability.

FINANCIAL IMPACT

Adoption of Recommendation will increase the LOP Budget for Project Number 861228 by \$12,948,000. Expenditures of the incentive payments are distributed monthly over the remaining duration of the Project per the following schedule. Subject to Board approval, of this recommendation the fiscal year 2021 portion will be accommodated within the approved FY21 overall budget for the project, which is under consideration by the Board through a separate report at the same board meeting.

FY21/Q3	FY 21 Q4	FY22 Q1	FY22 Q2
\$6,269,000	\$3,237,000	\$1,721,000	\$1,721,000

Impact to Budget

The source of funds for the LOP increase to Capital Project no. 861228 - Regional Connector Concurrent Non-FFGA Project Activities is a combination of one or more of the following eligible sources: Measure R 2% Rail Capital, State Repayment Fund 3562, Transportation Development Act Article 4, and Lease Revenues. Other eligible and available funding sources which are not eligible for operations use may be considered. The funding plan for the proposed LOP budget is included as Attachment A.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan goal #1) to provide high-quality mobility options that enable people to spend less time traveling, and #5) to provide responsive, accountable and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

To not approve the LOP Budget increase would result in not providing the Contractor an incentive to complete the Project early and would lead to a minimum of \$19M in increased Project costs. If the recommendation is not approved, Metro will not receive the waiver of potential claims for activities prior to October 2020.

NEXT STEPS

Upon approval by the Board of the recommended action to increase the Project LOP, Staff will execute bilateral Contract Modification No 00187 which establishes new Project completion milestones and provides the agreed-to incentive payments to the contractor in accordance with a prescribed payment schedule.

ATTACHMENTS

Attachment A - Funding Plan

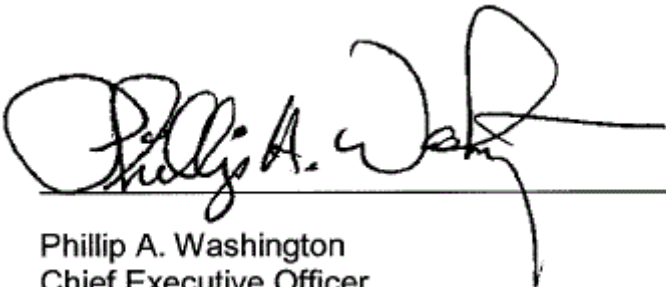
Attachment B - Measure R and Measure M Unified Cost Management Policy Analysis

Prepared by:

Gary Baker, Executive Officer, Program Management (213) 893-7191
Sameh Ghaly, Senior Executive Officer, Program Management (213) 418-3369
Bryan Pennington, Senior Executive Officer, Program Management (213)922-7557

Reviewed by:

Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051
Richard Clarke, Chief Program Management Officer (213) 922-7557



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

REGIONAL CONNECTOR NON-CONCURRENT FFGA ACTIVITIES FUNDING/EXPENDITURE PLAN (Dollars in Millions)

Capital Project 861228	Prior	FY21	FY22	FY23	Total	% of Total
Uses of Funds						
Construction	0.13	12.51	6.00	0.77	19.40	32.7%
Right-of-Way	37.47				37.47	63.1%
Vehicles						0.0%
Prof. Services	0.41	0.36	0.38	0.25	1.40	2.4%
Project Contingency			1.11		1.11	1.9%
Project Revenue						0.0%
Total Project Cost	38.01	12.87	7.49	1.02	59.39	100.0%
Sources of Funds						
Measure R - Rail Capital General Improvements (2%)	8.40		1.49	0.25	10.14	17.1%
Lease Revenues	6.61				6.61	11.1%
Repayment of Capital Project Loans (Fund 3562)	22.84				22.84	38.5%
Measure M -Metro State of Good Repair (2%)	0.13	3.00	2.56	0.77	6.45	10.9%
General Fund - Metro	0.04	0.36			0.40	0.7%
Other Local Funds		9.51	3.44		12.95	21.8%
Total Sources	38.01	12.87	7.49	1.02	59.39	100.0%

ATTACHMENT B

Regional Connector Concurrent Non-FFGA Activities

Measure R and Measure M Unified Cost Management Policy Analysis

Introduction

The Measure R and Measure M Unified Cost Management Policy (the Policy) was adopted by the Metro Board of Directors in June 2018. The precursor Measure R cost management policy was adopted in March 2011. The intent of the Policy is to inform the Metro Board of Directors regarding potential cost increases to Measure R-funded projects and the strategies available to close any funding gaps. The Regional Connector Concurrent Non-FFGA Activities Project (the Project) is subject to this policy analysis.

The Regional Connector Concurrent Non-FFGA Activities Project was created in April 2014 at the time the design-build contract was awarded and initial Life-of-Project (LOP) budget set for the Regional Connector Project. The Project is a component of the Regional Connector Project and was created due to constraints on costs that are not eligible under the New Starts full funding grant agreement that has been awarded to the Regional Connector Project.

The LOP requires an increase of \$12,948,000, from \$46,441,168 to \$59,389,168. This analysis recommends trade-offs required by the Policy to identify the funds necessary to meet the cost increase.

Measure R and Measure M Unified Cost Management Policy Summary

The adopted Policy stipulates the following:

If a project increase occurs, the Metro Board of Directors must approve a plan of action to address the issue prior to taking any action necessary to permit the project to move to the next milestone. Increases will be measured against subsequent actions on cost estimates taken by the Metro Board of Directors, including the determination of the LOP. Shortfalls will first be addressed at the project level prior to evaluation for any additional resources using these methods in this order as appropriate:

- 1) Scope reductions;
- 2) New local agency funding resources;
- 3) Value Engineering;
- 4) Other cost reductions within the same transit or highway corridor;
- 5) Other cost reductions within the same sub-region; and finally,
- 6) Countywide transit or highway cost reductions or other funds will be sought using pre-established priorities.

The Policy analysis considers options for the Project as well as the related Regional Connector Project.

Scope Reductions or Value Engineering

The Project is proceeding under a design-build contract with an April 2022 completion date. Any scope reduction or value engineering would require negotiation and agreement with the Contractor that could delay the schedule. Given the current action involves the payment of an incentive to the Contractor to complete construction 10 weeks faster, we recommend moving to the next step.

New Local Agency Funding Resources

The Project is located in the City of Los Angeles and the Central City Area subregion (as defined in Measure M). These entities have local return, Multi-Year Subregional Program, and other transportation funding that is eligible for the Project. However, given the name of the Project is intended to benefit the regional Metro rail network, the local agency funding is not being considered for the cost increase.

Other Cost Reductions within the Same Transit Corridor

The corridor of the Project includes Exposition Light Rail Transit, Gold Line Foothill Extension, and the Gold Line Eastside Extension. The Exposition Light Rail Transit Phase II (Expo II) and Gold Line Foothill Extension have been completed and have no savings or surplus which could be transferred to the Project. The Expo II project did realize Measure R savings, but the Board directed those savings to the Westside Subway Section 2 project (Board report #2016-0379), then subsequently to the Westside Subway Section 1 project (Board report #2020-0351). The Foothill Extension II, now ending in Pomona, does not have available funding, as it has been shortened due to cost increases from the initial terminus in Claremont, and has required the use of subregional and State grant funding. While the Gold Line Eastside Transit Corridor Extension Phase II is in the same corridor, the funding for this project is outside of the timeframe needed for the Project.

Other Cost Reductions within the Same Sub-region

The Regional Connector Project is located within the Central, or Central City Area Subregion. Given that the project will create continuous corridors between several subregions (Central, Gateway, San Gabriel Valley, and Westside), we are recommending that any remaining funding shortfall for the Project be dealt with at the Countywide level.

Countywide Cost Reductions and/or Other Funds

The Project is eligible for Measure R 35% Transit funds listed in the ordinance Expenditure Plan, but these have all been allocated to the Regional Connector Project. The Project is not eligible for Proposition A and Proposition C as much of the Project is deemed "new subway" and not allowed under the Act of 1998. The Project is eligible for Measure R Rail Capital General Improvements 2%, Metro Lease Revenues, Measure M State of Good Repair 2% (for certain components of the Project only), State Repayment Fund 3562, and Transportation Development Act Article 4 funds. A combination of the funds is recommended to address the increase in the Project LOP.



Board Report

File #: 2020-0844, File Type: Oral Report / Presentation

Agenda Number: 44.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2021**

SUBJECT: TAP UPDATE

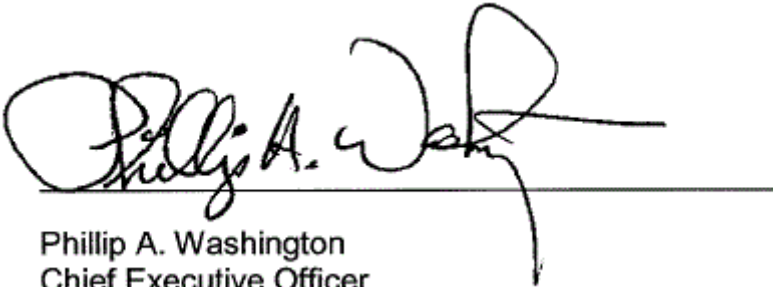
ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE oral report on the TAP program.

Prepared by: Robin O'Hara, Executive Officer, Finance, (213) 922-2411
David Sutton, Executive Officer, Finance, (213) 922-5633

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



Phillip A. Washington
Chief Executive Officer

TAP UPDATE

Response to Chair's Request

Executive Management Committee

January 21, 2021

David Sutton, TAP

Robin O'Hara, TAP

Pre-Covid TAP



Robust Regional Fare Collection System

- Contactless, chip-based smart card system



Deep Penetration and Utilization

- 26 TAP agencies including 3800 regional buses, 108 rail stations + Access Services (paratransit)
- TAP is 40% of boardings on Metro bus and 100% on Metro Rail

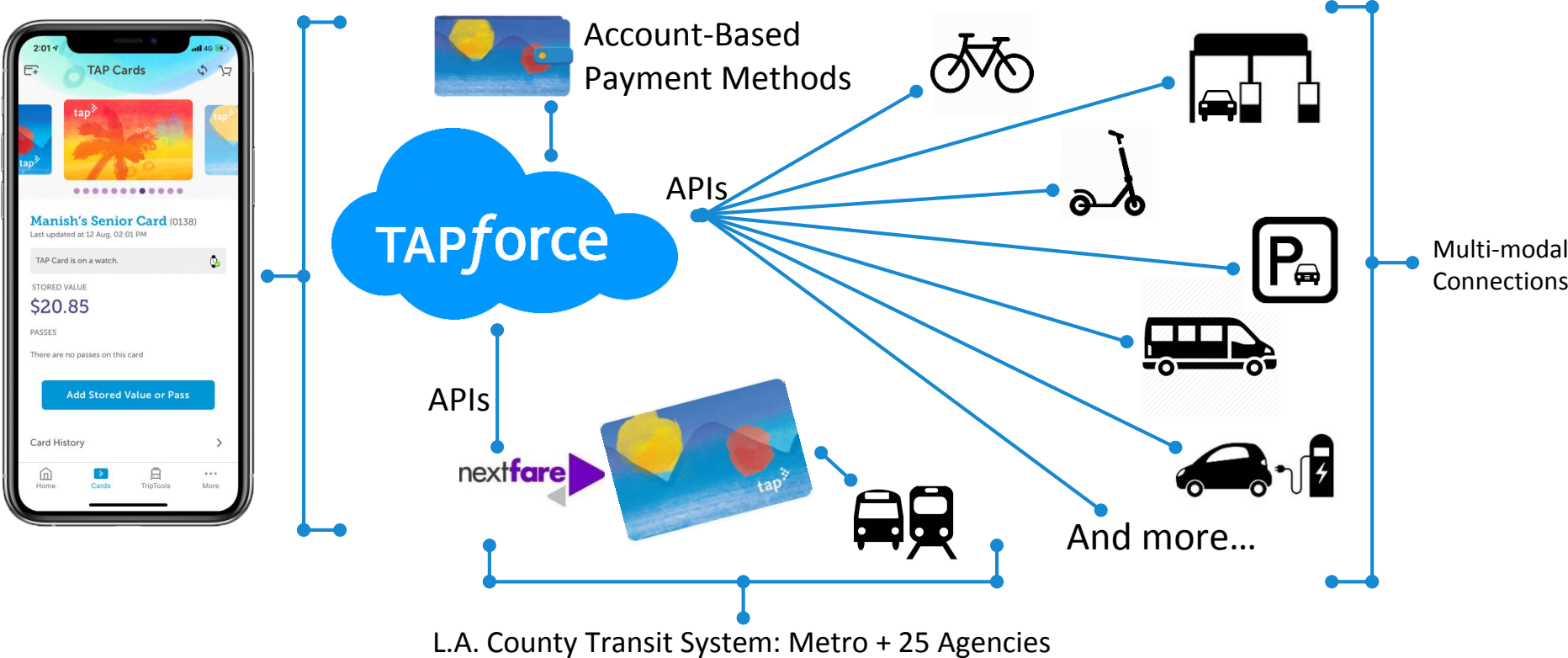
Convenient Purchasing Options

- 1,440 LA county outlets selling \$192M annually
- Also: TVMs, Website, Onboard Buses, Phone, Libraries, Mobile App

Seamless Regional Travel

- 16M automated Interagency Transfers annually
- \$144M in Stored Value (cash purse) and \$102.4 in passes annually (includes many different types for Metro, Munis and Regional EZ Pass program)
- 43% of all Countywide fare revenue
- 214M regional boardings annually on TAP

TAPforce Now in Operation for Mobility-as-a-Service (MaaS)

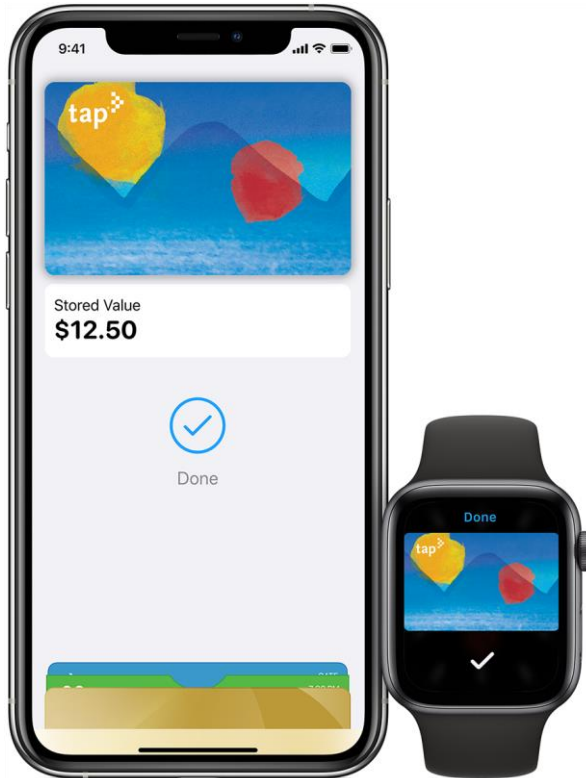


Top 10 TAP Projects Completed in 2020



1. Launched state-of-art Mobile App
2. Upgraded fareboxes on 9 regional systems and installed new Rail Validators (\$55M)
3. Operating Mobility-as-a-Service (MaaS) through TAPforce
4. Partnered with Lyft to introduce new riders to transit
5. Awarded 2 grants for new development
 - Mobility
 - Rewards Program
6. Half-price passes ready for implementation when front doors open on buses
7. Implemented refunds for riders affected by stay-at-home orders
8. Completed LIFE automation for Covid-safe renewals
9. Launched TAP bar-code program to add 1000+ retail stores
10. Upgraded retail sales devices throughout LA

TAP's New Mobile App for Apple and Android



Search for "TAP LA" in the app store

Regional Mobile App

- Safe, touchless technology
- No upfront cost to build and minimal transaction fees
- Nearly 16,000 downloads – even with no front door boarding and no fares being collected
- Works for all 26 agencies/microtransit/bikeshare

Equity

- Includes LIFE low-income fares and all Senior, Disabled and Student Reduced Fares
- Offers easy cash loading at 7-Eleven or Walgreens
- Load with cash at a TVM or a bus farebox

Future of TAP

- Fare capping report going to Board
 - Equity for all – customers pay as they go
 - Different fares enabled for different rider classes
 - Ensures lowest cost for each rider
- Integrated mobility is a key focus
- Investments made – now poised to reap long-term benefits



tap





Board Report

File #: 2020-0811, **File Type:** Contract

Agenda Number: 45.

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2021

**SUBJECT: METRO SYSTEM ADVERTISING
(LICENSE TO SELL AND DISPLAY ADVERTISING ON BUS AND RAIL)**

ACTION: APPROVE CONTRACT MODIFICATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

A. EXECUTE Modification No. 4 to Contract No. PS41099B - License to Sell and Display Advertising on Metro Bus System, with Outfront Media Group, LLC, to

- 1) Extend the temporary replacement of the Minimum Annual Guarantee (MAG) payments to Metro with monthly payments of 55% of actual sales revenues for one year, from January 1, 2021 to December 31, 2021;
- 2) Allow contractor to submit payments by the 80th day following the close of each month beginning January 1, 2021;
- 3) Amend ARTICLE VI of the Contract to revise the basis of the Letter of Credit from 50% of the Minimum Annual Guarantee (MAG) to 50% of projected Gross Annual Advertising Revenue Share for calendar year 2021;

B. EXECUTE Modification No. 2 to Contract No. PS41099R - License to Sell and Display Advertising on Metro Rail System, with Intersection Parent, Inc. to

- 1) Extend the temporary replacement of the Minimum Annual Guarantee (MAG) payments to Metro with monthly payments of 55% of actual sales revenues for one year, from

January 1, 2021 to December 31, 2021;

- 2) Allow contractor to submit payment by the 80th day following the close of each month beginning January 1, 2021;
- 3) Amend ARTICLE VI of the Contract to revise the basis of the Letter of Credit from 50% of the Minimum Annual Guarantee (MAG) to 50% of projected Gross Annual Advertising Revenue Share for calendar year 2021;

~~4) Contingent on outcome of a Commercial Sponsorship and Adoption Policy ("Sponsorship Policy"):~~

- ~~i. Upon Board adoption of a Sponsorship Policy – Amend Exhibit B Statement of Work, Article 8, Subarticles 8.6.2.2 and 8.6.2.3 to remove the station domination restriction of maximum 90 days occupancy and repeat sponsor for interoperability of a commercial sponsorship program and instead replace it with the timebound elements of the Sponsorship Policy (temporary, short and long-term placements);~~
- ~~ii. Until such time that the Board adopts the Sponsorship Policy – Apply no change to Exhibit B Statement of Work, Article 8, Subarticles 8.6.2.2 and 8.6.2.3 restricting station domination maximum 90 days occupancy and repeat sponsor, leaving restrictions as-is.~~

ISSUE

This report provides an update on how COVID-19 pandemic conditions continue to negatively impact advertising business on the Metro system. Metro's revenue advertising business continues to see depressed sales and lack of customer impressions - negatively affecting advertising contractor's ability to generate the level of revenue that is necessary in order to meet the MAG payments to Metro.

In response to continued COVID-19 negatively affecting advertising business, staff is recommending these temporary contract modifications:

- 1) Extend the removal of MAG payment obligation from each contractor, instead, allowing each to pay Metro 55% revenues share of gross sales from January 1, 2021 to December 31, 2021. This extension provides relief to both contractors while Metro continues to receive revenue payments, it also incentivizes the contractor to keep selling ad space as aggressively as the market will sustain;
- 2) Revising the basis of the Letter of Credit to 50% of projected gross annual advertising revenue share for calendar year 2021, rather than 50% of the MAG as the MAG quantity will not be

used for calendar year 2021.

Staff is also recommending the following permanent contract modifications to align with Metro accounting standards and avoid additional modifications:

- 1) Allowing both contractors to submit payments by the 80th day following the close of each month to align with Metro accounts payable requirements - payments are currently due on the 15th of each following month;
- 2) ~~Contingent upon the outcome of a Commercial and Adoption Sponsorship Policy:~~
~~If the Board adopts the Sponsorship Policy, remove station domination restriction of maximum 90 days occupancy and repeat sponsor for interoperability with the commercial sponsorship policy and instead replace it with the timebound elements of the policy (temporary, short- and long-term placements). The policy will include temporary, short, and long-term commercial opportunities – directly impacting both advertising contracts. Managing this modification now will prevent further administrative action later to both advertising contracts. If the Board does not adopt the Sponsorship Policy, current restrictions on station domination maximum 90 days occupancy and repeat sponsor will remain in place, as-is.~~

Staff recommendations reflect a prudent response to the impact of COVID-19 on Metro's advertising business. The agency may provide short term financial relief in order to preserve a long-term revenue source - the combined advertising contracts will generate \$305M revenue over 10 years, \$20M capital expenditure investment in digital equipment, and both contractors will continue to provide payments to Metro.

BACKGROUND

In May 2020, the Metro Board approved contract modifications providing temporary financial relief to revenue advertising contractors, Outfront and Intersection, due to negative impact of COVID-19 pandemic conditions. The temporary relief removed the MAG obligation from each contractor, instead, allowing each to pay Metro a monthly revenue of 55% share of actual revenues from May 2020 through December 31, 2020.

The Metro Board approved the agency's current revenue advertising contracts with Outfront and Intersection, respectively, in January 2018 with revenue operations beginning in March 2018 and ending in February 2028. Outfront was awarded Contract PS41099B to sell and manage commercial advertising on Metro's 2,000+ operational bus fleet with promised revenues of \$262,250,000 for the duration of the contract. Intersection was awarded a Contract PS41099R to sell and manage commercial advertising on Metro's rail system, including stations and trains, with promised revenues of \$42,902,200 for the duration of the contract. Additionally, Intersection will deploy digital equipment, worth approximately \$20M, at no cost to Metro, for the purpose of migrating to digital advertising and information.

DISCUSSION

2020 Revenue Payments and Capital Expenditures

Following the Board's approval of temporarily removing the MAG obligation from May 1, 2020 to

December 31, 2020 for both advertising contractors Outfront has paid Metro \$12,123,570 and Intersection has paid Metro \$1,616,197 for a collective \$13,739,767 (calendar year 2020). Metro received MAG payments from January to April, and 55% revenue share payments from May to December from both contractors. Below is breakdown of payments for the 2020 calendar year:

JAN	\$2,128,833	(bus - \$1,958,333, rail - \$170,500)	MAG
FEB	\$2,128,833	(bus - \$1,958,333, rail - \$170,500)	MAG
MAR	\$2,128,833	(bus - \$1,958,333, rail - \$170,500)	MAG
APR	\$2,128,833	(bus - \$1,958,333, rail - \$170,500)	MAG
MAY	\$903,316	(bus - \$639,932, rail - \$92,883)	RevShare
JUNE	\$698,760	(bus - \$627,486, rail - \$71,274)	RevShare
JULY	\$338,725	(bus - \$255,452, rail - \$83,725)	RevShare
AUG	\$771,591	(bus - \$663,046, rail - \$108,545)	RevShare
SEPT	\$682,317	(bus - \$567,394, rail - \$114,923)	RevShare
OCT	\$768,189	(bus - \$669,372, rail - \$98,817)	RevShare
NOV	\$732,937	(bus - \$409,798, rail - \$323,139)	RevShare
DEC	\$578,022	(bus - \$457,758, rail - \$120,246)	RevShare

On the bus system, approximately 10% of normal revenue from the theatrical/studio business has returned, bus revenue is down 55% overall, and is anticipated to finish around \$22.7M in sales (before Metro revenue share).

On the rail system, legal and healthcare industries have continued to buy advertising throughout the pandemic. Intersection has also seen large technology companies, such as Facebook, purchase advertising and give back a percentage of their spend to small, local, and minority-owned businesses, as well as for COVID-19 public health guidelines such as safe social distancing and hand washing practices.

Additionally, Intersection has continued to deploy digital equipment as part of the digital advertising program, including:

- A pair of 75-inch flatscreens at 7th Street / Metro Center Station (October)
- 9-panel video wall at Hollywood / Highland Station (October)
- Replacement of vandalized screens on A Line (9 screens have been replaced to date with 7 more scheduled to be replaced by the end of 2020)

Continued Negative Impact of COVID-19

As COVID-19 pandemic conditions persist, the resulting pandemic recession conditions also persist - impacts to business reported in May 2020 have not improved and remain consistent. Global pandemic conditions continue to negatively impact regional advertising business. Some examples include:

Altered Work Patterns

Working remotely or virtually is becoming a *new norm* in order to adhere to physical distance

measures as a way of inhibiting the spread of coronavirus. Beyond 2020, companies are allowing their employees to selectively work from home or part-time from home; this action removes the need of workers to commute.

- **IMPACT - Loss of Customer Impressions**
Less people riding the Metro system and less people on the streets equal fewer eyeballs viewing advertisements. Metro's bus and rail ridership is down 48 percent compared to pre-pandemic levels - resulting in the loss of transit rider and bystander viewing impressions. Until a vaccine is approved and distributed, and while the *Stay-at-Home* orders remain in place, it is anticipated that viewing impressions for 2021 will remain consistently low with gradual recovery towards the end of 2021.

Pandemic Recession Patterns

While federal stimulus packages provide aid to local economies and small businesses, larger businesses do not qualify and are mitigating financial hardship themselves. Larger businesses and national brands - those who normally purchase large media buys on the Metro system - are weathering financial difficulty by cutting advertising budgets and advertising spending.

- **IMPACT - Ad Buys Are Still Not Returning**
During a standard year, Metro's advertising business will see significant media buys from the following sectors: entertainment, local attractions, new products and services. However, these key sectors are still shut down or struggling, and products and service agencies are holding on to ad spending. During the height of the pandemic from April to July 2020, transit advertising was down 75% and is recovering very slowly.
- **IMPACT - Ad Brokers Securing Credit**
In order to weather pandemic recession conditions, both advertising brokers have or are in the process of independently securing capital. Outfront is a large enterprise company and does not qualify for federal aid nor grants and has secured \$500M. Intersection is a smaller, privately held company that is in the process of securing additional capital.

2021 Sales Projections and Capital Expenditures

Advertising Sales Projections

For calendar year 2021, Outfront projects gross revenue sales of \$21M for bus advertising, and Intersection projects gross revenue sales of \$2M for rail advertising - for a combined \$23M in advertising gross revenue sales. Metro's combined revenue share from both parties is projected to be \$12.6M for calendar year 2021.

	Gross Sales	Metro Payments (55% Rev Share)
Bus	\$21M	\$11.5M
Rail	\$2M	\$1.1M
Totals	\$23M	\$12.6M

In lieu of MAG payments for 2021, Metro will retain a greater *share of voice* - 20 percent up from 10 percent - on digital and static inventory to communicate agency priorities and implement Board motions such as Metro Art Programs including *Uplifting the Human Spirit Through Art*; customer experience *Surprise and Delight* opportunities; and *East, Shop, Play* construction mitigation.

Capital Expenditures (CapEx)

Intersection's planned capital expenditure investment on the E Line is still on schedule with an estimated investment of over \$1M. Various staff and departments have been coordinating with Intersection on kiosk placement, installation logistics, and scheduling. There are currently 34 interactive screens planned for deployment for E Line stations, but the scoping is not complete. Intersection will work with Metro to coordinate the installation of the digital units with minimal service disruption. Deployment is on track to be completed by the end of Q3 2021.

CapEx is independent of MAG suspension. The MAG suspension is essential due to the continued advertising revenue depression resulting from COVID. Intersection will deploy capital in 2021, but the level of capital is less than planned due to the pandemic. Marketing staff are also coordinating with C/LAX program management on digital scoping and deployment.

Rail System and Intersection Modifications

~~One additional modification is recommended to Contract No. PS41099R – License to Sell and Display Advertising on Metro Rail System, with Intersection Parent:~~

~~*Station Domination Restrictions*~~

~~The current contract restricts station activation/domination activity to maximum 90 days and consecutive purchase by one advertiser. However, future Commercial Sponsorship and Adoption Policy, if adopted by the Board, allows for temporary (up to 6 months), short-term (6 months to 2 years), and long-term (2 years to 10 years) sponsorships – and will directly impact both advertising contracts. Since this restriction is germane to this contract, it should be removed as part of this contract modification to prepare for the forthcoming commercial sponsorship. Removing this now in anticipation of the new Sponsorship Policy, makes it so staff does not have to bring another modification to this contract next month. If the Board adopts the Sponsorship Policy, this language will be removed:~~

~~8.6.2.2 Contractor shall not allow or authorize any single advertiser to engage in Station Domination of a single station for a period of more than 90 consecutive days.~~

~~8.6.2.3 Immediately following the period of Station Domination by an advertiser, said advertiser shall not be permitted to engage in Station Domination of that same station for at least 90 consecutive days.~~

~~The forthcoming policy, rather than providing opportunities for station activations and dominations, will allow for temporary, short and longer-term sponsorship opportunities.~~

FINANCIAL IMPACT

Temporarily replacing the minimum annual payment (MAG) with 55% revenue share of sales for 12 months will see a drastic change in planned revenues. Advertising revenues are eligible for bus and rail operations and capital expenditures.

Impact to Budget

Final loss of revenues will be reported once payment actuals have been received. This contract modification will affect FY21 Q3 and Q4, and FY22 Q1 and Q2, with projected revenue losses to be:

- FY21 Q3 and Q4 loss of revenue is an estimated \$7,108,566
- FY22 Q1 and Q2 loss of revenue is an estimated \$7,270,602

- FY21 is projected to see a total loss of \$16,537,225 (-62%)
- ~~FY22 is projected to see a total loss of \$6,883,294 (-25%)~~
- FY22 is projected to see a total loss of \$7,270,602 (-26%)

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The revenue advertising program supports the Strategic Plan by fulfilling these goals:

- Goal 2.2 Improving legibility, ease of use, and trip information on the transit system by creating new amenities that provide quality and up-to-date system information; and using popular technology to enhance customer experience.
- Goal 5.2 Exercising good public policy judgement and sound fiscal stewardship by monetizing Metro's capital assets to generate revenues and exploring private investment in Metro infrastructure improvements.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the contract modifications, but this is not recommended. By providing short-term relief to both Outfront and Intersection, Metro is preserving a long-term revenue source and capital expenditure investment that enhances station amenities for our riders.

NEXT STEPS

Upon Board approval, staff will execute both contract modifications, and continue to manage the advertising business in accordance with the contract and applicable agency policies. Staff will monitor national and local advertising business trends, along with our contractors, and provide the Board with an update in July 2021 on Metro's advertising program.

ATTACHMENTS

- Attachment A - Procurement Summary
- Attachment B - Contract Modification/Change Order Log
- Attachment C - DEOD Summary

Attachment D - Fiscal Year 2021 and 2022 Revenue Change

Prepared by: Lan-Chi Lam, Director of Communications, (213) 922-2349
Glen Becerra, Executive Officer of Marketing, (213) 418-3265

Reviewed by: Yvette Rapose, Chief Communications Officer, (213) 418-3154
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

**METRO SYSTEM ADVERTISING – LICENSE TO SELL AND DISPLAY
ADVERTISING ON METRO BUS AND RAIL SYSTEMS/PS41099B and PS41099R**

1.	Contract Numbers: A) PS41099B B) PS41099R		
2.	Contractors: A) Outfront Media Group, LLC B) Intersection Parent, Inc.		
3.	Contract Work Description: Advertising Revenue		
4.	Modification Description: (a) PS41099B: Extend the temporary replacement of monthly Minimum Annual Guarantee (MAG) Payments with monthly payments of 55% of sales revenues to December 31, 2021. (b) PS41099R: Extend the temporary replacement of monthly Minimum Annual Guarantee (MAG) Payments with monthly payments of 55% of sales revenues to December 31, 2021.		
5.	The following data is current as of: December 8, 2020		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	Jan 25, 2018	Revenue Contract Award Amount: PS41099B: \$262,250,000 PS41099R: \$42,902,200
	Original Completion Date:	Feb 28, 2028	Total of Modification Approved \$0
	Current Est. Completion Date:	Feb 28, 2028	Current Contract Value (with this action): PS41099B: \$262,250,000 PS41099R: \$42,902,200
7.	Contract Administrator: Ernesto N. De Guzman		Telephone Number (213) 922 - 7267
8.	Project Manager: Lan-Chi Lam		Telephone Number (213) 922 - 2349

Background:

On January 25, 2018, the Board approved the award of Contract Nos. PS41099B and PS41099R to Outfront Media Group, LLC and Intersection Parent, Inc., respectively, for license to sell and display advertising on Metro's bus and rail assets. The contracts' terms were for ten (10) years, from March 1, 2018 through February 28, 2028, and included minimum annual guarantee (MAG) payments that would yield to Metro revenues of \$262,250,000 for advertising on bus assets, and \$42,902,200 for advertising on rail assets during the life of the contracts. There were three modifications issued for PS41099B and one modification was issued for PS41099R.

Refer to Attachment B – Contract Modification/Change Order Log for details of modifications.

Because of the significant loss of advertising sales revenues due to COVID-19, the advertising industry has experienced serious losses of revenue. Both bus and rail revenue advertising contractors have requested to extend the temporary replacement of the MAG requirements of the Contract, paying instead a share of 55% of monthly sales to Metro through December 2021, while they recover from the economic effects of the COVID-19 pandemic.

Reasonableness of Revenue Levels

Metro’s marketing staff has been continuously monitoring market conditions since the beginning of the COVID-19 pandemic and had recently concluded that the advertising industry continues to see depressed sales and lack of customer impressions which continues to negatively affect Metro’s advertising contractors’ ability to generate the necessary level of revenue. Therefore, the levels of revenue submitted by both Contractors are considered fair and reasonable.

CONTRACT MODIFICATION/CHANGE ORDER LOG

LICENSE TO SELL AND DISPLAY ADVERTISING ON METRO BUS
SYSTEM/PS41099B

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Clarify contract language	Approved	03/28/18	\$0
2	Provide a schedule of monthly Minimum Annual Guarantee (MAG) payments	Approved	04/25/18	\$0
3	Temporarily replace MAG monthly payments with payments of 55% of actual gross sales from May 2020 through December 2020	Approved	06/04/20	\$0
4	Extend temporary MAG replacement by one year to a new expiration date of 12/31/2021; allow contractor to submit payments up to the 80 th day following the close of each month beginning January 1, 2021; and, revise the basis of the Letter of Credit from 50% of the MAG to 50% of annual revenue share payment amount for calendar year 2021	Pending	Pending	\$0
	Modification Total:			\$0
	Original Contract:	Approved	01/25/18	\$262,250,000
	Total:			\$262,250,000

CONTRACT MODIFICATION/CHANGE ORDER LOG

LICENSE TO SELL AND DISPLAY ADVERTISING ON METRO RAIL
SYSTEM/PS41099R

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Temporarily replace Minimum Annual Guarantee (MAG) monthly payments with payments of 55% of actual gross sales from May 2020 through December 2020	Approved	06/23/20	\$0
2	Extend temporary MAG replacement by one year to a new expiration date of 12/31/2021; allow contractor to submit payments up to the 80 th day following the close of each month beginning January 1, 2021; revise the basis of the Letter of Credit from 50% of the MAG to 50% of annual revenue share payment amount for calendar year 2021; and, contingent upon approval of Commercial Sponsorship Policy, remove the station domination restriction of maximum 90 days	Pending	Pending	\$0
	Modification Total:			\$0
	Original Contract:	Approved	01/25/18	\$42,902,200
	Total:			\$42,902,200

DEOD SUMMARY**METRO SYSTEM ADVERTISING – LICENSE TO SELL AND DISPLAY
ADVERTISING ON METRO BUS AND RAIL SYSTEMS/PS41099B and PS41099R****A. Small Business Participation**

For this revenue generating procurement, the Diversity and Economic Opportunity Department (DEOD) determined that a goal was not applicable as the system advertising contract does not utilize any federal, state and/or local funds.

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.

ATTACHMENT D

FISCAL YEAR 2021 AND 2022 REVENUE CHANGE

Advertising Revenue - FY21 Payment Summary

(Entire fiscal year earning 55% revenue share of gross sales)

	Planned (MAG)	Actuals & Projected (RevShare)	Difference	Difference (%)
BUS	\$23,500,000	\$8,772,818		
RAIL	\$3,209,000	\$1,398,957		
TOTAL	\$26,709,000	\$10,171,775	\$(16,537,225)	-62%

Advertising Revenue - FY21 Monthly Payments

JULY	\$338,725	(bus - \$255,452, rail - \$83,725)	RevShare
AUG	\$771,591	(bus - \$663,046, rail - \$108,545)	RevShare
SEPT	\$682,317	(bus - \$567,394, rail - \$114,923)	RevShare
OCT	\$768,189	(bus - \$669,372, rail - \$98,817)	RevShare
NOV	\$732,937	(bus - \$409,798, rail - \$323,139)	RevShare
DEC	\$578,022	(bus - \$457,758, rail - \$120,264)	RevShare
JAN	\$1,529,166	(bus - \$1,237,500, rail - \$291,666)	RevShare Projected
FEB	\$1,529,166	(bus - \$1,237,500, rail - \$291,666)	RevShare Projected
MAR	\$1,529,166	(bus - \$1,237,500, rail - \$291,666)	RevShare Projected
APR	\$1,529,166	(bus - \$1,237,500, rail - \$291,666)	RevShare Projected
MAY	\$1,529,166	(bus - \$1,237,500, rail - \$291,666)	RevShare Projected
JUNE	\$1,529,166	(bus - \$1,237,500, rail - \$291,666)	RevShare Projected

Advertising Revenue - FY22 Payment Summary

(Q1 and Q2 earning 55% revenue share of gross sales, Q3 and Q4 earning MAG payment)

	Planned (MAG)	Projected & Planned (RevShare+MAG)	Difference	Difference (%)
BUS	\$23,500,000	\$17,499,996		
RAIL	\$4,028,508	\$3,145,218		
RAIL	\$4,028,508	\$2,757,906		
TOTAL	\$27,528,508	\$20,645,214	\$(6,883,294)	-25%
TOTAL	\$27,528,508	\$20,257,902	\$(7,270,606)	-26%

Advertising Revenue - FY22 Monthly Payments

JULY	\$1,116,666	(bus - \$958,333, rail - \$91,666)	RevShare Projected
AUG	\$1,116,666	(bus - \$958,333, rail - \$91,666)	RevShare Projected
SEPT	\$1,116,666	(bus - \$958,333, rail - \$91,666)	RevShare Projected
OCT	\$1,116,666	(bus - \$958,333, rail - \$91,666)	RevShare Projected
NOV	\$1,116,666	(bus - \$958,333, rail - \$91,666)	RevShare Projected
DEC	\$1,116,666	(bus - \$958,333, rail - \$91,666)	RevShare Projected
JAN	\$2,390,870	(bus - \$1,953,333, rail - \$303,433 \$432,537)	MAG
FEB	\$2,390,870	(bus - \$1,953,333, rail - \$303,433 \$432,537)	MAG
MAR	\$2,390,870	(bus - \$1,953,333, rail - \$303,433 \$432,537)	MAG
APR	\$2,390,870	(bus - \$1,953,333, rail - \$432,537)	MAG
MAY	\$2,390,870	(bus - \$1,953,333, rail - \$432,537)	MAG
JUNE	\$2,390,870	(bus - \$1,953,333, rail - \$432,537)	MAG

Rail / Intersection – Minimum Annual Guarantee (MAG) Payment Table

CONTRACT YEAR 1 MAG TOTAL	\$2,000,000
CONTRACT YEAR 2 MAG TOTAL	\$2,046,000
CONTRACT YEAR 3 MAG TOTAL	\$2,993,058
CONTRACT YEAR 4 MAG TOTAL	\$3,641,198
CONTRACT YEAR 5 MAG TOTAL	\$5,190,446
CONTRACT YEAR 6 MAG TOTAL	\$5,240,826
CONTRACT YEAR 7 MAG TOTAL	\$5,292,365
CONTRACT YEAR 8 MAG TOTAL	\$5,345,090
CONTRACT YEAR 9 MAG TOTAL	\$5,399,027
CONTRACT YEAR 10 MAG TOTAL	\$5,454,204
TOTAL 10-YEAR REVENUE MAG	\$42,602,214

Bus / Outfront – Minimum Annual Guarantee (MAG) Payment Table

CONTRACT YEAR 1 MAG TOTAL	\$23,500,000
CONTRACT YEAR 2 MAG TOTAL	\$23,500,000
CONTRACT YEAR 3 MAG TOTAL	\$23,500,000
CONTRACT YEAR 4 MAG TOTAL	\$23,500,000
CONTRACT YEAR 5 MAG TOTAL	\$23,500,000
CONTRACT YEAR 6 MAG TOTAL	\$28,950,000
CONTRACT YEAR 7 MAG TOTAL	\$28,950,000
CONTRACT YEAR 8 MAG TOTAL	\$28,950,000
CONTRACT YEAR 9 MAG TOTAL	\$28,950,000
CONTRACT YEAR 10 MAG TOTAL	\$28,950,000
TOTAL 10-YEAR REVENUE MAG	\$262,250,000

REVENUE ADVERTISING

- Program Update and Contract Modification

Executive Management Committee - January 2021

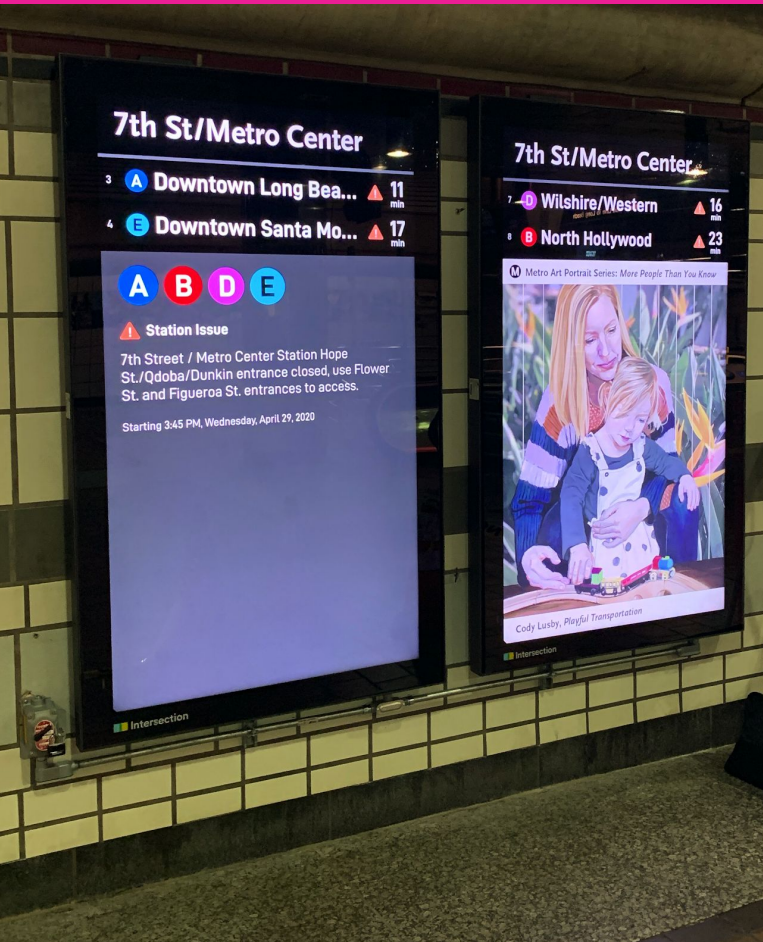
File No. 2020-0811

CONTRACT HISTORY

May 2020 Board approved contract modification in response to COVID impact. Vendors pay Metro 55% revenue share of gross sales rather than minimum annual payment (MAG) from May 2020 - December 2020.

Jan 2018 Board approved the current advertising contracts awarding Outfront / bus inventory and Intersection / rail inventory. Combined contracts will generate \$305M revenue over 10 years with \$20M capital expenditure (CapEx) investment for digital advertising and information.

2020 RECAP - REVENUE & CAPITAL EXPENDITURES



\$13.7M Revenues paid to Metro for CY2020

\$8.5M Jan-Apr (MAG)

\$5.2M May-Dec (55% Rev Share)

Pandemic caused disruption in global supply chain, pausing/halting equipment orders

- **IMPACT** - Intersection could not procure large volume order, delaying rollout to E Line
- Small batch orders: Video walls, additional flats screens @ 7th/Metro, and maintenance

2020 RECAP - COVID-19 CONTINUED IMPACT

Pandemic recession conditions persist → impacting regional advertising business

Altered Work - Telecommuting and working remotely removing the need to commute

- **IMPACT – Loss of customer impressions (Less people riding the Metro system and less people on the streets equal fewer eyeballs viewing advertising)**

Pandemic Recession - Most businesses are facing financial hardship and cut ad budget

- **IMPACT – Ad buys still not returning (entertainment, local attractions)**
- **IMPACT – Ad brokers independently securing credit to weather pandemic (Outfront secured \$500M, Intersection in process)**



Metro

2021 FORECAST - REVENUE & CAPITAL EXPENDITURES

\$12.6M Projected revenue payments for CY2021

- Metro will receive 55% Revenue Share for entire year

E Line Deployment

- Onschedule to install 34 screens (\$1M+ investment) beginning Summer 2021 and complete Fall 2021

Agency Share of Voice (SOV)

- Increase SOV from 10% to 20% to communicate agency priorities and implement Board motions (Art Program, Customer Experience, Eat, Shop, Play)



FINANCIAL IMPACT - METRO FISCAL YEARS

Advertising Revenue - FY21 Payment Summary

(Entire fiscal year earning 55% revenue share of gross sales)

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TOTAL	\$27,528,508	\$20,257,902	\$(7,270,606)	-26%



Metro

CONTRACT MODIFICATION - RECOMMENDATION & JUSTIFICATION

Temporary Modifications

- Extend minimum annual guarantee (MAG) easement and continue to receive 55% revenue share of gross sales for January-December 2021 (12 months)
- Revise Letter of Credit removing tie to MAG amount for 2021 (technicality)

Permanent Modifications

- Align with AP: Allow contractors to submit payment by the 80th day upon invoice
- ~~● Contingent on approval of Commercial Sponsorship Policy:
Remove station activation restrictions of maximum 90 days occupancy and repeat buyer so staff do not have to modify this contract once again~~

Justification

- Provide short term financial easement in order to preserve a long-term revenue source for Metro (\$305M over 10 years into 2028, \$20M CapEx investment)
- Prevent contract cancellation and need to begin new procurement



Board Report

File #: 2020-0820, **File Type:** Informational Report

Agenda Number: 46.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2021**

SUBJECT: TRAFFIC REDUCTION STUDY UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE status report on Traffic Reduction Study (formerly named the Congestion Pricing Feasibility Study) update.

ISSUE

Staff is providing a status update on the Traffic Reduction Study (formerly named the Congestion Pricing Feasibility Study), which supports the Board's bold and transformational initiatives for "The Re-Imagining of LA County", Motions 43.1 (Butts), 43.2 (Solis, Garcetti, Dupont-Walker, Butts, Hahn), and 32.3 (Garcetti, Kuehl, Butts, Solis, Hahn).

BACKGROUND

On February 28, 2019, the Board approved strategies to pursue the Transformational Initiatives central to "The Re-Imagining of LA County," which included a Congestion Pricing Feasibility Study. This has since been renamed the Traffic Reduction Study to focus on the desired outcome of reducing traffic congestion and improving mobility. These Transformational Initiatives address the widely shared desire to greatly reduce congestion, improve mobility and air quality, improve equity, and ultimately provide a more sustainable and resilient LA County for all.

Concurrently, the Board passed Motion 32.3 to direct staff to ensure the Study fully addresses and incorporates the parameters identified in the January 2019 Motions 43.1 (Butts) and 43.2 (Solis, Garcetti, Dupont-Walker, Butts, Hahn), which include, but are not limited to, a detailed implementation timeline, cost estimates, sources of funding, and an equity strategy execution plan.

On April 25, 2019, the Board approved the issuance of Requests for Proposals to procure services from qualified firms for 1) Technical Services and 2) Communications Plan and Public Engagement Services for the Study.

On September 26, 2019, the Board approved award of contracts to WSP USA, Inc., for technical services and Guidehouse LLP for communications and public engagement services for the Study.

DISCUSSION

The Traffic Reduction Study is exploring how to reduce traffic through a two-pronged approach: 1) managing travel demand through congestion pricing, and 2) providing more high-quality transportation options. In addition, the study is intended to support:

- Environmental and economic justice, by mitigating impacts and improving outcomes for low-income and vulnerable populations and reducing greenhouse gas emissions;
- Improving public health and safety, including supporting air quality improvements and roadway safety for users; and
- Supporting economic prosperity, including supporting businesses and goods movement, and improving access to opportunities.

Prior to the pandemic, the LA region was experiencing economic and population growth that created tremendous travel demand on our increasingly congested transportation network. While traffic during COVID-19 has declined substantially, over the longer term, it is likely that our economy and population will continue to grow and traffic will continue to get worse. Traffic congestion has many negative consequences to individuals and communities. The Traffic Reduction Study is about planning for the future. As LA County recovers from the pandemic, we aim to come back stronger with better mobility and less traffic congestion. If a pilot traffic reduction program is approved by the Metro Board in 2022, Metro and our partners would begin the anticipated multi-year process that would lead to an operational program anticipated by 2025.

Stakeholder and Public Engagement to Date

Between August - December 2020, the project team conducted the first round of stakeholder and public engagement to introduce the Study and the idea of congestion pricing, and listen to feedback:

- The project team participated in 100 meetings with individuals and groups representing local municipalities, public sector agencies, council of governments, advocacy organizations, non-profit organizations, business groups, Metro advisory groups, academia, congestion pricing experts, and other stakeholders.
- We also hosted an equity-focused conversation workshop with participants representing interests around transportation and mobility justice, disabilities and accessibility, the environment and environmental justice, gender, economic development, public health, racial justice, and faith-based interests.
- Four virtual public meetings with a telephone call-in option (3 in English, 1 in Spanish) were held between September 30 and October 6, 2020, with over 270 participants. Social media ads promoting these virtual meetings reached 84,257 people across LA County and generated 734 responses indicating interest in attending.
- Staff launched a project webpage and distributed a variety of educational and project-specific information, including blog posts on *The Source*, a frequently asked questions handout, and a project fact sheet. We worked with Professor Michael Manville, Associate Professor of Urban

Planning at UCLA and expert on congestion pricing, to produce an educational video in English and Spanish on congestion pricing. Through posting online and promoting on social media, the video has been viewed 62,832 times to-date. An ad featuring the video reached 176,840 people across LA County, with nearly 50 of them sharing it.

Key themes and takeaways that the project team heard during the first phase of stakeholder and public engagement are summarized in Attachment B. Although the Study is in the early stages of analysis, staff has identified the anticipated timeframe (see Column 2 of Attachment B) in which more information will be available to address these topics.

Stakeholder and public input will be critical to the work of this Study and the eventual proposed traffic reduction program pilot. There will be ongoing opportunities for community members to provide input throughout the process, including additional Metro-hosted discussions; conversations with organizations, businesses and cities; and more. Engagement with low-income and vulnerable communities and organizations will continue to be prioritized to ensure equity is at the center of the proposed pilot traffic reduction program. Stakeholder and public engagement will be qualitatively and quantitatively tracked and monitored to help the project team further improve the process, including the following metrics:

- Stakeholder and public: Type of engagement activity, number of participants, number of activities, content of input provided
- Community-based organizations: Type of engagement, number of participants, content of input provided
- General public survey with results available by race, income, gender, and geography

Identifying Concepts for Analysis

Since August 2020, the project team has been engaging a broad range of stakeholders across the region in conversations about their ideas, hopes, and concerns for a potential pilot program. Staff has been working with representatives from municipalities that are interested in exploring the use of congestion pricing to manage travel demand to identify initial concepts that will be explored further through analysis and additional stakeholder and public engagement. Staff will provide an update to the Board in February 2021 on the identified concepts. Each concept consists of:

- A location that has patterns and concentrations of congestion with Travel Time Index (TTI) of 1.5 or greater. TTI is a measure of travel delay that compares congested morning and evening peak-period travel conditions to “free-flow” conditions.
- Appropriate pricing model to achieve objectives.

Identification of these concepts include the following factors:

- Ability to respond to substantial congestion;
- Traffic reduction benefits that can be easily described and communicated to the public to facilitate ease of understanding;
- Areas that would not depend on infrastructure, services, or policies outside of Metro’s and our partners’ purview and timeline for implementation;
- Level of complication and needed infrastructure;

- Presence of potential municipalities interested in exploring congestion pricing as a way to manage travel demand and improve mobility;
- Potential for rich transit and mobility options through already planned improvements and additional future improvements that will be identified through the Study process. Planned improvements include projects and services that will be implemented by 2025 as part of the NextGen Bus Plan, Measure M, and other municipal transit operator or jurisdictional plans; and
- Anticipating and minimizing potential spillover traffic onto parallel roadways.

Lessons learned from successful deployment of congestion pricing strategies in Europe and Asia offer the following additional guidance for consideration:

- To the greatest extent possible, use natural or human-made structures as boundaries (e.g., water bodies, hills/mountains, highways/human-made structures);
- Focus on commercial locations in which trips and travel patterns can be influenced by pricing strategies;
- Avoid bisecting neighborhoods; and
- Consideration of areas with robust transit options.

Based on the factors and guidance mentioned above, the initial concepts will be the ones that best meet the factors and guidance outlined above.

Performance Evaluation Metrics

During the forthcoming technical analysis, the model forecasts will underpin a comparison of “Build” alternatives that assume the proposed pricing concept is in place, to a “No-Build” alternative that assumes no pricing. The project team has identified a preliminary set of metrics to evaluate the concepts in terms of benefits and burdens across multiple categories, including impacts on roadway congestion, access to opportunity, community health and environment, affordability, and financial impacts. The metrics will be reported for the “No Build” and “Build” scenarios to facilitate the evaluation of change resulting from the pricing concept as well as the expected outcome. Table 1 summarizes the preliminary set of performance evaluation metrics, which will be further refined through feedback from stakeholders. The appropriate additive transportation improvements will also be identified. In addition, stakeholder and public engagement will further inform evaluation of these concepts. Through this process, we hope to be able to recommend one or more areas for implementation.

Table 1. Preliminary Quantitative Performance Evaluation Metrics

Potential Outcome	Indicator	Metric
Mobility	Roadway congestion	Change in throughput ▪ Time period ▪ Highway segments
		Change in average speed ▪ Time period ▪ Highway segments
		Change in speed index [ratio of congested to free-flow speed] ▪ Time period ▪ Highway segments

		Change in automobile mode share ▪ Time period ▪ Representative origin-destinations
		Change in travel time ▪ Time period ▪ Representative origin-destinations ▪ Highway segments ▪ Mode (auto, transit, active transportation)
		Change in travel time index [ratio of congested travel time to free-flow travel time] ▪ Time period ▪ Representative origin-destinations ▪ Highway segments ▪ Mode (auto, transit, active transportation)
Access to opportunity	Travel time	Improvement in travel times to key destinations ▪ Time period ▪ Representative origin-destinations ▪ Mode (auto, transit, active transportation)
	Job accessibility	Number of jobs accessible within 30 minutes of travel time ▪ Mode (auto, transit, active transportation) ▪ Household income
	Diversion	Reduction in diverted trips through Equity Focus Community areas ▪ Alternative routes
	Transit ridership	Change in transit ridership (boardings) ▪ Route or line
	Transit mode share	Change in transit mode share ▪ Representative groups of origins and destinations
Community health and environment	Active transportation	Increase in trips via active transportation (bike and walk trips) ▪ Representative groups of origins and destinations
	Smart growth	Change in Vehicle Miles Traveled (SB-743 implementation)
	Climate change	Reduction in CO2 gas emissions per capita
	Air quality	Reduction in pollutants in Equity Focus Community Areas (CO, NOX, PM10, SOX, & VOC)
Affordability	Household budget burden	Household budget spent on transportation ▪ Household income
Financial impacts	Financial	Gross revenue
	Operations and maintenance	Planning-level cost estimates ▪ Capital costs (infrastructure and equipment) ▪ Tolling operation costs
	Net revenue	Net revenues for transportation improvements and re-investment into communities served/affected

FINANCIAL IMPACT

Funding for the Traffic Reduction Study is included in the FY21 budget. As these are multi-year contracts, the project manager and Chief Innovation Officer will be responsible for budgeting these costs in future years.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Traffic Reduction Study supports the Metro Vision 2028 Strategic Plan Goal #1, Initiative 1.3 to test and implement pricing strategies to reduce traffic congestion.

NEXT STEPS

Staff will continue to engage stakeholders and the public to seek feedback. We will provide an update to the Board in February 2021 on the initial concepts that will be further analyzed.

By summer of 2021, we anticipate bringing forward a recommended pilot concept for consideration by the Metro Board. This would be followed by the development of an implementation plan with input from the public. In Spring of 2022, a pilot concept and implementation plan will be brought to the Metro Board for approval. If the Board decides to proceed with implementation of a pilot program, there are still additional steps necessary. Getting to an actual operational pilot program will require federal and state approval, system design, and deployment, with a pilot program launch anticipated by 2025. Throughout that additional process, Metro and our partners will work together and with a broader set of stakeholders to further refine the pilot to ensure it responds to the evolving traffic and mobility challenges.

Staff will conduct ongoing dialogue with the Board at key milestones during the project development process. Key project milestones include, but are not limited to, the following:

- Second phase of stakeholder and public engagement
- Equity assessment and equity policy recommendations
- Summary of performance evaluation of concepts
- Recommendation of preferred pilot concept
- Proposed transportation improvements
- Summary of technology requirements
- Summary of findings for legislative and institutional requirements for implementing a pilot program
- Development of investment and financial plan
- Development of implementation plan

At the completion of the Study, the following milestones will require Board authorization to proceed:

- Go/No Go decision to implement pilot traffic reduction program
- Award a separate contract for system engineering for pilot program
- Exercise the Option on Contract No. PS62791000 for the Traffic Reduction Study Communications and Public Engagement Services contract.

ATTACHMENTS

Attachment A - Informational resources

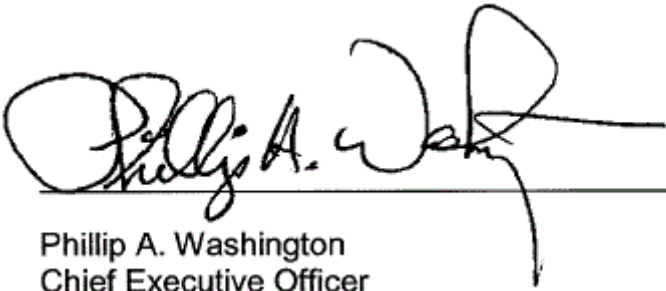
Attachment B - Summary of Key Themes and Takeaways from Phase 1 Stakeholder and public engagement

Prepared by: Tham Nguyen, Senior Director, Office of Extraordinary Innovation, (213) 926-

2724

Emma Huang, Principal Transportation Planner, Office of Extraordinary
Innovation, (213) 660-9115

Reviewed by: Joshua Schank, Chief Innovation Officer, (213) 418-3345



Phillip A. Washington
Chief Executive Officer

Attachment A: Traffic Reduction Study – Informational resources

Project Website and Video	https://www.metro.net/projects/trafficreduction/
Project Factsheet	<ul style="list-style-type: none"> • http://media.metro.net/2020/TRS-Fact-Sheet-Summer-2020.pdf • Project Fact Sheet (Spanish)
Frequently Asked Questions	<ul style="list-style-type: none"> • Frequently Asked Questions • Frequently Asked Questions – Spanish Version
The Source Posts	<ul style="list-style-type: none"> • “Why are we pursuing a Traffic Reduction Study” 2020-09-16 • “Metro to hold four virtual public meetings to provide details on Traffic Reduction Study” 2020-09-28
Examples of social media posts and advertisements	<div data-bbox="493 722 1224 1213"> <p>LA Metro @metrolosangeles · Sep 17 Why are we pursuing a Traffic Reduction Study? metro.la/oRP650BTP4v</p> </div> <div data-bbox="493 1293 1224 1785"> <p>LA Metro @metrolosangeles · Sep 28 Metro to hold four virtual public meetings to provide details on Traffic Reduction Study. metro.la/jX8650BDJMk</p> </div>

Metro Los Angeles September 28 · 🌐

Workshops will publicly introduce and explain congestion pricing, describe Metro's equity-focused study methodology and present next steps in the study process for future public input.



THESOURCE.METRO.NET

Metro to hold four virtual public meetings to provide details on Traffic Reduction Study

👍❤️ 19

1 Share

👍 Like

💬 Comment

➦ Share

Metro Los Angeles Sponsored (demo) · 🌐

El tráfico está regresando. Únase a Metro para aprender sobre el Estudio de Reducción del Tráfico y comparta sus pensamientos.

See Translation



SAT, OCT 3

Reunión Pública del Estudio de Reducción del Tráfico

155 people interested · 8 people going

☆ Interested

👍❤️👍 310

56 Comments

👍 Like

💬 Comment

➦ Share



Sponsored (demo)



METRO.NET
Traffic Reduction Study

Learn More

145

43 Comments 49 Shares

Like

Comment

Share



SEP 30

Public Meeting for the Traffic Reduction Study

Public - Hosted by Metro Los Angeles

Wednesday, September 30, 2020 at 11:30 AM – 1:00 PM PDT
about 2 months ago

Online Event

Details

Gridlock steals valuable time and creates stress for all of us. As part of our plan to make it easier to get around, Metro is considering a new approach to addressing traffic congestion. Please join us for an upcoming public meeting on the Traffic Reduction Study:

Registration link:

https://us02web.zoom.us/webinar/register/WN_mpb4opHzTOI__1gauDWgtw

Attachment B: Summary of Key Themes and Takeaways from Phase 1 Stakeholder/Public Engagement

What We Heard: Key Themes and Takeaways	Anticipated Timeline When This Will Be Addressed in The Study
<p>Equity:</p> <ul style="list-style-type: none"> • Affordability for Low-Income Individuals: <ul style="list-style-type: none"> ○ Concerns that low-income people are unable to afford the fee ○ Low-paying jobs like service work have shifts during off-peak times when transit is not frequent enough • Occupations that require driving: Concerns about occupations that require driving (e.g., gardener, TNC driver, plumbers, domestic workers, day laborers, parents and childcare, home health care workers) • Accessibility: Concerns about accessibility for people with disabilities and for seniors • Structural Inequities: <ul style="list-style-type: none"> ○ Communities that have experienced historic disinvestment should not bear the burden of additional cost ○ Given the history of law enforcement and incarceration, certain types of enforcement may be unappealing to certain groups • Access to high quality transportation options <ul style="list-style-type: none"> ○ Concerns about lack of access to high-quality alternatives to driving, including lack of transit service or quality, no safe walking and bicycling options 	<p>Prioritize equity in process and outcome throughout study.</p> <ul style="list-style-type: none"> • Identify who is impacted and how. (Winter 2020 – Spring 2021) • Establish best outcomes and determine how to measure progress toward them. (Summer 2020 – Spring 2021) • Measure potential benefits and burdens. (Summer 2020 – Fall 2021) • Develop strategies to address burdens and increase benefits, such as subsidies and reinvestment of net revenues. (Summer 2020 – Winter 2022) <ul style="list-style-type: none"> ○ Initial range of fee structure (Fall 2021) ○ Revised fee structure (Winter 2022) • Develop proposed transportation improvements. (Spring – Fall 2021) • Circulate and refine pilot concept. (Summer 2021 – Early 2022)

<ul style="list-style-type: none"> • Suggestions for ways to address inequities: <ul style="list-style-type: none"> ○ Exemptions, discounts, subsidies, rebates ○ Exemptions need to be determined very carefully, otherwise risking deteriorating quality of system if too many groups are exempt ○ Give people money as discount ○ Look at potential integration with existing programs like SNAP or California LifeLine program ○ Tiered pricing based on income ○ Have strong outreach program to ensure people are aware of these ○ Minimize burdens for eligibility • Technology/digital divide <ul style="list-style-type: none"> ○ Consider who has access to high quality internet, can manage using transponders and other technology ○ Consider language barriers during both study phase and any pilot phase of program • Housing affordability <ul style="list-style-type: none"> ○ Concerns that shortage of affordable housing can result in displacement and “supercommuting” ○ Concerns that supercommuters who drive far distances to get to work may be unfairly penalized 	
<p>Stakeholder and Public Engagement</p> <ul style="list-style-type: none"> • COVID-19 and social distancing creates barriers to engagement. • Digital divide will require more than just virtual meetings • Provide telephone options for public meetings • Need to educate public on concept of congestion pricing and how it works • Capture the imagination and stoke interest 	<ul style="list-style-type: none"> • 1-on-1 and small group discussions (throughout study) • Equity focused conversations (Winter, Spring, Summer 2021) • Online open houses with telephone call-in option (Winter 2021, and other periodic touchpoints) • Community-Based Organization partnerships (Winter 2021 – Spring 2022)

<ul style="list-style-type: none"> • Help people imagine a post-COVID future when a program like this would be in place, several years from now • Consider social psychology and change management • Avoid any top-down approach to determining the details of this study. Engage a wide variety of stakeholders and partners. • Continuously provide info about study. Don't go dark. 	<ul style="list-style-type: none"> • Articles, blogs, videos, educational materials (throughout Study) • Media and social media engagement (throughout Study) • Develop and administer public survey (Winter 2020 – Spring 2021) • Report back
<p>Quality of Public Transit & Alternative Options</p> <ul style="list-style-type: none"> • How will Metro define “high quality” in this study • The quality of public transportation and alternatives offered matters in order for pricing to be acceptable • This also entails quality of public transit across all other LA County transportation agencies, so coordination on bus schedules, bus stops, and bus lanes needs to happen • What will the performance metrics be for high-quality transportation options? • People drive because there are no good alternatives – not safe to bike, not safe to walk, transit does not take you where you need to go. • Don't make adding high-quality transit a barrier to implementing pricing—it can be used as a reason to say “don't do pricing” • Pricing can make current transit experience, such as riding a bus, a much better experience without any additional expenditures <p>Additional Alternatives Should Consider Entire Trip</p> <ul style="list-style-type: none"> • Consideration of alternative options should include the entire trip, such as wait times at transit stops with poor sun protection and amenities 	<ul style="list-style-type: none"> • Develop and refine performance metrics (Winter 2020 – Spring 2021) • Develop proposed transportation improvements. (Spring – Fall 2021) • High quality transportation options are anticipated to be implemented before any congestion pricing fee, if the pilot program proceeds. This step is beyond the timeline of this study, which is subject to approval by the Metro Board. A pilot program will also need approval from state and federal regulators. • Implementation Plan (Spring 2022) <p>Other related Metro Initiatives/Programs:</p> <ul style="list-style-type: none"> • Close collaboration across Metro's services/programs/initiatives • NextGen Bus Plan implementation and Better Bus Initiative in the pilot area • Implementation of projects in Measures R and M in the pilot area • Customer Experience Plan implementation • Travel Rewards Research Pilot, including telecommuting • Fareless System Initiative • Homeless Initiative

<ul style="list-style-type: none"> • Understand how travel patterns will actually change with pricing in order to better understand what kinds of transit alternatives and improvements are needed <p>Metro’s Ability to Add Service</p> <ul style="list-style-type: none"> • Is Metro prepared to add additional service to account for new transit riders? • Lack of confidence/trust that Metro can provide high-quality alternatives before pricing is in effect <p>Other Factors That Need to Be Considered</p> <ul style="list-style-type: none"> • Addressing homelessness on the system • Street quality and road repair • Traffic signalization • Impact of telecommuting on transportation system • Helping companies meet transportation demand management (TDM) requirements <p>Timing of Introducing High Quality Options Matters</p> <ul style="list-style-type: none"> • High-quality options should be in place before pricing begins <p>Cost of Transit Alternatives</p> <ul style="list-style-type: none"> • Cost of transit fares should be considered • Desire for free and frequent bus service 	
<p>Revenues:</p> <ul style="list-style-type: none"> • Programmatic <ul style="list-style-type: none"> ○ How much revenue will be generated? ○ How will revenues be used? ○ How will Metro ensure transparency that revenues are reinvested in communities affected by pilot program? 	<ul style="list-style-type: none"> • Cost and revenue estimates (Spring – Summer 2021) • Financial Plan (Summer – Fall 2021) • Implementation Plan (Fall 2021 – Spring 2022) • See above regarding “Quality of Public Transit and Alternative Options in Place of Driving” • Monitoring and progress report on pilot program. If a pilot program is approved by the Metro Board and state and

<ul style="list-style-type: none"> • Suggested uses <ul style="list-style-type: none"> ○ Investment in high demand transit lines and corridors ○ Improving or creating dedicated bus lanes ○ Investment in protected bike lanes ○ Investment in transit agencies and routes that serve pilot program ○ Investments in street quality and road repair ○ Potential to fund electric vehicle charging infrastructure ○ Explore how revenues can be used for non-transportation-related improvements, such as affordable housing, homelessness, child care, grocery stores in food deserts ○ Applied towards advocates trying to promote safer roadway infrastructure in communities • Communication <ul style="list-style-type: none"> ○ Ensure people understand how revenues will be used ○ Communicate that payers will also benefit 	<p>federal regulators, this will be part of the future phase of the project.</p>
<p>Economic impacts</p> <ul style="list-style-type: none"> • Cannot discount the role of goods movement, ports, trucking industry, and businesses and the wealth/competition they bring to LA region • Any program should support economic development, growth, and competitiveness of pilot area and not threaten it • Telecommuting may be at odds with business improvement districts that are supported by commerce/activity from office workers 	<ul style="list-style-type: none"> • Performance evaluation of concepts (Winter – Spring 2021) • Traffic Impact Analysis (Winter – Spring 2021) • Develop proposed transportation improvements. (Spring – Fall 2021) • Financial Plan (Summer – Fall 2021) • Implementation Plan (Spring 2022) • Re-investment of net revenues back into communities served/affected • High-quality transportation options are anticipated to be implemented before any congestion pricing fee, if the pilot program proceeds. This step is beyond the timeline of this study, which is subject to approval by the Metro Board. A pilot program will also need approval from state and federal regulators.

	<p>Other related Metro Initiatives/Programs:</p> <ul style="list-style-type: none"> • Close collaboration across Metro’s services/programs/initiatives • Goods Movement Strategic Plan • Implementation of projects in Measures R and M in the pilot area • COVID-19 Recovery Task Force Final Recommendations
<p>Potential benefits:</p> <ul style="list-style-type: none"> • Time savings • Increased reliability of travel time • Increased reliability of transit travel time • Increased productivity • Increased flexibility • Reductions of GHG that help achieve climate action plan • Reduced congestion and gridlock • Investment of net revenues • Less stress • Improved air quality for those living near busy roads 	<ul style="list-style-type: none"> • Traffic Impact Analysis (Winter – Spring 2021) • Equity Assessment (Summer 2020 – Summer 2021) • Performance evaluation of concepts (Winter – Spring 2021) • Cost and revenue estimates (Spring – Summer 2021) • Financial Plan (Summer – Fall 2021) • Implementation Plan (Fall 2021 – Spring 2022)
<p>Traffic Impacts</p> <ul style="list-style-type: none"> • Concerns about traffic spillover and divergence • Increased speeding on roadways may pose danger for people bicycling and walking and other safety issues 	<ul style="list-style-type: none"> • Traffic Impact Analysis (Winter – Spring 2021) • Develop proposed transportation improvements. (Spring - Fall 2021) • See above regarding “Quality of Public Transit and Alternative Options in Place of Driving”



January 2021

We're studying ways
to reduce traffic.



TRAFFIC REDUCTION STUDY

Traffic Reduction Pilot Program Framework

Goals of a pilot program



- Reduce traffic through congestion pricing, and
- Provide more high-quality options for getting around

We're striving for these additional positive outcomes:



Improve public health and safety



Support environmental and economic justice



Improve the economy



Re-invest net revenues in communities served/affected

We launched listening sessions to better understand hopes and concerns

Key themes that we heard:

- Equity
- Stakeholder and public engagement
- Quality of public transit and alternative options in place of driving
- Potential benefits
- Revenues and reinvestments
- Economic impacts
- Traffic impacts
- And more...

Equity will inform the development and analysis of concepts.

1. **Identify** who could be impacted and how.
2. **Establish** desired outcomes and determine how to measure progress toward them.
3. **Measure** potential benefits and burdens.
4. **Develop** strategies to address burdens and increase benefits, such as subsidies and reinvestment of net revenues.
5. **Develop** proposed transportation improvements.
6. **Circulate** and refine pilot concept.

Identify concepts for analysis

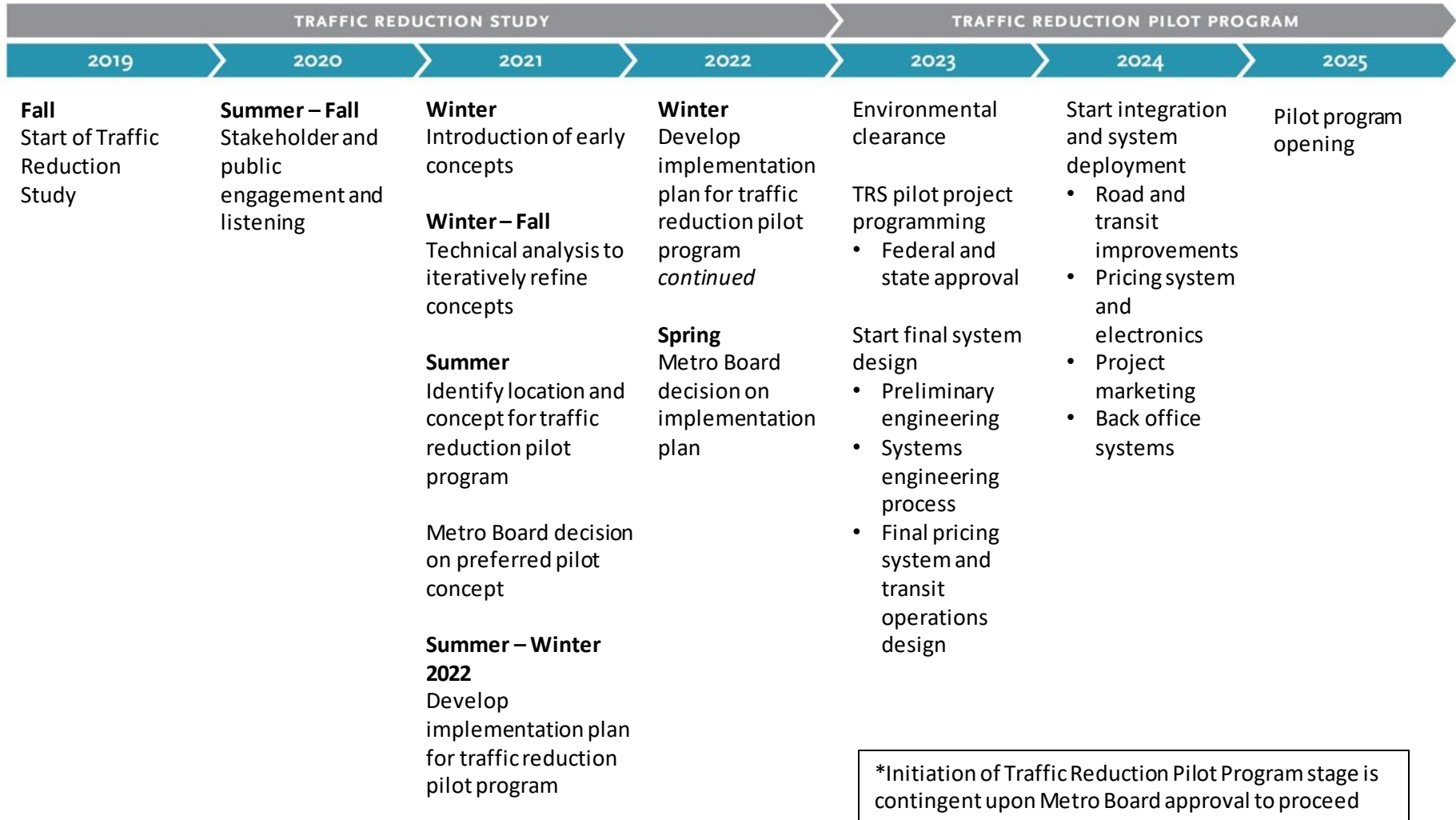
- Ability to respond to substantial congestion
- Traffic reduction benefits easily described
- Potential interested jurisdictions
- Potential for rich transit and mobility options before pilot implementation
- Potential to anticipate and minimize spillover traffic
- To the greatest extent possible, use natural or human-made structures as boundaries
- Focus on commercial locations
- Avoid bisecting neighborhoods

Measuring Concept Benefits & Burdens

Potential Performance Categories

- Impact on Roadway Congestion
- Access to Opportunity
- Community Health & Environment
- Affordability
- Financial Impacts

Anticipated Schedule



**Board Report**

File #: 2020-0828, **File Type:** Informational Report

Agenda Number: 47.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2021**

SUBJECT: MOVING BEYOND SUSTAINABILITY UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE Moving Beyond Sustainability Update Report

ISSUE

On September 24, 2020, the Metro Board adopted the our agency's ten-year, Sustainability Strategic Plan, *Moving Beyond Sustainability* (MBS). Prior to approval and during the Executive Management Committee meeting on September 17, 2020, the Board Chair requested a report back on three key areas:

- A full assessment of how Metro can reduce passenger vehicle emissions and help meet state SB 32 targets and the Paris Climate agreement;
- A comprehensive look at the external impact Metro has on climate change;
- Identify partnerships with agencies such as utilities.

This report provides staff's initial findings.

BACKGROUND

The Paris Climate Agreement

The Paris Climate Agreement is a landmark 2016 climate accord among 197 signatory nations. It is meant to strengthen the global response to the threat of climate change by maintaining global temperature rise this century well below 2 degrees Celsius above pre-industrial levels. In addition, signatory countries agree to limit the amount of greenhouse gases emitted by human activity to levels that can be absorbed naturally, periodically review each country's contribution to cutting emissions and enable wealthy countries to aid poorer nations. Under the Paris Climate Agreement, the United States' contribution is to reduce its greenhouse gas emissions to 26%-28% below 2005 levels by 2025 and to make best efforts to reduce its emissions by 28%.

With 14% of global greenhouse gas emissions attributable to the transport sector (road, rail, air, and marine transportation) and almost all (95%) of the world's transportation energy derived from

petroleum-based fuels, largely gasoline and diesel, reducing emissions in the transport sector is a fundamental strategy in the global effort towards a low carbon future.

In the absence of current Federal commitments to achieve these goals, State and local governments have been stepping up with policies and actions that reduce GHGs at the regional level. The State of California has been a national leader in this regard, and both the County and City of Los Angeles have detailed sustainability plans that are in the process of implementation. At LA Metro, we recognize our critical role in reducing emissions not only in the activities that we control, but also in our ability to influence those emissions reductions from entities that support our agency operations.

Transit is a sustainable and resilient strategy. For almost a decade, we have developed a sustainability and resilient culture and program in our organization. More importantly, we have worked together with our communities to do more than what is expected of us in the most fiscally responsible way.

We have identified 13 specific strategies in our Climate Adaptation and Action Plan to further reduce our GHG emissions. In MBS, we have also outlined specifics on how to reduce our environmental impact, increase social value, and realize re-investable economic benefits in additional aspects of our activities.

Since program inception in 2007, it was imperative that we grew our program to be internally focused. Specific details on how we are meeting metrics are reported to the Board in the form of annual sustainability reports. We are currently on a path to be net zero emissions by 2050. *Our success creates a path and an opportunity to do more on GHG emissions reductions for and with the region.*

Key California Climate Policies

Greenhouse Gas Emissions reduction is a centerpiece of California state policy. Central to California's effort is AB 32, the California Global Warming Solutions Act of 2006, which requires a reduction of greenhouse gas emissions to 1990 levels by 2020. In 2016, the California legislature passed SB 32, which requires even deeper emissions cuts to 40% below 1990 levels by 2030.

The California Air Resources Board (CARB) has the authority to develop detailed strategies for emissions across sectors through the preparation of a scoping plan. GHG emissions from the transportation sector are a particularly pernicious problem in the state, with 40% of total greenhouse gas emissions attributable to the sector. Specific to transportation, the CARB Scoping Plan includes numerous state programs to reduce GHG emissions through a variety of methods, including:

- VMT reduction;
- Light duty vehicle rebates, mandates and standards such as the Advanced Clean Cars Program;
- Heavy -duty vehicle incentives and mandates, including the Innovative Clean Transit (ICT) regulation; and
- Low carbon fuel standards that aim to reduce carbon intensity of fuels.

In 2008 the California legislature passed SB 375, to improve transportation/land use coordination to realize SB 32 emission reductions. Under SB 375, CARB sets regional targets for greenhouse gas emission reductions from passenger vehicles for each of the 18 metropolitan planning organizations (MPO) in the state. In turn each MPO must prepare a Sustainable Communities Strategy/Regional Transportation Plan (RTP/SCS) that contains land use, housing and transportation strategies that if implemented would allow the region to meet CARB targets, which ultimately contribute to achievement of SB 32 goals.

Metro contributes to the RTP/SCS in a collaborative partnership with the regional MPO, the Southern California Association of Governments (SCAG). Metro represents the transportation interests of Los Angeles County, the most populous county in the SCAG region. Metro's planned projects are used as inputs to the SCAG travel demand model to determine future vehicle miles travelled (VMT) and GHG emissions, which must comply with CARB-mandated milestone targets on emission reductions.

DISCUSSION

Metro's contribution to state climate goals is best understood through the lens of the RTP/SCS. CARB sets the milestone GHG reduction targets for each MPO in order to achieve state GHG emission reduction goals. The most recent RTP/SCS for the SCAG region was adopted by the SCAG Regional Council on September 3, 2020. This plan achieves the CARB-mandated GHG reductions of 19% by 2035, supporting SB 32 GHG reduction goals.

A further indicator of the Los Angeles regions' proportional contribution to state climate goals is VMT per capita, which is a proxy for GHG reduction. Under the 2020 RTP/ SCS, the Los Angeles region plans for the greatest percentage decrease of VMT per capita among peer counties; a 13.5% reduction below baseline.

The recently adopted Metro 2020 Long Range Transportation Plan (LRTP) acknowledges that decreasing VMT and GHG in Los Angeles County is complicated and the plan integrates Metro's efforts across four priorities:

- Better Transit;
- Less Congestion;
- Complete Streets; and
- Access to Opportunity.

Specific to emissions, the strategies in the LRTP are anticipated to reduce annual VMT per capita by 9% over the baseline scenario (growth with no additional transportation improvements) by the horizon year 2047. Reductions in regional GHG emissions and particulate matter (PM 10) are similarly projected to decrease by 19% and 17% respectively over the baseline scenario. A full accounting of performance indicators can be found in the 2020 LRTP Technical document under the Performance Measures and Monitoring section (<https://media.metro.net/2020/2020-LRTP-Tech-Doc-Final.pdf>).

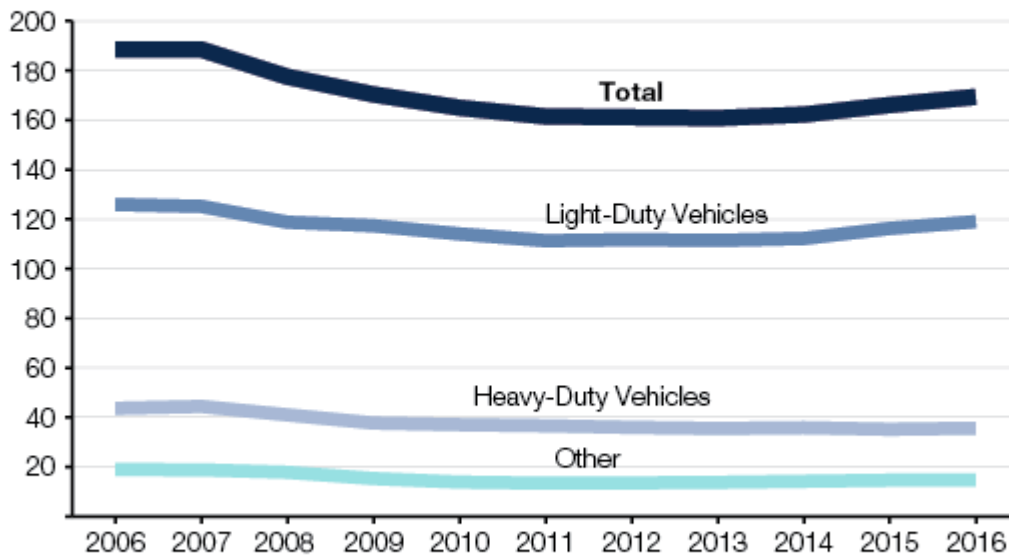
Prospects for Future State Emissions Reductions in the Transport Sector

A 2018 Legislative Analyst Office (LAO) assessment of California's climate policies on transportation

found that the state is not on track to meet the greenhouse gas reductions expected under SB 375, with emissions from passenger vehicle travel per capita increasing:

Transportation Emissions Had Declined, But Increased in Recent Years

In Million Metric Tons

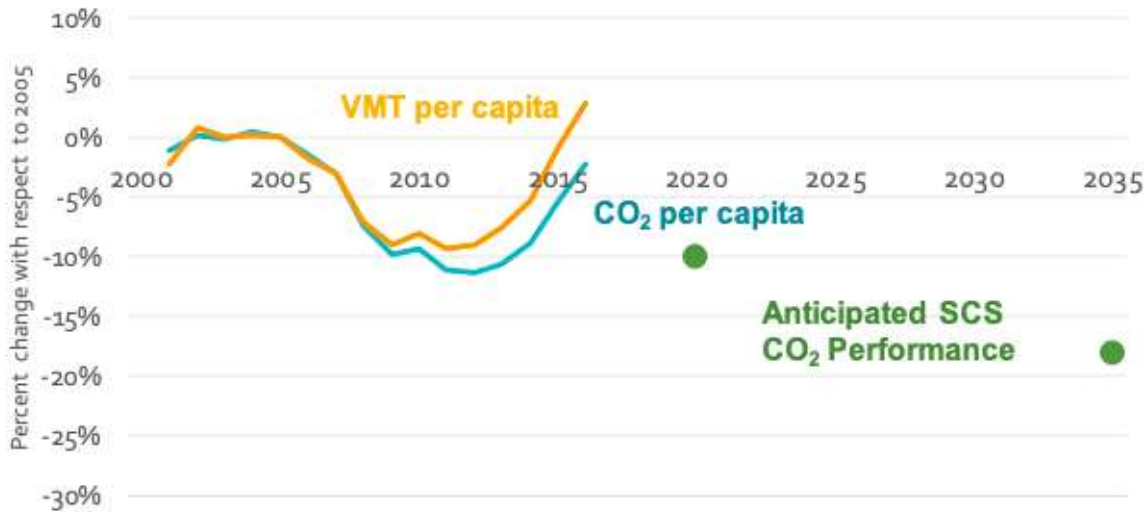


GHG = greenhouse gas.

LAO

The findings are not dissimilar from a 2018 CARB report on SB 375 progress, which found that California is not on track to meet the greenhouse gas reductions expected under SB 375 for 2020, with emissions from statewide passenger vehicle travel per capita increasing and going in the wrong direction. According to the Scoping Plan, “many [MPOs] have identified challenges to incorporating additional strategies and reducing emissions further in their plans, principally tied to the need for additional and more flexible revenue sources”.

Statewide CO₂ and Vehicle Miles Traveled (VMT) Per Capita Trend with Respect to Anticipated Performance of Current SB 375 SCSs²



Source: CDTFA, U.S.EIA, U.S.EPA, CARB

Under the Scoping Plan's Transportation Sector, there are four categories of goals to reduce GHG: Vibrant Communities and Landscapes / VMT Reduction, Vehicle Technology, Clean Fuels, and Sustainable Freight. Metro programs directly support the category containing the largest number of emission reduction goals: the Vibrant Communities and Landscapes/VMT Reduction category, which, is outlined in Attachment A.

Metro policies, plans and programs support state strategies to reduce GHG emissions from the transport sector and include some of the most progressive public agency actions to meet CARB goals. Measures R & M provide the resources necessary to build out transit capacity and active transportation corridors, which is one critical part of the equation. Complementary programs to transit expansion are the policies that facilitate behavior change, improve service and access. The Bold Policies and Programs were highlighted in the Board approved Metro 2020 Long Range Transportation Plan (LRTP) and include recommendations across several categories including but not limited to:

- Improving bus speeds;
- Promoting trip reduction strategies;
- Implementing a traffic reduction program;
- More affordable transit;
- Expand first/last mile connectivity; and
- Support transit-oriented communities.

These strategies have been modeled and proven to result in lower emissions and VMT reductions when implemented. Some of these strategies are already in the early phases of development or implementation such as: Traffic Reduction Study, Fareless System Initiative, Bus Speed Improvement Working group and NextGen. *Continued support from the Board to implement these initiatives coupled with robust engagement is absolutely critical to realizing GHG and VMT reductions necessary to meet state climate goals.*

Partnerships

Metro's success in achieving mobility and sustainability goals relies on meaningful partnerships with government agencies, businesses, and communities. We have a long history of collaboration with our public and private partners to executing on agency strategic environmental and sustainability goals. Some of these include:

- *Utility Partnerships:* Metro staff sees the value in partnering with our water, power, and natural gas utilities in order to increase agency resilience to climate change, reduce fleet emissions, support regional goals for renewable energy generation and storage, and to generate funding and revenue. Such revenues are re-invested back into our environmental and sustainability programs.
- *WHAM Task Force:* This County of Los Angeles Task Force brings together representatives from multiple agencies charged with implementing voter approved initiatives with revenues dedicated to parks, mobility, water-quality and addressing homelessness. Metro staff has been identifying potentially funded co-benefit projects along our rights-of-way.
- *Transportation Electrification Partnership:* This is a multi-year partnership that seeks to accelerate the adoption of light-duty passenger electric vehicles, shift single-occupancy vehicle trips to zero emission transit and active transportation and ensure broad public investment of zero emissions technologies in the goods movement sector.
- *Bus Speed Improvement Working Group:* Metro and the City of LA coordinate to install bus only lanes. The partnership has yielded early success with installation on Flower, 5th and 6th streets, with additional lanes under consideration.
- *Traffic Reduction Study:* This is a Metro lead initiative in the early stages of development. This study will explore how to reduce traffic through a two-pronged approach: 1) manage travel demand through congestion pricing, and 2) provide more high-quality transportation options. While the primary goal of the study is to reduce traffic congestion, co-benefits may include reduced VMT and GHG reductions.

Of mention is the LA Metro Sustainability Council (Sustainability Council). This body has been an essential partner in vetting out ideas, as well as identifying programmatic opportunities and challenges in environmental and sustainability program implementation. Organized through a Board action, the Sustainability Council consists of multi-sectoral representatives from the public, private, NGO, and non-profit communities who have actively recently participated in the development of the Climate Action Adaptation Plan and the MBS. The Sustainability Council continues to be a strategic environmental, sustainability, and resiliency program collaborator.

FINANCIAL IMPACT

This report will have no Financial Impact to the agency.

Impact to Budget

This report will have no Financial Impact to the budget.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

MBS supports Metro's third, fourth, and fifth Strategic Plan Goals. The strategies and actions outlined in MBS advocates for equitable access to job opportunities and observance to Metro's Equity Platform (Goal #3). MBS establishes the foundation for Metro's sustainability program, which sets the standard for the region and other transit properties (Goal #4). MBS sets quantifiable targets and timeframe for achieving sustainability along with a robust reporting program to track progress and enhance accountability (Goal #5).

NEXT STEPS

The Chief Sustainability Officer and staff are committed to working across departments and with external partners and stakeholders to implement the MBS strategies to achieve Metro's sustainability and resiliency goals. They are in the middle of developing a multi-year implementation plan that identifies priority strategies and actions by year, assigning roles and responsibilities and estimating costs for implementation.

Specifically, in the current fiscally constrained environment, the implementation strategy is designed to achieve agency sustainability and resiliency goals by:

1. Identifying opportunities for improvement or leveraging on existing programs and activities without impacts to costs and program milestones;
2. Working closer with our regional partners, the LA Metro Sustainability Council, and (where appropriate) other LA Metro advisory councils on program implementation; and
3. Using the findings of this report to further identify additional areas of action.

Our progress will be documented in this fiscal year's sustainability report.

We are currently exploring the feasibility of an expanded GHG reporting in our annual report to include emissions from:

- Metro capital projects of all modes, including highway and Active Transportation;
- Metro operations of all modes, including ExpressLanes, Metro Bike Share, parking, and upcoming programs such as MicroTransit;
- Metro programs that reduce VMT and GHGs such as TDM, marketing, and increasing access to services through discounted and more accessible fare collection; and
- Capital projects and programs funded by Metro.

These and any additional opportunities and challenges related to reducing passenger vehicle emissions and help meet state SB 32 targets and the Paris Climate agreement, furthering our

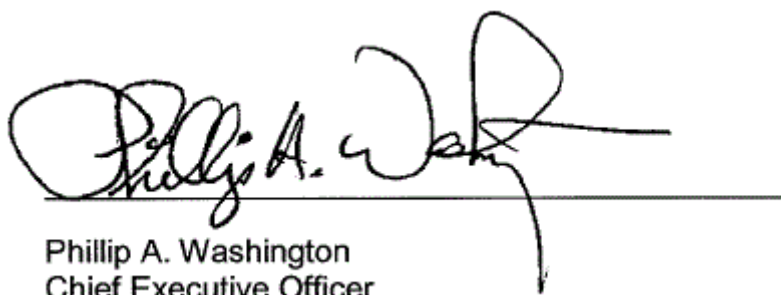
external impact on climate change impact reduction, and partnerships with agencies will be included in future annual reports.

ATTACHMENTS

Attachment A. Crosswalk of CARB Reduction Goals and Metro Policies, Plans and Programs

Prepared by: Cris B. Liban, Chief Sustainability Officer, (213) 922-2471

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



Phillip A. Washington
Chief Executive Officer

Attachment A. Crosswalk of CARB Reduction Goals and Metro Policies, Plans and Programs

CARB Scoping Plan VMT Reduction Goal	Supportive Metro Policies, Plans and Programs
Implement and support the use of VMT as the metric for determining transportation impacts under CEQA, in place of level of service (LOS)	<ul style="list-style-type: none"> • Metro Environmental and Planning Program
Land use and community design that reduce VMT	<ul style="list-style-type: none"> • Joint Development Program • Metro Bike Share • Regional VMT Exchange/Bank (MBS)
Transit oriented development	<ul style="list-style-type: none"> • Metro Transit Oriented Communities (TOC) Policy • Transit Oriented Communities Implementation Plan
Complete street design policies that prioritize transit, biking, and walking	<ul style="list-style-type: none"> • Metro Complete Streets Policy • Active Transportation Strategic Plan • First/Last Mile Plan
Increasing low carbon mobility choices, including improved access to viable and affordable public transportation and active transportation opportunities	<ul style="list-style-type: none"> • Metro Transit Projects (Measures R & M) • Fareless System Initiative (FSI) • Low-Income Fare is Easy (LIFE) Program • Youth on the Move Program • U-Pass Program • NextGen
Complete the construction of high-speed rail integrated with enhanced rail and transit systems throughout the State.	<ul style="list-style-type: none"> • Link US
Promote transportation fuel system infrastructure for electric, fuel-cell, and other emerging clean technologies that is accessible to the public where possible, and especially in underserved communities, including environmental justice communities	<ul style="list-style-type: none"> • ZEB Policy (Master Plan in Development) • Electric Vehicle Charger Master Plan (In Development)
Increase the number, safety, connectivity, and attractiveness of biking and walking facilities to increase use	<ul style="list-style-type: none"> • Bicycle Education Safety Team program • Rail to River Active Transportation Corridor • Active Transportation Strategic Plan

	<ul style="list-style-type: none"> • Metro Bike Share Program
Promote potential efficiency gains from automated transportation systems and identify policy priorities to maximize sustainable outcomes from automated and connected vehicles (preferably ZEVs), including VMT reduction, coordination with transit, and shared mobility, and minimize any increase in VMT, fossil fuel use, and emissions from using automated transportation systems	<ul style="list-style-type: none"> • Monitoring of Federal, State, and Local efforts on automated and connected vehicles • Participation in APTA and related activities
Promote shared-use mobility, such as bike sharing, car sharing and ride-sourcing services to bridge the “first mile, last mile” gap between commuters’ transit stops and their destinations	<ul style="list-style-type: none"> • Bike Share/TAP Card Integration • Mobility on Demand • Metro Carsharing/Vanpool Program • First/Last Mile Strategic Plan/Program • Micro Transit
Continue research and development on transportation system infrastructure, including integrated frameworks for lifecycle analysis of GHG emissions with life-cycle costs for pavement and large infrastructure projects, and health benefits and costs savings from shifting from driving to walking, bicycling, and transit use	<ul style="list-style-type: none"> • Sustainable Acquisition Program • Green Construction Policy • Vision 2028 Strategic Plan
Quadruple the proportion of trips taken by foot by 2030 (from a baseline of the 2010–2012 California Household Travel Survey)	<ul style="list-style-type: none"> • Vision 2028 Strategic Plan
Strive for a nine-fold increase in the proportion of trips taken by bicycle by 2030 (from a baseline of the 2010–2012 California Household Travel Survey)	<ul style="list-style-type: none"> • Vision 2028 Strategic Plan
Strive, in passenger rail hubs, for a transit mode share of between 10 percent and 50 percent, and for a walk and bike mode share of between 10 percent and 15 percent.	<ul style="list-style-type: none"> • NextGen Bus Plan • Vision 2028 Strategic Plan



File #: 2020-0796, File Type: Oral Report / Presentation

Agenda Number: 48.

**EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 21, 2021**

SUBJECT: CCO QUARTERLY REPORT

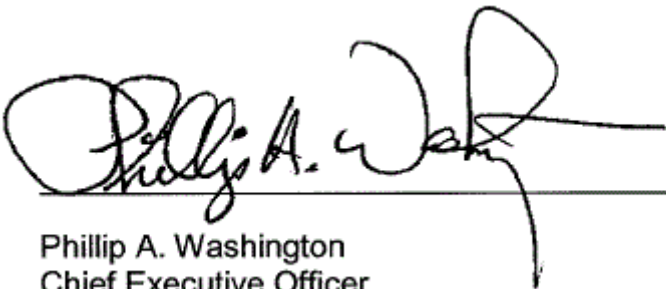
ACTION: ORAL REPORT

RECOMMENDATION

RECEIVE CCO Quarterly Report.

Prepared by: Yvette Rapose, (213) 418-3154

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



Phillip A. Washington
Chief Executive Officer



Chief Communications Officer Report

Executive
Management
Committee

January 2021

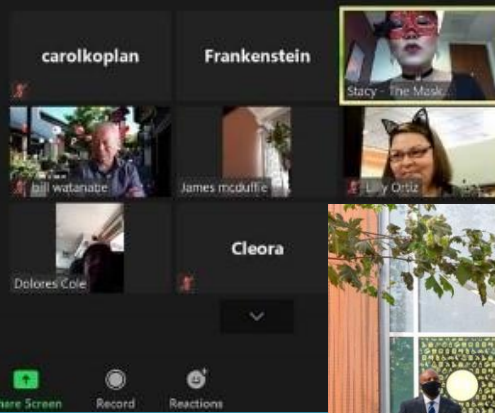
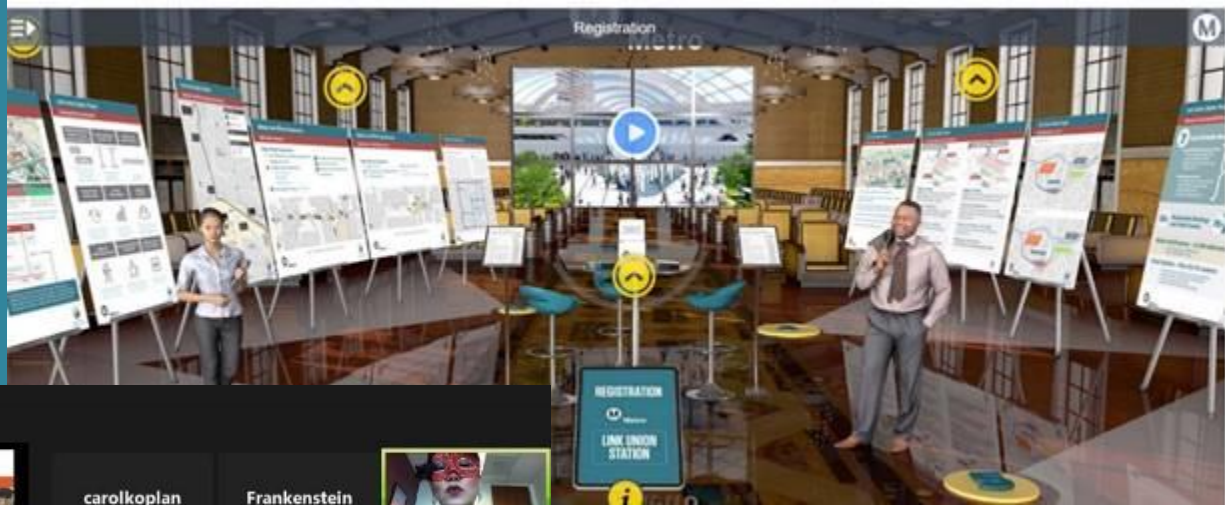
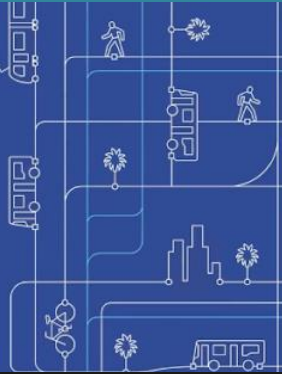
Arts and Design Programs



New artwork at Rosa Parks Customer Center

Community Relations

NextGen Bus Study



Government Relations

METRO IS SEEKING STATE FUNDING TO BUILD

SR-57/-60 Confluence: Chokepoint Relief Program

- > SR-57/SR-60 Confluence is ranked the sixth most congested freight chokepoint in the nation and the second highest truck accident location in Southern California.
- > The Los Angeles County Metropolitan Transportation Authority (Metro) in partnership with Caltrans has submitted a grant application for \$177 million to support the construction of this vital project that would reduce congestion and improve mobility.
- > Measure M, the half-cent sales tax adopted by LA County voters in November 2016, dedicates \$108.6 million (2015 estimate) in local taxpayer funds for this project.

> The SR-57/-60 Confluence project benefits include:

- Eliminating the bottleneck on the SR-57/SR-60, which is on the National Highway Freight Network, and will bring congestion relief on a major east-west freight corridor link between coastal Southern California and the Inland Empire and beyond.
- Improving safety by separating traffic at a local interchange; improving mobility and access to Southern California employment centers.
- Saves \$1 billion in driver delay time over the next 20 years.
- Provides significant incentives to accelerate private investment and construction.

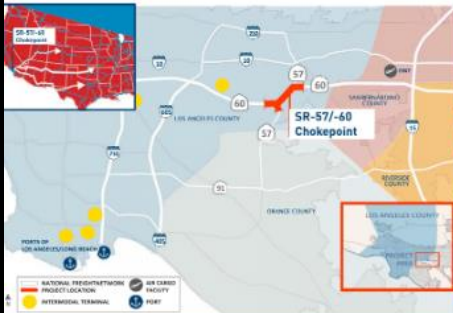
SEEKING FUNDING IN THE AMOUNT OF:

\$177 million

TOTAL PROJECT COST:

\$288 million

(Leveraging \$111 million in local funding)



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Federal Highlight:

- Continued to advocate for federal funding to support impacts of COVID-19

State Highlight:

- California Transportation Commission awards LA Metro transit and highway projects \$516 million in SB 1 Funds

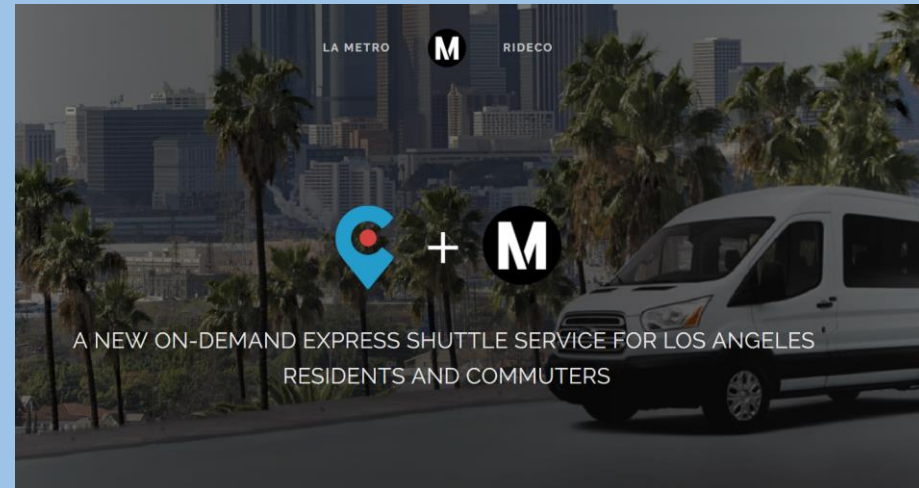
Customer Care

The new Rosa Parks Customer Center successfully opened October 26, 2020



Rosa Parks Customer Center

The Telephone Information Call Center began booking customer Metro Micro Transit rides at the launch of Metro Micro, December 13, 2020



Metro Micro

Marketing – Digital Services

Metro Micro launch campaign

- Hyper-targeted campaign focuses on individuals who live and travel within the first two service zones
- Ads utilize Metro real estate on buses, trains and stations
- We will maximize traditional print and spend responsibly on a traditional and digital media strategy
- Campaign will also develop short form video content and photography



metro.net/micro

Meet Metro Micro™

Introducing Metro Micro, our new app-based shared ride service. It's ideal for short local trips, or for connecting to Metro buses and trains. And introductory rides are just a buck! Visit metro.net/micro for service zones and details.

Service launches December 13th and the app will be available for download December 1st.

Available on the App Store | GET IT ON Google Play

Metro Micro

Metro

You will also be able to book a ride by calling 323.GO.METRO.

QR code

METRO

The advertisement features a dark blue background with a large orange circle on the right side. Inside the circle is a dark blue van with 'Metro Micro' and colorful dots on its side. A hand is shown holding a smartphone displaying the Metro Micro app interface. The Metro logo is in the bottom left, and a QR code is in the bottom right.

Marketing – Digital Services

Metro Micro launch campaign

LAX/Inglewood

Meet
Metro Micro.
Conoce a Metro Micro.

M
Metro

Service Map

Mapa de servicios

How to ride Metro Micro.

Cómo viajar en Micro

Step 1: Download the App

Paso 1: Descargue la aplicación

- > Scan the QR to download the app and create an account.
- > Or visit book.metro-micro.net.
- > Or call the 323.GO.METRO to book a ride.

Step 2: Book a Ride on the App

Paso 2: Reserve un viaje en la aplicación

- > Find your zone on the map.
- > Select your pick-up and drop-off points.
- > Select when you want to ride and how many people will be riding with you.

{Accessible seating and bike rack available}

Step 3: Get Ready

Paso 3: Prepárese

- > Get to your pick-up point five minutes before your scheduled pick-up time.
- > Llegue al punto de recogida 5 minutos antes de la hora de recogida programada.

Step 4: Pay

Paso 4: Pague

- > Pay in the app using a credit card or with your TAP card when you board.
- > Pague en la aplicación con tarjeta de crédito o con su tarjeta TAP cuando aborde.

Hours of Operation:

Horas de operación:

Monday - Friday
Lunes a viernes

5 - 10 am
2 - 7 pm

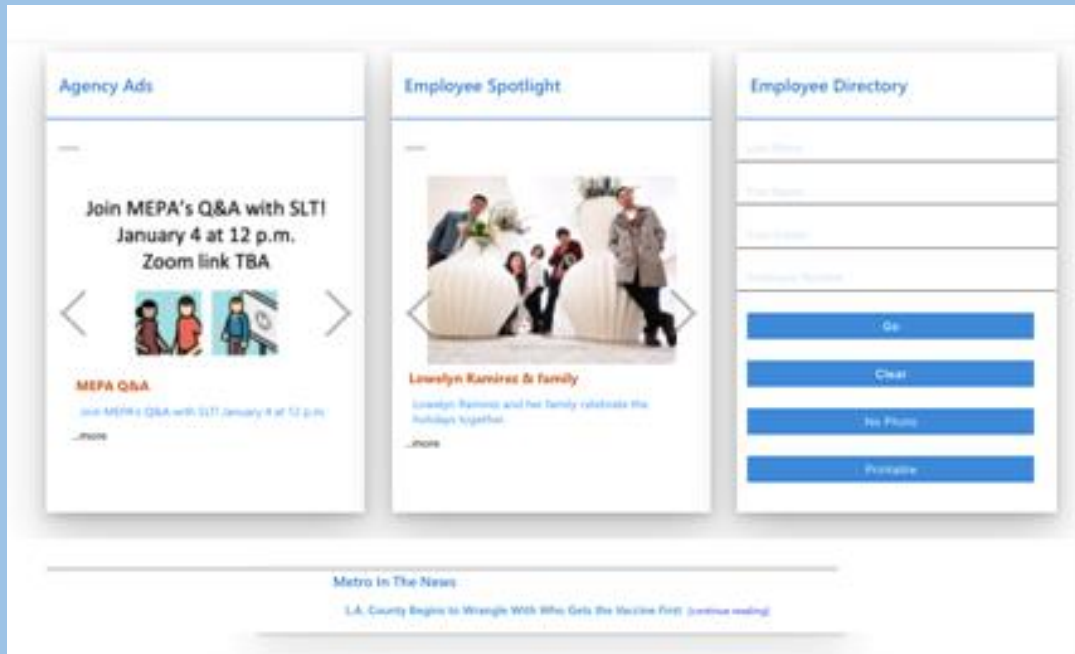
COVID Safety Information

Información de seguridad de COVID

- > When you ride, wear a face covering at all times. The driver will also wear a mask at all times.
- > There will be a plexiglass partition between driver and passengers.
- > Reduced seating capacity available in order to allow for safe social distancing.
- > The vehicles are cleaned daily with EPA-approved disinfectants.
- > Cuando viaje, use una cubierta facial en todo momento. El conductor también usará una cubierta facial en todo momento.
- > Habrá una división de plexiglás entre el conductor y los pasajeros.
- > Disminución de la capacidad de asientos disponible para permitir un distanciamiento social seguro.
- > Los vehículos se limpian a diario con desinfectantes aprobados por la EPA.

Public Relations

myMetro (intranet) Modernization Project



- Modernized design; dynamic, user-friendly, engaging, easy navigation
- Changes made based off survey results and employee recommendations
- Transition will be gradual and expected to complete FY2021



**Thank you.
Questions?**