

# **Metro**

*Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
3rd Floor Board Room*



## **Agenda - Final**

**Thursday, January 24, 2019**

**9:30 AM**

**One Gateway Plaza, Los Angeles, CA 90012,  
3rd Floor, Metro Board Room**

### **Board of Directors - Regular Board Meeting**

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

**METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES**  
(ALSO APPLIES TO BOARD COMMITTEES)

**PUBLIC INPUT**

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

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.

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 up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant 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.

**CONDUCT IN THE BOARD ROOM** - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

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

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

**INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD**

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded on CD's and as MP3's and can be made available for a nominal charge.

## DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

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## LIMITED ENGLISH PROFICIENCY

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中文

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Tiếng Việt

ភាសាជប៉ុន

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General Information/Rules of the Board - (213) 922-4600

Internet Access to Agendas - [www.metro.net](http://www.metro.net)

TDD line (800) 252-9040

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

## CALL TO ORDER

## ROLL CALL

1. APPROVE Consent Calendar Items: 2, 9, 11, 13, 15, 18, 19, 20, 21, 22, 23, 30, 34, 36, 36.1, 41, and 42.

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

## CONSENT CALENDAR

2. **SUBJECT: MINUTES** [2018-0784](#)

### RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held December 6, 2018.

Attachments: [December 6, 2018 RBM MINUTES](#)

## AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0-1):

9. **SUBJECT: METRO EXPRESSLANES - CUSTOMER SERVICE CENTER OPERATIONS** [2018-0544](#)

### RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award firm fixed price Contract No. PS51236000 to Faneuil, Inc. to provide the personnel, services, and expertise to operate the Metro ExpressLanes Customer Service Centers for an eight-year base period, with three, two year options, in the amount of \$83,022,159 for the base period and \$86,352,515 for all option years exercised, for a total of \$169,374,674, subject to resolution of protest(s), if any.

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

## FINANCE, BUDGET AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0-1):

11. **SUBJECT: LICENSE AGREEMENT WITH SOUTHERN CALIFORNIA EDISON FOR THE BLUE LINE STORAGE YARD** [2018-0724](#)

### RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to execute a five (5)-year license agreement commencing November 1, 2018 with Southern California

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Edison ("Licensor") for the Blue Line Storage Yard located next to Division 11 in Long Beach at a rate of \$117,848.33 annually with escalations of three percent (3%) annually for a total license value of \$625,673 over the term.

**Attachments:**      [Attachment A – Division 11 Storage Yard Location Presentation](#)

**FINANCE, BUDGET AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (6-0):**

**13. SUBJECT:      LOW INCOME FARE SUBSIDY PROGRAM (LIFE)**

[2018-0706](#)

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the extension and execution of Memorandums of Understanding (MOU) by the Chief Executive Officer for Low Income Fare is Easy (LIFE) and Immediate Needs Transportation Programs (INTP) including transportation and administration for a period of six months beginning July 1, 2019 through December 31, 2019;
- B. AMENDING the Fiscal Year (FY) 2019 Budget by \$400,000 to increase the LIFE program from \$14.1M to \$14.5M due to Federal Transit Administration Section 5316 Job Access and Reverse Commute (Section 5316) funding received for the LIFE program;
- C. AUTHORIZING the extension and execution of the Memorandums of Understanding (MOU) by the Chief Executive Officer for the Municipal, Included and other TAP Operators that are or will be participating in the LIFE program;
- D. AUTHORIZING the extension and execution of Memorandum of Understanding (MOU) by the Chief Executive Officer for Support for Homeless on Re-Entry Program (SHORE), including transportation and administration for a period of two years beginning FY20, subject to availability of funds approved through the budget process;
- E. RECEIVING AND FILING LIFE Implementation Update; and
- F. RECEIVING AND FILING LIFE Marketing Update.

**Attachments:**      [Attachment A - May 2014 Board Report](#)  
                                 [Attachment B - Description of the Program](#)  
                                 [Attachment C - Operator Reimbursement Policy](#)  
                                 [Attachment D - Marketing and Outreach Plan](#)

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

15. **SUBJECT: BRIGHTON TO ROXFORD DOUBLE TRACKING PROJECT (B2R DESIGN)** [2017-0177](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 4 to Contract No. PS2415-34120 with STV, Inc. for the Brighton to Roxford Double Tracking (B2R) Project in the amount of \$2,203,529, increasing the total contract value from \$12,633,429 to \$14,836,958.

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

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

16. **SUBJECT: LONG RANGE TRANSPORTATION PLAN UPDATE** [2018-0622](#)

**RECOMMENDATION**

**WITHDRAWN:** RECEIVE AND FILE status report on the Long Range Transportation Plan (LRTP) Update, including the following informational items:

- A. Public Engagement Summary Report (Phase 1); and
- B. Draft Mobility Plan to Access Opportunity Framework.

**Attachments:** [Attachment A - Public Engagement Summary Report, Phase 1](#)  
[Attachment B - Draft Mobility Plan to Access Opportunity Framework Presentation](#)

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

18. **SUBJECT: OPEN STREETS GRANT PROGRAM FY2020 MINI-CYCLE** [2018-0736](#)

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Metro Open Streets Grant Program FY 2020 Mini-cycle Application and Guidelines (Attachment B); and

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- B. REPROGRAMMING \$252,688 in unutilized Cycle Two funds towards the FY 2020 Mini-cycle; and to fully fund Cycle Three awarded events in El Monte and Paramount.

**Attachments:**      [Attachment A - June 2013 Metro Board Motion 72](#)  
[Attachment B - Open Streets FY 2020 Mini Cycle Application Package & Guide!](#)  
[Presentation](#)

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

- 19. SUBJECT:      MEASURE M MULTI-YEAR SUBREGIONAL PROGRAM -      [2018-0767](#)**  
**LAS VIRGENES/MALIBU SUBREGION**

**RECOMMENDATION**

CONSIDER:

A. APPROVING:

1. programming of \$22,045,893 in Measure M Multi-Year Subregional Program (MSP) - Active Transportation/Transit/Tech Program (Attachment A);
2. programming of \$18,824,581 in Measure M MSP Highway Efficiency Program (Attachment B); and

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

**Attachments:**      [Attachment A - Active Transportation Transit Tech Program Project List](#)  
[Attachment B - Highway Efficiency Program Project List](#)

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):**

- 20. SUBJECT:      MEMBERSHIP ON METRO GATEWAY CITIES SERVICE      [2018-0621](#)**  
**COUNCIL**

**RECOMMENDATION**

APPROVE Mr. Danny Hom for membership on Metro's Gateway Cities Service Council.

**Attachments:**      [Attachment A - Listing of Qualifications 1-24-2019](#)  
[Attachment B - Gateway Service Council Nomination Letter](#)

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**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):**

**21. SUBJECT: THREE-WAY MUFFLER CATALYSTS**

[2018-0723](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two year, Indefinite Delivery, Indefinite Quantity Contract No. MA56400000 to Cummins Incorporated, the lowest responsive and responsible bidder for Three-Way Muffler Catalysts. The award is for a Base year not-to-exceed of \$607,663 inclusive of sales tax, and a one year Option for a not-to-exceed amount of \$622,855, inclusive of sales tax for a total not-to-exceed contract value of \$1,230,518, subject to resolution of protest(s), if any.

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

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):**

**22. SUBJECT: FIRE ALARM PANEL REPLACEMENT PROJECT**

[2018-0739](#)

**RECOMMENDATION**

APPROVE an increase to the Life-of-Project (LOP) budget for the bus facilities fire alarm control panel replacement project (CP 202333) by \$1,850,000, increasing the LOP budget from \$1,624,300 to \$3,474,300, which will enable staff to re-solicit and award a contract to the lowest responsible bidder for the bus facilities fire alarm control panel replacement project.

**Attachments:**      [Attachment A - Expenditure Plan Forecast](#)

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):**

**23. SUBJECT: LEASE AGREEMENT WITH ANDY AZAD 2002 IRREVOCABLE TRUST**

[2018-0748](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute a four-year, three month amendment to the existing lease agreement with Andy Azad 2002 Irrevocable Trust ("Landlord") for the use of 44,964 rentable square feet ("RSF") of warehouse space located at 2950 East Vernon Ave, Vernon, commencing May 1, 2019 at a monthly rate of \$40,017.96 for the total value of \$2,189,247 including annual escalations of three percent.

**Attachments:**      [Attachment A - Location Map](#)  
[Attachment B - Lease Comparables](#)



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

- 30. SUBJECT: A650-2015, HEAVY RAIL VEHICLE OVERHAUL AND CRITICAL COMPONENT REPLACEMENT PROGRAM** [2018-0670](#)

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to increase the Life-of-Project (LOP) budget to Contract No. A650-2015, for the Heavy Rail Vehicle Overhaul and Critical Component Replacement Program (OCCRP), by \$12,399,908 increasing the total Life-of-Project (LOP) budget from \$86,662,000 to \$99,061,908 as funded per attachment C; and
- B. APPROVING Modification No. 3 to Contract A650-2015, with Talgo Inc., for the design and installation of the Train-To-Wayside Communication (TWC) System in the firm-fixed price amount of \$2,044,908.

- Attachments:** [Attachment A - Procurement Summary](#)  
[Attachment B - Contract Modification Log](#)  
[Attachment C - Funding and Expenditure Plan](#)  
[Attachment D - DEOD Summary](#)

**CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):**

- 34. SUBJECT: METRO GOLD LINE EXTENSION TO CLAREMONT** [2018-0789](#)

**RECOMMENDATION**

DIRECT the Chief Executive Officer to ~~pursue~~ finalize negotiations with the Gold Line Authority to ensure the extension of the Foothill Alignment to Pomona station as a first phase, consistent with the provisions of Board-adopted Measure R and Measure M Unified Cost Management Policy.

- Attachments:** [Attachment A - Board Motion #40](#)

**EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION AS AMENDED BY ITEM 36.1 (5-0):**

- 36. SUBJECT: 2019 LEGISLATIVE PROGRAM** [2018-0439](#)

**RECOMMENDATION**

ADOPT:

- A. the proposed 2019 Federal Legislative Program as outlined in Attachment

A; and

B. the proposed 2019 State Legislative Program as outlined in Attachment B.

**Attachments:**      [Attachment A - 2019 Federal Legislative Program Goals FINAL](#)  
                                 [Attachment B - 2019 State Legislative Program Goals FINAL](#)

**36.1 SUBJECT:      STATE LEGISLATIVE PROGRAM GOALS**

[2019-0009](#)

**RECOMMENDATION**

**APPROVE** Motion by Butts, Hahn, Solis, Kuehl and Dupont-Walker that the Board Instruct the CEO to include this innovative legislative approach as a priority in the State Legislative Program and Goals contained in Attachment B of the Board Report and specifically relating to Goals 13, and 14.

**WE FURTHER MOVE** that the Board directs the CEO to secure a primary legislative author and co-authors to sponsor specific legislation authorizing a new “**Build California Green Bond**” program.

**WE FURTHER MOVE** that the Board directs the CEO to consult with the LAEDC and consider the updating of the 2011 LAEDC Report Metro used in its advocacy efforts in supporting this legislative initiative and report back to the Executive Management Committee in this regard.

**EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION**

**(5-0):**

**41. SUBJECT:      JUDGE HARRY PREGERSON STATION DEDICATION**

[2019-0010](#)

**RECOMMENDATION**

APPROVE Motion by Garcetti, Ridley-Thomas, Hahn, and Butts that the Board of Directors instruct the CEO to:

A. prepare a plan to dedicate the Harbor Freeway station along the Green and Silver Line in honor of late Judge Harry Pregerson; and

B. report back at the March 2019 Executive Management Committee meeting.

**EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION**

**(5-0):**

**42. SUBJECT:      TRANSPORTATION FOR LOS ANGELES UNIFIED SCHOOL DISTRICT STUDENTS DURING A LABOR ACTION**

[2019-0012](#)

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**RECOMMENDATION**

APPROVE Motion by Garcetti, Kuehl, and Butts that the Board direct the CEO to provide transit services free of fare for LA Unified students showing their ID from 5am to 7pm on days when the labor action may take place.

**NON-CONSENT**

3. **SUBJECT: REMARKS BY THE CHAIR** [2018-0813](#)

**RECOMMENDATION**

RECEIVE remarks by the **Chair**.

4. **SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER** [2018-0815](#)

**RECOMMENDATION**

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

6. **SUBJECT: CALTRANS ORAL REPORT IN RESPONSE TO THE ROAD MOVABLE BARRIERS SYSTEM MOTION** [2018-0652](#)

**RECOMMENDATION**

RECEIVE oral report by Caltrans in response to the Road Movable Barriers System Motion from June 2018.

**Attachments:** [Attachment A - Road Barriers Motion Presentation](#)

8. **SUBJECT: I-10 EXPRESSLANES BUSWAY PILOT PROGRAM** [2018-0562](#)

**RECOMMENDATION**

AUTHORIZE the development of an implementation plan for the I-10 ExpressLanes Pilot Program.

**Attachments:** [Attachment A - Motion 43](#)  
[Attachment B - I-10 ExpressLanes Busway Pilot Prelim Assessment Presentation](#)

10. **SUBJECT: I-10 AND I-110 METRO EXPRESSLANES "PAY-AS-YOU-USE" MODEL** [2018-0703](#)

**RECOMMENDATION**

APPROVING a one-year pilot of the "Pay-as-You-Use" model.

- Attachments:
- [Attachment A - Motion 42.pdf](#)
  - [Attachment B - FY18 Performance Report](#)
  - [Attachment C - Demographic Analysis of Express Lane Regions](#)
  - [Attachment D - Comparison Chart](#)
  - [Attachment E - Surcharge Assumptions and Costs.pdf](#)
  - [Presentation](#)

**FINANCE, BUDGET AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0-3):**

**14. SUBJECT: PROP A AND PROP C COMMERCIAL PAPER/SHORT-TERM BORROWING PROGRAMS 2018-0753**

**RECOMMENDATION**

**WITHDRAWN: CONSIDER:**

- A. AUTHORIZING the Chief Executive Officer to renew and/or replace the direct-pay letters of credit ("LOC") and direct purchase revolving credit facility ("RCF") to be provided by the banks described below, finalize negotiations with the recommended banks and enter into reimbursement/credit agreements and related documents associated with such LOCs and RCF;
1. Replace the LOCs currently being provided by Sumitomo Mitsui Banking Corporation ("Sumitomo") and MUFG Union Bank, N.A. ("MUFG"), for the Proposition A commercial paper program with a LOC to be provided by Barclays Bank PLC ("Barclays") for a commitment amount of \$200 million for a 3 year term at an estimated cost of \$13.5 million including interest, legal fees and other related expenses.
  2. Replace the LOC currently being provided by Bank of America ("BANA") of \$75 million for the Proposition C commercial paper program with a revolving credit facility provided by Wells Fargo Bank, N.A. ("Wells Fargo") for an estimated amount of \$150 million (Metro currently has \$75 million outstanding with Wells Fargo) for a 3 year term at an estimated cost of \$9.9 million including interest, legal fees and other related expenses
- B. If unable to reach agreement with one of the recommended banks described above, AUTHORIZE the Chief Executive Officer to finalize negotiations with each successively ranked bank for LOCs and/or RCFs having 3 year terms and the estimated costs shown in Attachment A;

- C. ADOPTING a resolution with respect to the Proposition A commercial paper and short-term program that approves the selection of Barclays or such other banks selected by the Chief Executive Officer for the Proposition A commercial paper program, and the forms of the reimbursement agreement, fee agreement and reimbursement note in similar form with those on file with the Board Secretary and that makes certain benefits findings in compliance with the Government Code, Attachment B;
- D. ADOPTING a resolution with respect to the Proposition C commercial paper and short-term borrowing program that approves the selection of Wells Fargo or such other banks selected by the Chief Executive Officer for the Proposition C commercial paper program, and the forms of the revolving credit agreement, revolving obligation notes and supplemental subordinate trust agreement in similar form with those on file with the Board Secretary and that makes certain benefits findings in compliance with the Government Code, Attachment C.

**(REQUIRES SEPARATE, SIMPLE MAJORITY BOARD VOTE)**

- Attachments:**
- Attachment A - Recommendation Summary
  - Attachment B - Proposition A Authorizing Resolution
  - Attachment C - Proposition C Authorizing Resolution
  - Additional Documents

**40. SUBJECT: METRO'S PHOTO ENFORCEMENT PROGRAM** [2018-0737](#)

**RECOMMENDATION**

RECEIVE AND FILE an update on Metro's Photo Enforcement Program.

**43. SUBJECT: THE RE-IMAGINING OF LA COUNTY: MOBILITY, EQUITY, AND THE ENVIRONMENT (TWENTY-EIGHT BY '28 MOTION RESPONSE)** [2019-0011](#)

**RECOMMENDATIONS**

APPROVE:

- A. the baseline assumptions and priorities (proposed sacred items) for the funding/financing plan used to deliver Twenty-Eight by '28 as described in Attachment A and listed as follows:
  - 1. NextGen - The results of the NextGen Bus Service Study must not be compromised to advance capital investments;
  - 2. State of Good Repair (SGR) - To guard against increased maintenance and operations costs and deterioration in service reliability, customer

- 
- experience, and safety performance, Metro must commit to preserving annual State of Good Repair allocations as a baseline assumption. This will ensure the capital funding level of \$475 million per annum for State of Good Repair;
3. Propositions A and C - Maintain the current debt limits for Propositions A and C. Prop A and Prop C revenues are a primary funding source for Operations. The budget committed one-third of Prop A and C revenues to Operations for FY18 and FY19 and the commitment is expected to increase over the next decade as state of good repair expenses rise;
  4. Protect Metro's debt covenants - Ensure the funding plan protects Metro's debt covenants to avoid impairing or adversely affecting the rights of bondholders. Issuing large sums of debt significantly increases repayment risk to bondholders;
  5. Unfunded Ancillary Efforts - Ensure funding for the following projects needed to both support implementation of Twenty-Eight by '28 and uphold the integrity of existing Metro transportation system:
    - a. Division 20 (\$699 M) - Division 20 expansion will provide the overnight storage and maintenance space for the additional subway cars being acquired for the Purple Line extension;
    - b. Combined Rail Operations Center (ROC)/Bus Operations Center (BOC) (\$190 M) - a new ROC/BOC is essential for the safe and effective operations of the transit system;
    - c. Maintenance & Material Management System-M3 (\$50 M) - the new M3 is imperative for the effective management of the state of good repair program;
    - d. Train radio for existing subway system (\$75 M) - a new train radio system is essential for the safe and effective operations of the expanded rail network;
    - e. I-210 Barrier Wall (\$200 M) - the intrusion problem on I-210 along the Gold Line must be solved for the long-term safety and reliability of the system;
- B. The commitment to convert to an all-electric bus fleet by 2030 as a baseline assumption and priority (sacred item) for funding/financing plan used to deliver Twenty-Eight by '28;
- C. Pursuit of the creation of a White House Task Force for the 2028 Olympics;  
and

RECEIVE AND FILE the Staff Recommendations on Strategies to Pursue “The Re-Imagining of LA County” (formerly Twenty-Eight by '28) (Attachment B).

Attachments:            [Attachment A - Twenty-Eight by '28 Program Financing/Funding Plan White Paper](#)  
[Attachment B - Re-imagining of LA County Mobility Equity & the Environment](#)  
[Attachment C - Motion 4.1](#)

## END OF NON-CONSENT ITEMS

### 44. SUBJECT:    CLOSED SESSION

[2019-0018](#)

- A. Conference with Legal Counsel - Existing Litigation - G.C. 54956.9(d)(1)
  - City of Beverly Hills v. LACMTA, USDC Case No. CV-18-3891-GW(SSx)
  
- B. Conference with Real Property Negotiator - G.C. 54956.8
  - 1. Property Description: 2040 Century Park East, Los Angeles  
Agency Negotiator: Velma C. Marshall  
Negotiating Party: CC Site One, LLC  
Under Negotiation: Price and Terms
  
  - 2. Property Description: 6010-6016 Wilshire Boulevard, Los Angeles  
Agency Negotiator: Velma C. Marshall  
Negotiating Party: Nancee Enyart (f/k/a Nancee Elyse Greenwald, et al.  
Under Negotiation: Price and Terms
  
  - 3. Property Description: 6030 Wilshire Boulevard, Los Angeles  
Agency Negotiator: Velma C. Marshall  
Negotiating Party: 6030 Wilshire, LLC  
Under Negotiation: Price and Terms
  
  - 4. Property Description: 9225 Aviation Boulevard, Los Angeles  
Agency Negotiator: Velma C. Marshall  
Negotiating Party: Clean Energy  
Under Negotiation: Price and Terms
  
- C. Public Employee Performance Evaluation - G.C. 54957(b)(1)
  - Titles: Chief Executive Officer, General Counsel, Board Secretary, Inspector General; and Chief Ethics Officer
  
- D. Public Employment - G.C. 54957(b)(1)

Title: Chief Executive Officer

**SUBJECT: GENERAL PUBLIC COMMENT**

[2018-0816](#)

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**

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**File #:** 2018-0784, **File Type:** Minutes

**Agenda Number:** 2.

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**REGULAR BOARD MEETING  
JANUARY 24, 2019**

**SUBJECT: MINUTES**

**RECOMMENDATION**

APPROVE Minutes of the Regular Board Meeting held December 6, 2018.

# Metro

Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
3rd Floor Board Room



## MINUTES

Thursday, December 6, 2018

9:30 AM

One Gateway Plaza, Los Angeles, CA 90012,  
3rd Floor, Metro Board Room

### Board of Directors - Regular Board Meeting

DIRECTORS PRESENT:

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

Phillip A. Washington, Chief Executive Officer

**CALLED TO ORDER: 9:46 A.M.**

**CALL TO ORDER**

**ROLL CALL**

1. APPROVED Consent Calendar Items: 2, 6, 8, 10, 44, 16, 18, 19, 20, \*22, 23, 26, 27, 34, 35, 36, 37.

Consent Calendar items were approved by one motion except 8 and 11 which were held for discussion and/or separate action.

\*Item required 2/3 vote

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

2. **SUBJECT: MINUTES** **2018-0712**

APPROVED ON CONSENT CALENDAR Minutes of the Regular Board Meeting held October 25, 2018.

3. **SUBJECT: REMARKS BY THE CHAIR** **2018-0749**

RECEIVED remarks by the Chair.

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

4. **SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER** **2018-0750**

RECEIVED report by the Chief Executive Officer.

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

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

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

**6. SUBJECT: METRO FREEWAY SERVICE PATROL CONTRACTS**

**2018-0675**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to increase Contract Modification Authority (CMA) to 12 existing Freeway Service Patrol contracts as delineated below for a total amount of \$3,670,000 thereby increasing the CMA amount from \$2,113,534 to \$5,783,534 and extend the periods of performance as follows:

- Beat no.1: All City Tow contract no. FSP2828200FSP141, for \$265,000 for 6 months
- Beat no.2: Citywide Towing contract no. FSP2785600FSP142, for \$190,000 for 5 months
- Beat no.4: Frank Scotto Towing contract no. FSP2788200FSP144, for \$190,000 for 5 months
- Beat no.8: Citywide Towing contract no. FSP2825800FSP148, for \$195,000 for 5 months
- Beat no.10: Neighborhood Towing 4 U contract no. FSP3848100FSP1410, for \$245,000 for 7 months
- Beat no.13: Reliable Delivery Service contract no. FSP2831500FSP1413, for \$475,000 for 7 months
- Beat no.24: T.G. Towing, Inc. contract no. FSP2833200FSP1424, for \$330,000 for 8 months
- Beat no.33: Mid Valley Towing contract no. FSP2851900FSP1433, for \$380,000 for 10 months
- Beat no.34: South Coast Towing contract no. FSP2839600FSP1434, for \$315,000 for 8 months
- Beat no.36: Hadley Tow contract no. FSP2841400FSP1436, for \$350,000 for 8 months
- Beat no.41: T.G. Towing contract no. FSP2760200144, for \$440,000 for 11 months
- Beat no.42: Platinum Tow and Transport contract no. FSP2842100FSP1442, for \$295,000 for 8 months

**8. SUBJECT: PROJECT APPROVAL AND ENVIRONMENTAL 2018-0512  
DOCUMENT (PA&ED) AND PLANS, SPECIFICATIONS  
AND ESTIMATES (PS&E) FOR SR-60/7th AVENUE  
INTERCHANGE IMPROVEMENTS PROJECT**

AUTHORIZED the Chief Executive Officer (CEO) to execute a 24-month, firm fixed price Contract No. AE53204000 with ADVANTEC Consulting Engineers in the amount of \$1,999,895 for Architectural and Engineering (A&E) services for the preparation of Project Approval and Environmental Document (PA&ED) and Plans, Specifications and Estimates (PS&E) for SR-60/7th Avenue Interchange Improvements Project, subject to resolution of protest(s), if any.

<b>PK</b>	<b>JF</b>	<b>JH</b>	<b>MB</b>	<b>HS</b>	<b>JB</b>	<b>*SK</b>	<b>*EG</b>	<b>KB</b>	<b>JDW</b>	<b>MRT</b>	<b>AN</b>	<b>RG</b>
C	Y	C	C	Y	Y	Y	Y	C	Y	Y	C	A

\*Selected under Rule of Necessity

**9. SUBJECT: SR-710 NORTH CORRIDOR MOBILITY IMPROVEMENTS 2018-0513**

APPROVED the following actions pertaining to the development and implementation of mobility improvement projects on local arterials and at freeway local interchanges experiencing congestion as a result of the discontinuity of the SR-710 North Freeway:

- A. APPROVED the attached list of eligible Mobility Improvement Projects [MIPs] recommended for funding;
- B. AUTHORIZED programming \$450 million in Measure R funds and \$65 million in State and Federal funds for a total of \$515 million to the SR-710 starting in FY20 for the initial list of MIPs in compliance with the guidelines in the Board Motion 29.1 (Attachment A) to fund new mobility improvement projects consistent with the purpose of the 710 freeway gap closure project to relieve congestion on local streets in the impact area of the SR-710 as depicted in the SR-710 Environmental Document; and
- C. AUTHORIZED programming up to \$45 million in Measure R funds starting in FY20 for the Transportation System Management/Transportation Demand Management (TSM/TDM) projects that are currently listed in the SR-710 North environmental document and will be cleared environmentally upon adoption of the SR-710 North Final Environmental Document to advance to final design and construction.

(continued on next page)

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All future expenditure of funds shall be contingent upon completion of the SR-710 North environmental process and selection of the TSM/TDM Locally-Preferred Alternative as the Preferred Alternative.

FASANA AMENDMENT that Project 1 be included and that \$100 million be set for Project 1 which is the SR-710 North of I-10 Termination Project (I-10 to Valley Boulevard).

SOLIS FRIENDLY AMENDMENT to ensure inclusivity and transparency, stakeholders from the communities directly affected by the SR-710 North Project should be given the opportunity to participate in the next project selection process.

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

**10. SUBJECT: I-5 NORTH CAPACITY ENHANCEMENTS FROM SR-134 TO 2018-0582 SR-118**

AUTHORIZED ON CONSENT CALENDAR Contract Modifications No. 194, No. 222 & No. 225 (CCO 194, CCO 222 & CCO 225) by the California Department of Transportation (Caltrans) for the construction contract of Segment 4 of the I-5 North Capacity Enhancements Project from SR-134 to SR-118 (Project) under Funding Agreement No. MOU.P0008355/8501A/A8, in the amount of \$20.8 million within the overall corridor LOP budget.

**11. SUBJECT: METRO EXPRESSLANES CONTINUING OPERATIONS 2018-0536**

AUTHORIZED UNDER RECONSIDERATION the Chief Executive Officer (CEO) to execute Modification No. 78 for Operation and Maintenance (O&M) - Year 6 (from February 24, 2019 to February 29, 2020), for up to one year, for Contract No. PS0922102333 with Atkinson Contractors, LP (Atkinson) for Metro ExpressLanes Operation and Maintenance in the amount of \$18,655,393; increasing the total contract price from \$185,669,328 to \$204,324,721.

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

**14. SUBJECT: PROPOSITION C BONDS**

**2018-0595**

ADOPTED a resolution, Attachment A, that:

- A. AUTHORIZES the negotiated bond sale and issuance of up to \$650 million in aggregate principal amount of bonds (Proposition C Sales Tax Revenue Bonds, 2019) in one or more series, to finance capital projects and refinance outstanding commercial paper and revolving credit notes;
- B. APPROVES the forms of the supplemental trust agreement, continuing disclosure certificate, preliminary official statement and such other documents as required for the issuance of the bonds, and approves related documents on file with the Board Secretary as set forth in the resolution and all of which are subject to modification as set forth in the Resolution;
- C. APPROVES the form of the bond purchase contract on file with the Board Secretary, that will be entered into with the underwriters as listed in Attachment B hereto; and
- D. AUTHORIZES taking all action necessary to achieve the foregoing, including, without limitation, the further development and execution of the bond purchase contract and bond documentation associated with the issuance of the 2019 Prop C bonds.

<b>PK</b>	<b>JF</b>	<b>JH</b>	<b>MB</b>	<b>HS</b>	<b>JB</b>	<b>SK</b>	<b>*EG</b>	<b>KB</b>	<b>JDW</b>	<b>MRT</b>	<b>AN</b>	<b>RG</b>
Y	Y	C	C	Y	Y	Y	Y	C	Y	C	C	A

\* Selected under Rule of Necessity

**15. SUBJECT: WEST SANTA ANA BRANCH TRANSIT CORRIDOR**

**2018-0404**

AUTHORIZED:

- A. the Chief Executive Officer to:
  - 1. Approve an updated project definition (Attachment A) for Draft Environmental Impact Statement (EIS)/Environmental Impact Report (EIR);
  - 2. Negotiate and execute third party agreements between Metro and project corridor cities and agencies;

(continued on next page)

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3. Execute Modification No. 6 to Contract No. AE5999300 with WSP USA, Inc. for technical services to advance the level of design to 15% to support Draft EIS/EIR in the base amount of \$6,300,216, with an optional task for third-party coordination in the amount of \$1,678,228, for a total amount of \$7,978,444, increasing the total contract value from \$12,405,244 to \$20,383,688; and
  4. Execute Modification No. 2 to Contract No. PS2492300 with Arellano Associates to provide additional outreach support in the amount of \$1,324,503, increasing the total contract value from \$922,203 to \$2,246,706.
- B. RECEIVING AND FILING finding in response to May 2018 comment to evaluate the feasibility and need for 4-car platforms on the West Santa Ana Branch line.

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

**15.1 SUBJECT: WEST SANTA ANA BRANCH TRANSIT CORRIDOR                      2018-0773**  
**CONFLUENCE STATION**

APPROVED motion by Solis, Hahn, Butts, Ridley-Thomas & Dupont-Walker that:

- A. Metro will fund the feasibility study and any necessary environmental clearance for a potential station at the confluence site.
- B. A feasibility study of a station at the confluence site shall commence immediately, with a determination of feasibility and whether to advance into environmental review made after the completion of the environmental documentation process for the Project.
- C. Metro staff shall participate with proponents seeking to design and implement the confluence area vision, which is set forth in the Lower Los Angeles River Revitalization Plan.
- D. Metro will work collaboratively with its state, local and federal partners to secure funding for the capital improvements of the potential confluence site station, should Metro subsequently find the station would provide mobility value after consideration of a future study.
- E. Metro will report back in 6 months on the progress of the feasibility study.

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



**16. SUBJECT: JOINT DEVELOPMENT PROJECTS IN BOYLE HEIGHTS 2018-0573  
AND TAYLOR YARD**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to execute:

- A. An amendment to an existing Exclusive Negotiation Agreement and Planning Document ("ENA") with Bridge Housing Corporation - Southern California and East LA Community Corporation ("Bridge/ELACC"), that extends the term of the ENA to December 31, 2019 and provides for up to an additional 12-month term extension, if deemed necessary and prudent; and
- B. An amendment to an existing Joint Development Agreement ("JDA") with Taylor Yards, LLC, a development entity created by McCormack Baron Salazar, that extends the term of the JDA to March 31, 2020 and provides for up to an additional 12-month term extension, if deemed necessary and prudent.

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

**17. SUBJECT: COUNTYWIDE PLANNING AND DEVELOPMENT BENCH 2018-0574**

AUTHORIZED the Chief Executive Officer (CEO) to:

- A. AWARD 29 bench Contract Nos. PS54330000 through PS54330028 under the Countywide Planning and Development Bench for professional services with the contractors recommended in Attachment A-1 for a three-year base period in the funding amount of \$25 million, with two, one-year options, in the funding amount of \$5 million for each option year, for a not-to-exceed cumulative total funding amount of \$35 million, subject to resolution of protest(s) if any:

(Continued on next page)

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1. Discipline 1 - Transportation Planning:
  - 1.1. AECOM Technical Services, Inc
  - 1.2. Cambridge Systematics, Inc.
  - 1.3. CH2M Hill, Inc.
  - 1.4. Chen Ryan Associates, Inc. (SBE/DBE)
  - 1.5. Fehr & Peers
  - 1.6. HDR Engineering, Inc.
  - 1.7. Kimley-Horn & Associates, Inc.
  - 1.8. Mott MacDonald, LLC
  - 1.9. Steer
  - 1.10. STV Incorporated
  - 1.11. TransLink Consulting, LLC (SBE/DBE)
  - 1.12. WSP USA;
  
2. Discipline 2 - Environmental Planning:
  - 2.1. AECOM Technical Services, Inc.
  - 2.2. HDR Engineering, Inc.
  - 2.3. STV Incorporated
  - 2.4. Terry A. Hayes Associates, Inc. (SBE/DBE)
  - 2.5. WSP USA;
  
3. Discipline 3 - Traffic/Transportation Engineering:
  - 3.1. AECOM Technical Services, Inc.
  - 3.2. Cambridge Systematics, Inc.
  - 3.3. CH2M Hill, Inc.
  - 3.4. FPL and Associates, Inc. (SBE/DBE)
  - 3.5. HDR Engineering, Inc.
  - 3.6. Iteris, Inc.
  - 3.7. KOA Corporation
  - 3.8. Mott MacDonald, LLC;
  
4. Discipline 4 - Economic and Financial Analysis:
  - 4.1. AECOM Technical Services, Inc.
  - 4.2. Arup Advisory, Inc.
  - 4.3. BAE Urban Economics, Inc. (SBE/DBE)
  - 4.4. Morgner Construction Management (SBE/DBE)
  - 4.5. WSP USA;

(continued on next page)

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5. Discipline 5 - Community Design and Land Use:
  - 5.1. AECOM Technical Services, Inc.
  - 5.2. BASE Architecture, Planning & Engineering, Inc. (SBE/DBE)
  - 5.3. M. Arthur Gensler Jr. & Associates, Inc
  - 5.4. Gruen Associates
  - 5.5. Here Design Studio, LLC (SBE/DBE)
  - 5.6. John Kaliski Architects (SBE);
  
6. Discipline 6 - Sustainability/Active Transportation:
  - 6.1. AECOM Technical Services, Inc.
  - 6.2. Alta Planning + Design
  - 6.3. Chen Ryan Associates, Inc. (SBE/DBE)
  - 6.4. Fehr and Peers;
  
7. Discipline 7 - Demand Modeling and Geographic Information System:
  - 7.1. AECOM Technical Services, Inc.
  - 7.2. Cambridge Systematics, Inc.
  - 7.3. WSP USA;
  
8. Discipline 8 - Data Base Development and Data Analysis:
  - 8.1. Cambridge Systematics, Inc.
  - 8.2. Iteris, Inc.;
  
9. Discipline 9 - Real Estate Project Management:
  - 9.1. Tierra West Advisors, Inc. (SBE/DBE);
  
10. Discipline 10 - Research and Surveying:
  - 10.1. Cambridge Systematics, Inc.
  - 10.2. ETC Institute
  - 10.3. Moore & Associates, Inc.
  - 10.4. Redhill Group, Inc. (SBE); and

B. EXECUTE individual task orders under the Bench Contracts for up to \$1 million per task order.

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

\* Selected under Rule of Necessity

**18. SUBJECT: METRO BIKE SHARE GREENHOUSE GAS REDUCTION FUND GRANT 2018-0608**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to:

- A. EXECUTE Modification No. 8 to Contract No. PS272680011357 with Bicycle Transit Systems, Inc. (BTS) for the Metro Countywide Bike Share Greenhouse Gas Reduction Fund (GGRF) Grant in the amount of \$6,342,126, increasing the total contract value from \$89,001,735 to \$95,343,861;
- B. APPROVE the increase of the Phase III Expansion Life of Project (LOP) budget by \$2.83M increasing total LOP from \$10.5M to \$13.33M; and
- C. NEGOTIATE and EXECUTE a Memorandum of Understanding (MOU) amendment to set the terms of fiscal and administrative responsibility as described in the January 2015 Receive and File (accessed at [http://media.metro.net/board/Items/2015/01\\_january/20150114p&pitem25.pdf](http://media.metro.net/board/Items/2015/01_january/20150114p&pitem25.pdf)) with the City of Los Angeles as it relates to the GGRF Grant award.

**19. SUBJECT: ACTIVE TRANSPORTATION PROGRAM CYCLE 4 REGIONAL PROGRAM SCORING 2018-0690**

APPROVED ON CONSENT CALENDAR the assignment of up to ten points as presented in Attachment A to candidate projects for the Active Transportation Program (ATP) Cycle 4 Southern California Association of Governments' (SCAG) Regional ATP competition.

**20. SUBJECT: LINK UNION STATION 2018-0694**

APPROVED ON CONSENT CALENDAR the designation of the California Environmental Quality Act (CEQA) "Proposed Project" in the Link Union Station (Link US) Draft Environmental Impact Report (DEIR) as Alternative 1 with Design Option B which provides up to 10 run-through tracks with shared lead tracks. The CEQA Proposed Project includes an above-grade passenger concourse that will also include a new expanded, at-grade passage way which will provide additional passenger travel-path convenience and options.

**21. SUBJECT: CENTINELA/FLORENCE CRENSHAW/LAX LINE GRADE 2018-0245  
SEPARATION STUDY**

APPROVED:

- A. RECEIVING AND FILING the Centinela/Florence Grade Separation Traffic Study; and
- B. AUTHORIZING the Chief Executive Officer to:
  - 1. Initiate engineering design study to be funded in cooperation with the City of Inglewood; and
  - 2. Work with the City of Inglewood to develop its Funding and Delivery Strategy Plan.

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

**22. SUBJECT: STAINLESS STEEL ANTI-GRAFFITI FILM INSTALLATION 2018-0585  
AND REPLACEMENT SERVICES**

APPROVED ON CONSENT CALENDAR BY 2/3 VOTE:

- A. FINDING that the procurement of stainless steel, anti-graffiti film installation and replacement services for all Metro facilities pursuant to Public Utilities Code (PUC) Section 130237, constitutes a single source procurement method for the sole purpose of duplicating or replacing supply, equipment or material already in use; and
- B. AUTHORIZING the Chief Executive Officer to award a non-competitive five-year firm fixed unit rate Contract No. OP1141410003367 to Graffiti Shield, Inc. to provide stainless steel, anti-graffiti film installation and replacement services for all Metro facilities for a not to exceed amount of \$14,919,070 for the three-year base period and a not to exceed amount of \$11,835,168 for the two, one year options for a combined not to exceed total amount of \$26,754,238, effective February 3, 2019.

**23. SUBJECT: ELECTRONIC CONTROL MODULE**

**2018-0628**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to award a two year, Indefinite Delivery, Indefinite Quantity Contract No. MA49132000 to Cummins Inc., for electronic control modules for a one year base amount of \$730,578, inclusive of sales tax, and a second year amount of \$748,845, inclusive of sales tax, for a total contract value of \$1,479,423, subject to resolution of protest(s), if any.

**26. SUBJECT: P3010 LIGHT RAIL VEHICLE PROCUREMENT**

**2018-0485**

APPROVED ON CONSENT CALENDAR a Modification to Contract No. P3010 with Kinkisharyo International, LLC for Request for Change (RFC) No. 28, Crenshaw Final Cutover Automatic Train Control (ATC) Software Release, for a firm fixed price of \$2,350,680 increasing the total Contract value from \$921,755,722 to \$924,106,402. The contract increase is within the Life of Project Budget.

<b>PK</b>	<b>JF</b>	<b>JH</b>	<b>MB</b>	<b>HS</b>	<b>JB</b>	<b>SK</b>	<b>EG</b>	<b>KB</b>	<b>JDW</b>	<b>MRT</b>	<b>AN</b>	<b>RG</b>
							C	C				

**27. SUBJECT: Q'POD ASSEMBLY KITS WITH CURB SIDE SEAT**

**2018-0638**

AUTHORIZED ON CONSENT CALENDAR the chief Executive Officer to award a two-year, Indefinite Delivery, Indefinite Quantity Contract No. MA53850000 to Gillig LLC, for Kit - Q'Pod Assemblies with Passenger Curb Side Seats. The Contract has a first year amount of \$2,005,420, inclusive of sales tax, and a second year amount of \$2,005,420, inclusive of sales tax, for a total contract value of \$4,010,840, subject to resolution of protest(s), if any.

**28. SUBJECT: CRENSHAW/LAX - GREEN LINE OPERATING PLAN**

**2018-0710**

**NO ACTION TAKEN**

- A. APPROVING Alternative C-1 (Norwalk - Crenshaw/Expo, and Redondo Beach - Aviation/Century) as the preferred service plan for Crenshaw/LAX - Green Line; and
- B. DIRECTING the CEO to reevaluate the service plan one year prior to the opening of the Green Line extension to Torrance to determine if travel patterns and other relevant factors show a need for a change in service pattern.

FAILED: Garcetti substitute motion to continue to February and report back on where the money will come from, the safety risks, and what performance metrics will be used to assess the pilot.

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

**28.1 SUBJECT: PROPOSED CRENSHAW/LAX - GREEN LINE OPERATING PLAN 2018-0730**

APPROVED Motion by Hahn, Butts, Solis, Najarian, Fasana & Garcia that the Board instruct the CEO to:

- A. implement Alternative C-3 for the Crenshaw/LAX -Green Line Operating Plan as a 1 year pilot plan in anticipation of the opening of the LAX Automated People Mover (APM) and 96th Street Station, maintaining the existing headways on the Green Line;
- B. report back to the Metro Board one (1) year after the pilot is over to reevaluate the ridership and travel demand; and
- C. as a new policy, bring future substantive changes to rail operating plans to the Metro Board for approval as a matter of course, instead of "receive and file."

GARCETTI AMENDMENT to report back on where the money will come from, the safety risks, and what performance metrics will be used to assess the pilot.

PK	JF	JH	MB	HS	JB	SK	EG	KB	JDW	MRT	AN	RG
N	Y	Y	N	Y	Y	ABS	N	Y	N	ABS	Y	Y

**31. SUBJECT: ENVIRONMENTAL COMPLIANCE AND SUSTAINABILITY SUPPORT SERVICES 2018-0482**

AUTHORIZED the Chief Executive Officer (CEO) to award and execute a five (5) year Contract No. AE51181EN084, with Burns & McDonnell, Engineering Company, Inc. for Environmental Compliance and Sustainability Support Services on Task Orders, inclusive of a three (3) year base term for an amount not-to-exceed \$18,000,000, plus two (2) one-year options for a not-to-exceed amount of \$21,000,000, for a total contract value of \$39,000,000.

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

**34. SUBJECT: METRO LEADERSHIP ACADEMY**

**2018-0598**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to:

- A. AWARD a three-year firm fixed price Contract No. PS54336000 to Southern Methodist University Cox School of Business, to serve as the academic partner for the Metro Leadership Academy (MLA) Program, in the amount of \$858,552, effective December 2018 through December 2021; and
- B. APPROVE Contract Modification Authority specific to Contract No. PS54336000 in the amount of \$85,855.

**35. SUBJECT: METRO MEDICAL CLINIC SERVICES**

**2018-0599**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to award a 42-month, firm fixed unit rate Contract No. PS42270000 to Temple Medical Center for medical clinic services for Metro downtown service area, in an amount not-to-exceed \$1,034,640 effective January 25, 2019 subject to resolution of protests(s) if any.

**36. SUBJECT: TRANSIT LINE OPERATIONAL NAMING CONVENTION**

**2018-0684**

APPROVED ON CONSENT CALENDAR:

- A. AUTHORIZING the CEO to establish a Transit Line Operational Naming Convention to change the current naming convention to a color and letter designation for rail lines and bus rapid transit lines; and
- B. a phased implementation plan that takes advantage of planned capital projects and a phased transition through the completion of the Regional Connector Project.

**37. SUBJECT: BURNING BUS MOTION**

**2018-0729**

APPROVED ON CONSENT CALENDAR Motion by Hahn, Solis, Butts & Krekorian that the Board direct the CEO to:

- A. Expedite the replacement of all 52 diesel buses operating in the South Bay region ahead of Metro's current schedule, to ensure the safety of drivers and passengers;
- B. Fully investigate the circumstances surrounding the incidents whereby 7 of these buses caught fire, how driver complaints about safety issues were handled and an explanation as to why the Board was not informed of these incidents;

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- C. Conduct a full review of Metro’s contract with MV Transportation, including maintenance, quality control and driver safety issues; and
- D. Conduct a full review of Metro’s practice of contracting bus services out, and advise as to the feasibility of Metro directly providing bus services instead of through contractors; and

FURTHER that the CEO provide a comprehensive report within 30 days that addresses the fore-mentioned directives.

**38. SUBJECT: TWENTY-EIGHT BY '28 MOTION RESPONSE 2018-0709**

**RECOMMENDATION**

RECEIVED AND FILED the Twenty-Eight by '28 White Paper (Attachment B).

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

**39. SUBJECT: CESAR CHAVEZ BUS STOP IMPROVEMENT PROJECT 2018-0429**

APPROVED:

- A. AUTHORIZING an increase in the life of project (LOP) budget by \$1,430,000 for the Cesar Chavez Bus Stop Improvements Project from \$2,100,000 to \$3,530,000; and
- B. AMENDING the FY19 budget to increase Project 210041 funding by \$1,850,000.

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

**40. SUBJECT: METRO GOLD LINE EXTENSION TO CLAREMONT 2018-0772**

APPROVED motion by Solis, Fasana, Garcetti, Najarian & Barger that the Board:

- A. Reaffirm its commitment to complete the Foothill Extension to Montclair as a first priority project, per the final and unanimous vote to approve the 2009 Long Range Transportation Plan, and in accordance with promises made to county voters in 2008 and 2016 when they overwhelmingly supported Measures R and M;

(continued on next page)

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- B. Oppose any actions or proposals that would reduce or eliminate already committed funding secured on behalf of the Foothill Extension project and/or that could disrupt the ability of the Construction Authority to complete the project to Claremont, including but not limited to proposals to introduce new rail service within the future Gold Line corridor that could make it more difficult and more costly to complete the project to Montclair. This directive does not apply to any new or improved Metrolink service as long as there is no project cost or schedule impact to the Foothill Gold Line Extension Project;
- C. Direct our CEO to work closely with the Construction Authority to identify possible funding sources and approaches that could be used to fill the remaining funding gap to build the project all the way to Pomona and to Claremont.
- D. Direct our CEO to report back to the Board in January 2019 with options for initial funding to extend the first phase beyond La Verne to Pomona, along with a funding strategy for the second phase consisting of Claremont and Montclair.

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

RECEIVED General Public Comment.

**41. SUBJECT: CLOSED SESSION**

**2018-0770**

- A. Conference with Legal Counsel - Existing Litigation - G.C. 54956.9(d)(1)  
Ted Shatz v. LACMTA, LASC Case No. BC654621

APPROVED settlement in the amount of \$300,000.

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

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(Item 41 – continued from previous page)

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

Property Description: 1950 Century Park East, Los Angeles, CA

Agency Negotiator: Velma C. Marshall

Negotiating Party: Automobile Club of Southern California

Under Negotiation: Terms and Price

APPROVED settlement in the amount of \$24,500,000.

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

C. Public Employee Performance Evaluation - G.C. 54957(b)(1)

Titles: CEO, General Counsel, Board Secretary, Inspector

General; and Chief Ethics Officer

NO REPORT.

ADJOURNED at 4:36 p.m.

Prepared by: Eric Chun  
Administrative Analyst, Board Administration

  
Michele Jackson, Board Secretary

**Board Report**

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**File #:** 2018-0544, **File Type:** Contract**Agenda Number:** 9.

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**AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE  
JANUARY 16, 2019****SUBJECT: METRO EXPRESSLANES - CUSTOMER SERVICE CENTER OPERATIONS****ACTION: AWARD CONTRACT****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award firm fixed price Contract No. PS51236000 to Faneuil, Inc. to provide the personnel, services, and expertise to operate the Metro ExpressLanes Customer Service Centers for an eight-year base period, with three, two year options, in the amount of \$83,022,159 for the base period and \$86,352,515 for all option years exercised, for a total of \$169,374,674, subject to resolution of protest(s), if any.

**ISSUE**

In 2010, Metro entered into Contract No. PS0922102333 (existing contract) with Atkinson Contractors, LP (Atkinson) to design, build, operate, and maintain the I-10 and I-110 ExpressLanes. The existing contract is scheduled to expire in February 2020.

Based on lessons learned and consistent with the tolling industry's best practices, Metro has split the services provided under the current contract into three separate procurements; namely, 1) back office system, 2) roadside toll collection system, and 3) customer service operations. The back office system contract which was awarded by the Board in January 2018 includes account management system, violation processing, and other support functions. The roadside toll collection system contract, awarded by the Board in June 2018, includes roadside equipment, dynamic pricing, trip building, and related support functions.

Award of the customer service center operations, will complete the necessary procurements, enabling implementation of the new ExpressLanes system.

**DISCUSSION**

The Metro ExpressLanes Customer Service Center Operations comprises the resources necessary for ongoing program operations inclusive of, Los Angeles County facility locations, front and back office operations staffing, call center operations, supplies, fixtures, furnishings, and business machines (copiers, scanners, shredders, etc.). The customer service center operations responsibilities include revenue management, account management, account maintenance,

transponder management, and all relevant customer interfaces.

The objective of this Contract is to implement the best-in-class method for providing effective, responsive, and superior service to Metro ExpressLanes customers.

### Contract Term

Customer service center operations are a complex component of a tolling system and are customized to meet the specific parameters and requirements of each program. Industry experience has shown a typical acquisition of a new operations system may require up to 25 months to complete. This places substantial burden on Metro staff with respect to time and resources, making the process cost-prohibitive to repeat at the standard procurement intervals. With a shorter contract term, the agency would be in a perpetual cycle of procurement, training, and transition.

The Metro ExpressLanes customer service center operations scope of work, which included over 600 requirements, and the contract term were developed in tandem with a team of tolling expert consultants. Additionally, Metro conducted a Tolling Industry Forum to gather expert input regarding the optimal contract term. The recommended contract term is based on experience gained from five years of tolling, Industry Forum results, and best practices.

Additionally, minimizing the number of vendor transitions for the customer service center operations reduces operating costs and minimizes the risk of lost transactions and service disruptions that can arise during transition.

Staff is recommending an eight-year base contract with three, two-year options for a total of fourteen years. The recommended contract term reflects those of the back office and roadside systems awarded by the Board earlier this year to assure consistency and continuity.

The additional three, two-year options, which would require Board approval at the appropriate time, will allow staff sufficient time to develop, advertise, award, and implement the services of a new system operator, if warranted.

### Small Business Participation

The recommended contractors have proposed to meet or exceed the established 20% SBE and 3% DVBE goals for this contract.

### **DETERMINATION OF SAFETY IMPACT**

The Board action will not have an impact on safety of Metro's patrons or employees.

### **FINANCIAL IMPACT**

Funding for this Contract will come from toll revenues. The funds required for FY19 are included in the FY19 budget in Cost Center 2220, Project Number 307001 and 307002, Account 50316, Task 02.01.

### Impact to Budget

Since this is a multi-year project, the cost center manager and Executive Officer of Congestion Reduction will be responsible for budgeting the cost in future years.

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

The Metro ExpressLanes Customer Service Center Operations aligns with Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. ExpressLanes provide drivers with the option of a more reliable trip while improving the overall operational efficiency of the freeway network.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to award and execute this Contract. This alternative is not recommended because services under the existing contract will lapse and the ExpressLanes program will be adversely affected.

The Board may choose to direct staff to use in-house resources. This alternative is not recommended since Metro staff does not currently possess sufficient expertise in tolling operations, nor does it have the personnel availability/capacity to do so.

### **NEXT STEPS**

Upon Board approval, staff will execute Contract No. PS51236000 to Faneuil, Inc. to provide the personnel, services, and expertise to operate the Metro ExpressLanes customer service centers.

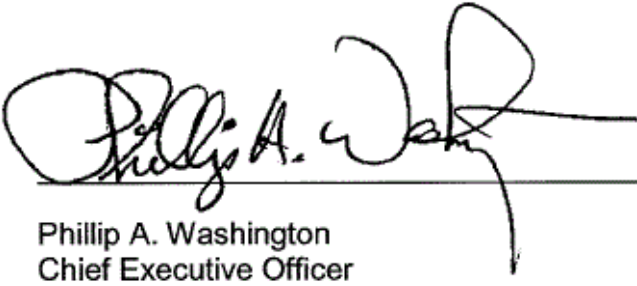
### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Silva Mardrussian, Senior Manager, Transportation Planning, Congestion Reduction, (213) 418-3132

Reviewed by: Shahrzad Amiri, Executive Officer, Congestion Reduction, (213) 922-3061  
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

METRO EXPRESSLANES CUSTOMER SERVICE CENTER  
OPERATIONS/PS51236000

1.	<b>Contract Number: PS51236000</b>	
2.	<b>Recommended Vendor:</b> Faneuil, Inc.	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> 03/05/18	
	<b>B. Advertised/Publicized:</b> 03/07/18	
	<b>C. Pre-Proposal Conference:</b> 03/14/18	
	<b>D. Proposals Due:</b> 06/01/18	
	<b>E. Pre-Qualification Completed:</b> 07/24/18	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> 06/01/18	
	<b>G. Protest Period End Date:</b> 01/08/19	
5.	<b>Solicitations Picked up/Downloaded:</b> 106	<b>Proposals Received:</b> 7
6.	<b>Contract Administrator:</b> Andrew Conriquez	<b>Telephone Number:</b> (213) 922-3528
7.	<b>Project Manager:</b> Silva Mardrussian	<b>Telephone Number:</b> (213) 418-3132

**A. Procurement Background**

This Board Action is to approve Contract No. PS51236000 issued in support of the Metro ExpressLanes Customer Service Center Operations. Board approval of contract awards are subject to resolution of any properly submitted protest.

The Request for Proposals (RFP) was issued in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

Seven amendments were issued to the RFP:

- Amendment No. 1, issued on March 26, 2018, clarified the evaluation criteria, Scope of Services, associated attachments and extended the questions submittal period and proposal due date;
- Amendment No. 2, issued on April 5, 2018, clarified the Scope of Services, associated attachments and updated the proposal validity period;
- Amendment No. 3, issued on April 23, 2018, extended the proposal due date;
- Amendment No. 4, issued on May 9, 2018, updated the Scope of Services and associated attachments and Submittal Requirements;
- Amendment No. 5, issued on May 14, 2018, updated Exhibit 12;
- Amendment No. 6, issued on May 18, 2018, updated the Scope of Services, and associated attachments.



- Amendment No. 7, issued on October 5, 2018, added Exhibit 13, Metro’s Living Wage Policy and requested the firms to submit pricing based on living wage.

A pre-proposal conference was held on March 14, 2018, and was attended by 25 people representing 16 companies. There were 271 questions submitted and responses were released prior to the proposal due date.

A total of 106 firms downloaded the RFP and were registered on the planholders’ list. A total of seven proposals were received on June 1, 2018.

**B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of Metro staff from Congestion Reduction and one external member from the Central Texas Regional Mobility Authority convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- |   |            |
|---|------------|
| • Demonstrated Project Experience and Qualifications  | 5 percent  |
| • Key Project Team Experience                         | 19 percent |
| • Approach to Implementation Phase Requirements       | 19 percent |
| • Approach to Operations Phase Requirements           | 24 percent |
| • Approach to Performance Requirements                | 19 percent |
| • Cost  | 10 percent |
| • Contracting Outreach and Mentor Protégé Requirement | 4 percent  |

Several factors were considered when developing these weights, giving the greatest importance to Approach to Operations Phase Requirements.

On June 5, 2018, the proposals were distributed to the PET for evaluation. Three firms were determined to be outside the competitive range due to lack of experience, insufficient information and misunderstanding of the requirements set forth in the RFP. The four firms within the competitive range are listed below in alphabetical order:

1. AECOM Energy & Construction, Inc. (AECOM)
2. Cofiroute USA, LLC
3. EGIS Projects, Inc.
4. Faneuil, Inc.

During the week of July 9, 2018, the PET met and interviewed the firms. The firms’ project managers and key team members had an opportunity to present each team’s

qualifications and respond to the evaluation committee's questions. In general, each team's presentation addressed the requirements of the RFP, experience with all aspects of the required tasks, and stressed each firm's commitment to the success of the project. Also, each team highlighted its staffing plans, work plans, and perceived project issues. Each team was asked questions relative to each firm's proposed alternatives and previous experience.

At the conclusion of the evaluation process including oral presentations, Faneuil, Inc. was determined to be the highest ranked firm to implement, operate and support this project.

### **Qualifications Summary of Firms within the Competitive Range:**

#### **Faneuil, Inc.**

Faneuil, Inc. is headquartered in Hampton, Virginia and has over 25 years of experience. They are a nationally recognized leader in customer care services for the public and private sectors. Faneuil, Inc. offers a menu of multiple complex back-office services that include customer call centers, customer-facing service centers, transponder sales, and transaction processing services.

Faneuil, Inc. will plan and operate the Metro ExpressLanes Customer Service Center Operations in two stages. The Planning Phase encompasses the build-out of a new facility where a single call and walk-in center will be co-located. In addition, the existing El Monte Customer Service Center, will remain at its existing location and Faneuil, Inc. will work with third party vendors to ensure the successful implementation of back office and roadside systems, and transitioning is completed from the current contractor. The operation phase entails managing all day-to-day customer service activities, collaborating as needed with the systems contractors and go-live with Faneuil representatives.

#### **AECOM Energy & Construction, Inc. (AECOM)**

AECOM Energy & Construction, Inc. (AECOM) is a division of AECOM, a Fortune 500 company. They have been performing toll operations and maintenance services for over 20 years and has been in business in California for 81 years. AECOM has worked with cities, educational institutions, leisure and hospitality, healthcare, transportation, local and government agencies.

AECOM has successfully developed new toll programs from the ground up and assumed operational responsibility in situations that required the transition of operations from another service provider concurrent with a new system deployment. They are an experienced company with years of delivering, operating and supporting toll programs similar to Metro's.

#### **EGIS Projects, Inc.**

EGIS Projects, Inc. is a division of EGIS Group S.A. who has been in business for over 45 years. They have functioned as a full-service infrastructure engineering and implementation company, providing professional services for horizontal and vertical design, construction and operations in multiple disciplines including transportation, energy, facilities and the environment.

The Egis Projects, Inc. division focuses on six core lines of business, including P3 project structuring and investment; turnkey delivery of ITS and tolling systems; road operations and maintenance; airport operations; electronic toll/fare charging and enforcement solutions; road mobility services; and new mobility projects and services. Egis is a worldwide leader in the delivery and operations of electronic tolling roadside and back office operations.

### **Cofiroute USA, LLC**

Cofiroute, S.A. (France), established in 1990, was part of California Private Transportation Company (CPTC), which was formed in order to finance, develop and operate the first all-electronic toll facility in the world: the 91 Express Lanes in Southern California. When the 91 Express Lanes were sold to the Orange County Transportation Authority, Cofiroute, S.A. continued as its operator and from this, Cofiroute USA was formed. Cofiroute USA has since expanded its operations to consultations on toll road development throughout the United States.

Over the years, Cofiroute, USA has become a tolling and express lane operations provider with a specialized focus on the management, design, installation, integration, operation and maintenance of toll solutions. Cofiroute draws from its considerable operations experience, ensuring a grasp of customer service center operations and a comprehensive approach to customer service. Cofiroute's portfolio includes toll facilities management, integration, operation, designs, operations and maintenance.

The table below provides the scores in order of rank.

	<b>Firm</b>	<b>Weighted Average Score</b>	<b>Factor Weight</b>	<b>Average Score</b>	<b>Rank</b>
	<b>Faneuil, Inc.</b>				
<b>1</b>	Demonstrated Project Experience and Qualifications	92.20	5.00%	4.61	
<b>2</b>	Key Project Team Experience	88.36	19.00%	16.79	
<b>3</b>	Approach to Implementation Phase Requirements	73.35	19.00%	13.94	
<b>4</b>	Approach to Operations Phase Requirements	74.75	24.00%	17.94	

5	Approach to Performance Requirements	63.89	19.00%	12.14	
6	Cost	92.90	10.00%	9.29	
7	DEOD Comp Requirement	100.00	4.00%	4.00	
8	<b>Total</b>		<b>100.00%</b>	<b>78.71</b>	<b>1</b>
9	<b>AECOM Energy &amp; Construction</b>				
10	Demonstrated Project Experience and Qualifications	70.60	5.00%	3.53	
11	Key Project Team Experience	59.74	19.00%	11.35	
12	Approach to Implementation Phase Requirements	84.21	19.00%	16.00	
13	Approach to Operations Phase Requirements	60.88	24.00%	14.61	
14	Approach to Performance Requirements	63.89	19.00%	12.14	
15	Cost	71.20	10.00%	7.12	
16	DEOD Comp Requirement	100.00	4.00%	4.00	
17	<b>Total</b>		<b>100.00%</b>	<b>68.75</b>	<b>2</b>
18	<b>EGIS Projects, Inc.</b>				
19	Demonstrated Project Experience and Qualifications	44.00	5.00%	2.20	
20	Key Project Team Experience	54.74	19.00%	10.40	
21	Approach to Implementation Phase Requirements	65.58	19.00%	12.46	
22	Approach to Operations Phase Requirements	60.58	24.00%	14.54	
23	Approach to Performance Requirements	61.11	19.00%	11.61	
24	Cost	82.40	10.00%	8.24	
25	DEOD Comp Requirement	100.00	4.00%	4.00	
26	<b>Total</b>		<b>100.00%</b>	<b>63.45</b>	<b>3</b>
27	<b>Cofiroute USA, LLC</b>				
28	Demonstrated Project Experience and Qualifications	40.36	5.00%	2.02	
29	Key Project Team Experience	66.42	19.00%	12.62	
30	Approach to Implementation Phase Requirements	58.09	19.00%	11.04	
31	Approach to Operations Phase Requirements	50.04	24.00%	12.01	
32	Approach to Performance Requirements	59.76	19.00%	11.35	
33	Cost	89.70	10.00%	8.97	

34	DEOD Comp Requirement	100.00	4.00%	4.00	
35	<b>Total</b>		<b>100.00%</b>	<b>62.01</b>	<b>4</b>

### C. Price Analysis

The recommended price of \$169,374,674 has been determined to be fair and reasonable based upon price analysis, technical analysis, fact finding and negotiations.

	<b>Proposer Name</b>	<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Award Amount</b>
1.	Faneuil, Inc.	\$169,374,674	\$190,924,436	\$169,374,674
2.	Cofiroute USA, LLC	\$175,481,828	\$190,924,436	-
3.	EGIS Projects, Inc.	\$190,958,023	\$190,924,436	-
4.	AECOM	\$221,006,137	\$190,924,436	-

### D. Background on Recommended Contractor

The recommended firm, Faneuil, Inc.'s key personnel average over 20 years of experience with toll systems, customer care, back-office applications, transaction processing, transponder management, and contact center operations. Faneuil, Inc. offers a menu of services in a vast number of business areas. Their solutions offer clients to engineer customized approaches to suit each client's needs.

Faneuil, Inc. has worked with multiple government agencies such as the Florida's Turnpike Enterprise, Virginia Department of Transportation, Transportation Corridor Agencies (Southern California), Transurban (Washington DC), the State of California Health Exchange, and Metropolitan Transportation Commission (San Francisco). Many of the toll services provided by Faneuil, Inc. have allowed them to become a nationally recognized leader in customer care services for the public and private sectors.

**DEOD SUMMARY  
METRO EXPRESSLANES CUSTOMER SERVICE CENTER  
OPERATIONS/PS51236000**

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 20% Small Business Enterprise (SBE) goal and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. Faneuil, Inc. met the goal by making a 20.89% SBE and 3.23% DVBE commitment.

<b>Small Business Goal</b>	<b>20% SBE 3% DVBE</b>	<b>Small Business Commitment</b>	<b>20.89% SBE 3.23% DVBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>
1.	Partners in Diversity, Inc.	15.08%
2.	Diversity Fulfillment Services, LLC	3.34%
3.	BCA Watson Rice, LLP	2.47%
	<b>Total SBE Commitment</b>	<b>20.89%</b>

	<b>DVBE Subcontractors</b>	<b>% Committed</b>
1.	Alliance Resource Group, Inc.	0.52%
2.	VForce, Inc.	1.20%
3.	eWasteDisposal Inc.	1.51%
	<b>Total DVBE Commitment</b>	<b>3.23%</b>

**B. Contracting Outreach and Mentoring Plan (COMP)**

To be responsive, Proposers were required to submit a Contracting Outreach and Mentoring Plan (COMP), including strategies to mentor two (2) SBE firms and two (2) DVBE firms for protégé development. Faneuil, Inc. selected all three (3) SBE firms and all three (3) DVBE firms, as listed above, for protégé development.

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

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is applicable to this contract. Metro staff will monitor and enforce the policy guidelines to ensure that applicable workers are paid at minimum, the current Living Wage rate of \$18.99 per hour (\$13.75 base + \$5.24 health benefits), including yearly increases. In addition, contractors will be responsible for submitting the required reports for the Living Wage and Service Contract Worker Retention Policy and other related documentation to staff to determine overall compliance with the policy.

**D. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

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

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

# **METRO EXPRESSLANES – CUSTOMER SERVICE CENTER OPERATIONS**

**Ad Hoc Congestion, Highway and Roads Committee  
JANUARY 16, 2019**



**Metro**



# Metro ExpressLanes - Customer Service Center Operations Contract

**AUTHORIZE the Chief Executive Officer to award firm fixed price Contract No. PS51236 to Faneuil, Inc. to provide the personnel, services, and expertise to operate the Metro ExpressLanes customer service centers for an eight-year base period, with three, two-year options, in the amount of \$83,022,159 for the base period and \$86,352,515 for all option years exercised for a total of \$169,374,674 subject to resolution of protest(s), if any.**

- **Faneuil, Inc. Subcontractors**

- Partners in Diversity (SBE)
- Diversity Fulfillment Services (SBE)
- BCA Watson Rice (SBE)
- Alliance Resource Group, Inc. (DVBE)
- V-force, Inc. (DVBE)
- e-waste Disposal (DVBE)

- **SBE/ DVBE Participation**

- Goal Determination was 20% SBE/ 3% DVBE
- Contractor Commitment 20.89% SBE/ 3.23% DVBE



# Metro ExpressLanes - Customer Service Center Operations Contract

## Three Separate Contracts

- **ExpressLanes Customer Service Support**
  - Customer Service/ Call Center Location and Operations
  - Account Management Services
  - Case Management
  - Customer Notifications
  - Image Processing Quality Control
  - Customer Surveys
  - Bankruptcy/Collections/Mail Services Support
- **Back Office System (Approved by Board January 2018)**
  - Transaction Processing
  - Self Service Systems
  - Payment and Toll Violation Processing
- **Roadside Toll Collection System (Approved by Board June 2018)**
  - Equipment on the Corridors
  - Dynamic Pricing
  - Corridor Incident Monitoring

## Based on Best Practices

- Seeking an Eight-Year Base Contract Term with 3 Two-Year Options
  - Consistent With the Previously Awarded Back Office System and Roadside Toll Collection Contract Terms

# Metro ExpressLanes - Customer Service Center Operations Contract

- **Contract Term**
  - **Eight-Year Base and Three, Two-Year Options**
    - Option Years Will Require Board Approval at the Appropriate Time
  - **Contract Term Recommendation reflects:**
    - Three Years Required to Re-procure and Implement System
    - Obtaining the Full Useful Life of Investment
    - Toll Industry Forum Recommendations for Contract Length
    - Other Agency Roadside Tolling Contract Lengths are Comparable

## Contract & Procurement Timeline

2018		2019		2020		2021		2022		2023		2024		2025		2026		2027		2028		2029				
1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half			
			Go Live																							
	Start of 8 Year Base												End of 8 Year Base	Year Base	3 Year Option 1 (Total of 11 Years)											
				Start of 6.5 Year Operations																			Option Year 2			
													1 Year RFP Release/Awar	1.5 Years Design, Install, Integration		3 Years Total										
												6 Months Dev Requirements				3 Year Re-procurement During Option 1										
																							Re-Procurement			

# Metro ExpressLanes - Customer Service Center Operations Contract

- **Received Seven Proposals**
  - AECOM
  - Cofiroute USA
  - Egis Projects, Inc.
  - Emovis, S.A.S.
  - Faneuil, Inc.
  - Municipal Services Bureau (MSB)
  - TransCore, LP
  
- **Evaluation Results**
  - Faneuil, Inc. is the Recommended Contractor
  - The Faneuil Proposal was the Best Overall

**Thank You**



**Board Report**

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**File #:** 2018-0724, **File Type:** Agreement

**Agenda Number:** 11.

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**FINANCE, BUDGET AND AUDIT COMMITTEE  
JANUARY 16, 2019**

**SUBJECT: LICENSE AGREEMENT WITH SOUTHERN CALIFORNIA EDISON FOR THE BLUE  
LINE STORAGE YARD**

**ACTION: APPROVE RECOMMENDATION**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to execute a five (5)-year license agreement commencing November 1, 2018 with Southern California Edison (“Licensor”) for the Blue Line Storage Yard located next to Division 11 in Long Beach at a rate of \$117,848.33 annually with escalations of three percent (3%) annually for a total license value of \$625,673 over the term.

**ISSUE**

Metro Operations has a continued need for the storage yard next to Division 11 for ongoing Blue Line operations needs. Approving this license will secure the space for an additional five-year term (Nov. 1, 2018 - Oct. 31, 2023). The Licensor will only issue licenses for five-year periods.

**BACKGROUND**

The current five-year license expired on October 31, 2018. The current rental rate is a fair estimation of market value based on a recent Metro staff appraisal from early 2018. No alternate location has been found which can offer a similar affordability and proximity to Division 11 that provides a best fit approach to both operational need and dollar cost to satisfy storage requirements.

Although Real Estate was ready to present the agreement for Board approval at the September 27, 2018 meeting, SCE’s counsel was delayed in providing final terms and conditions nor was SCE willing to accept more than a five-year agreement. This impacted the department’s timeline for Metro Board approval. However, the current agreement remains in holdover and operates as a month-to-month arrangement while the successor agreement is fully negotiated and approved by all parties.

**DISCUSSION**

**Findings**

Metro has maintained storage at this location dating to the 1990s, so Real Estate finds little agency exposure in continuing the license with the Licensor.

Risks

Because of the continued need for storage at this location, the larger risk is to operational efficacy if the Board chooses not to renew the license with Edison. In the unlikely event that Metro determines the space is no longer needed, Metro can choose to exercise its right to terminate the license at any time with 30 days' notice mitigating any long-term financial obligations of the license.

Equity Platform

This storage yard services the Blue Line which is one of a limited number of high-frequency and capacity transit options connecting Long Beach to the greater Los Angeles metro area. Not approving could hinder existing services and exacerbate mobility options and challenges in the area.

**DETERMINATION OF SAFETY IMPACT**

The property outlined in this agreement is currently in use by Metro as the Blue Line storage yard, and Real Estate finds no foreseeable risk to safety from continuation of the license agreement with SCE.

**FINANCIAL IMPACT**

Funds for this license agreement are budgeted annually in the Real Estate Non-Departmental Cost Center (0651) under Rail Operation's Blue Line Project (300022). The five-year term (with three percent year-over-year escalation) will result in the payment schedule outlined in the section below.

Impact to Budget

The funds for this license agreement are eligible for bus/rail operating and capital expenses and include fares and sales tax. Payments are made in November of the term year. The first payment will be made immediately and paid from the above referenced funding source on an annual basis through expiration of the term in fiscal year 2023. The five-year budget impact will be as follows:

<b><u>Fiscal Year</u></b>	<b><u>Period</u></b>	<b><u>Annual Rent</u></b>
2019	11/1/18 to 10/31/19	\$117,848.33
2020	11/1/19 to 10/31/20	\$121,383.78
2021	11/1/20 to 10/31/21	\$125,025.29
2022	11/1/21 to 10/31/22	\$128,776.05
2023	11/1/22 to 10/31/23	\$132,639.33
	<b>Total</b>	<b>\$625,672.78</b>

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This agreement aligns with Strategic Plan *Goal 1* by providing adequate storage for Blue Line operational needs which are essential to providing high quality mobility operations for L.A. County residents in the defined service area. In addition, Real Estate staff are of the opinion, given

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operational requirements, that this is the best available option for the agency and provides a responsive outcome via a transparent and accountable process as defined by Goal 5 of the Strategic Plan.

### **ALTERNATIVES CONSIDERED**

Real Estate considered not renewing the license agreement with the Licensor. When local market research was conducted to find alternative sites, it became apparent that no site providing both equivalency for a best-fit based on Blue Line operating needs to dollar value could be matched with the current site.

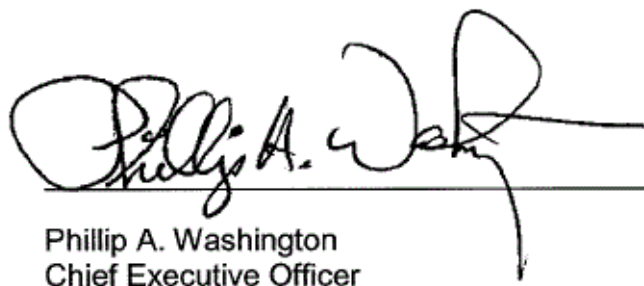
### **NEXT STEPS**

Upon the Board's approval, Real Estate will prepare the license agreement for execution by Metro CEO and subsequently obtain counter-signatures to fully execute the five-year license with Southern California Edison.

Attachment A - Division 11 Storage Yard Location

Prepared by: John Potts, DEO, Countywide Planning & Development, (213) 418-3397  
Holly Rockwell, Senior Executive Officer, Countywide Planning and Development (213) 922-5585

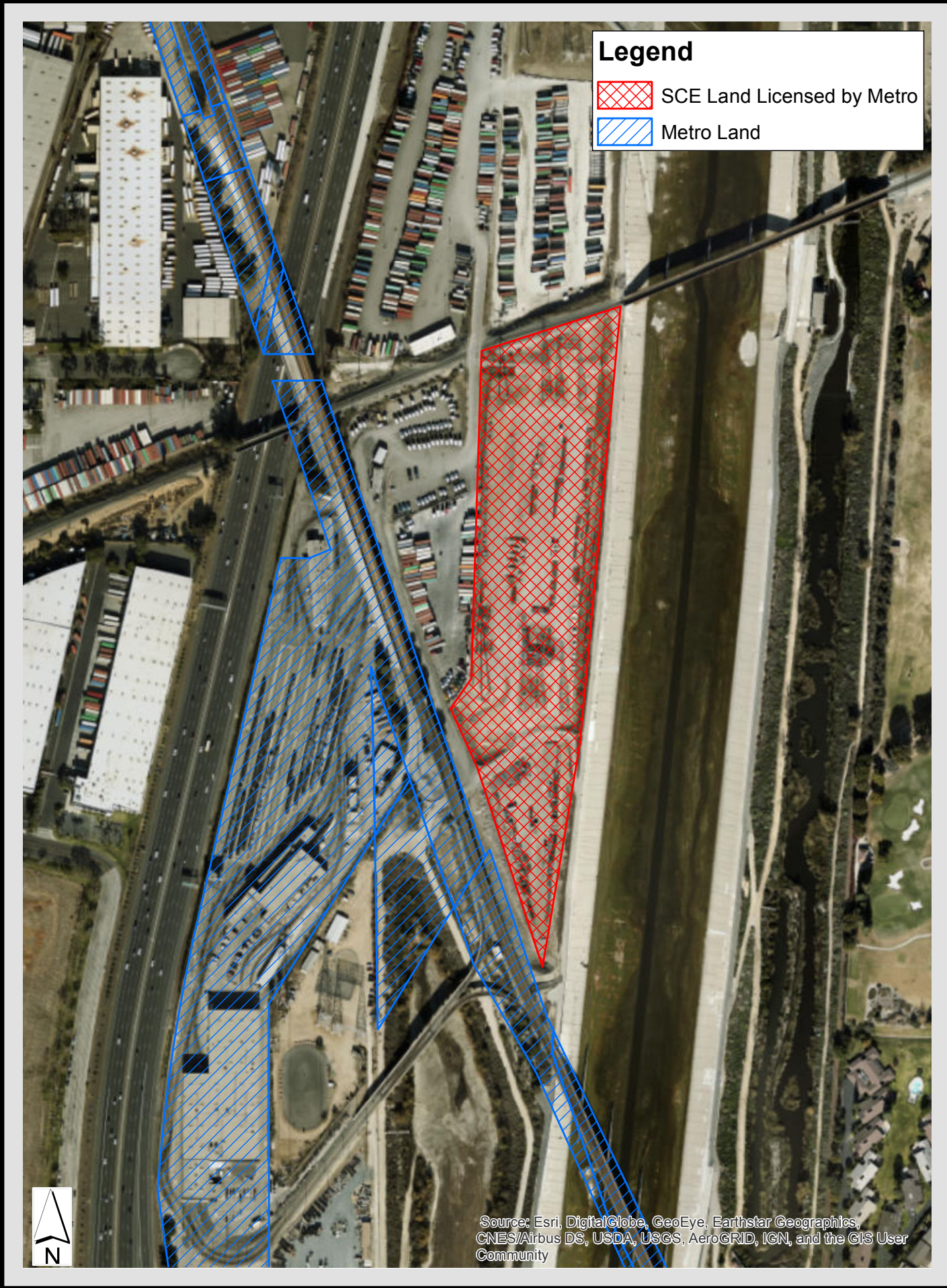
Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington  
Chief Executive Officer



# Attachment A – Division 11 Storage Yard Location





# Division 11 – Blueline Storage Yard Renewal

Finance Budget & Audit Committee

January 16, 2019 12:00 P.M.

File# 2018-0724



**Metro**

# Division 11 – Storage Yard Renewal

<b>New/renewal</b>	Renewal of Existing License
<b>Landlord/Owner</b>	Southern California Edison
<b>Location</b>	Adjacent to Division 11 in Long Beach, See Attachment A
<b>Purpose</b>	Storage for Blue Line Operations
<b>Duration</b>	5-Years
<b>Total Cost</b>	\$117,848 in FY2019 with annual increases of 3% per year. Total of \$625,673 over 5-year term



**Metro**

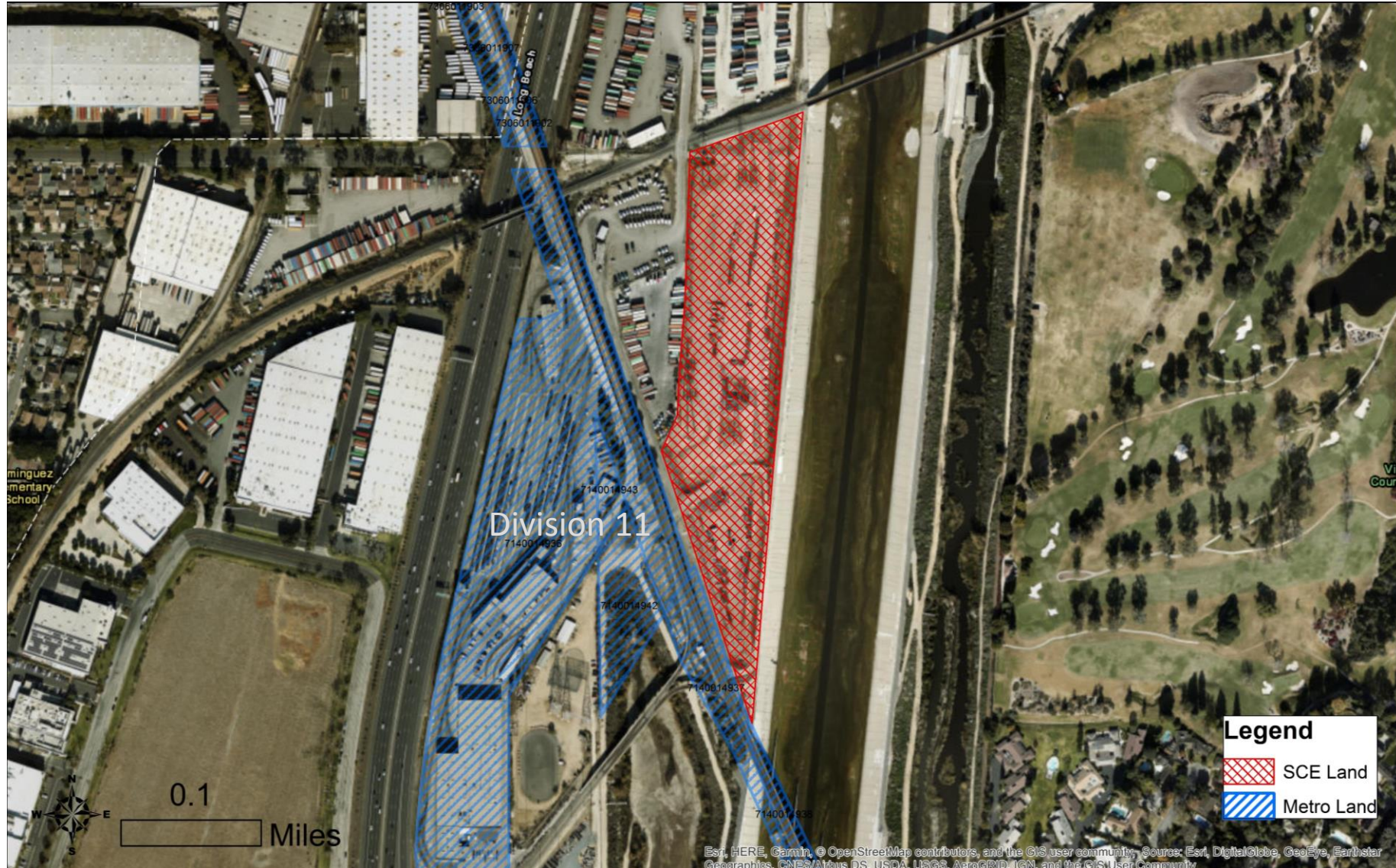
# Division 11 – Storage Yard Renewal

<b>Early termination clauses</b>	30-days notice for either party
<b>License value support</b>	MTA Staff Appraisal
<b>Background with this landlord</b>	Metro has been using this location under a series of five-year licenses since December 1998 as a storage site for construction equipment and supplies needed in support of various rail construction projects.
<b>Special provisions</b>	None. The standard SCE license form was used.



**Metro**

# Division 11 – Storage Yard Renewal





**Board Report**

**File #:** 2018-0706, **File Type:** Program

**Agenda Number:** 13.

**REVISED**  
**FINANCE, BUDGET AND AUDIT COMMITTEE**  
**JANUARY 16, 2019**

**SUBJECT: LOW INCOME FARE SUBSIDY PROGRAM (LIFE)**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the extension and execution of Memorandums of Understanding (MOU) by the Chief Executive Officer for Low Income Fare is Easy (LIFE) and Immediate Needs Transportation Programs (INTP) including transportation and administration for a period of six months beginning July 1, 2019 through December 31, 2019;
- B. AMENDING the Fiscal Year (FY) 2019 Budget by \$400,000 to increase the LIFE program from \$14.1M to \$14.5M due to Federal Transit Administration Section 5316 Job Access and Reverse Commute (Section 5316) funding received for the LIFE program;
- C. AUTHORIZING the extension and execution of the Memorandums of Understanding (MOU) by the Chief Executive Officer for the Municipal, Included and other TAP Operators that are or will be participating in the LIFE program;
- D. AUTHORIZING the extension and execution of Memorandum of Understanding (MOU) by the Chief Executive Officer for Support for Homeless on Re-Entry Program (SHORE), including transportation and administration for a period of two years beginning FY20, subject to availability of funds approved through the budget process;
- E. RECEIVING AND FILING LIFE Implementation Update; and
- F. RECEIVING AND FILING LIFE Marketing Update.

**ISSUE**

At its May 2014 meeting, the Metro Board approved the reauthorization of the programs through the end of FY19 (See Attachment A). LIFE serves low income transit riders, victims of domestic violence, individuals experiencing homelessness, elderly and individuals with immediate transportation needs.

See Attachment B for a description of subsidy programs.

On July 27, 2017, the Metro Board approved the funding award recommendations for Section 5316 funds. At the conclusion of that award process, there was a remaining balance in Section 5316 funds of approximately \$1.7 million (\$1,735,145). Metro Staff has taken appropriate steps and awarded the funds to Metro's LIFE Program. Among the original Section 5316 award recommendations was an award to the City of Compton for \$192,174. The award to Metro's LIFE Program includes the \$192,174 Section 5316 funds originally awarded to the City of Compton, therefore, Metro will replace those funds with local funds so that the City of Compton will still receive the total award recommendation. FY19 projected cost for the marketing, outreach, and additional support of the LIFE Program will be \$400,000.

Currently, there are eleven Municipal operators that participate in the LIFE program, their contracts expiring June 30, 2019. The new MOUs will be developed based on the Reimbursement Policy approved by the Bus Operations Subcommittee on September 18, 2018 (See Attachment C). This will allow for the timely execution of the MOUs prior to the implementation of the LIFE Phase II.

SHORE provides subsidy to homeless service providers in Downtown Los Angeles, South Los Angeles, East Los Angeles and Hollywood. The program was reauthorized in 2014 for the period of 5 years starting FY15. MOU will expire on June 30, 2019. See Attachment B for a description of the SHORE program.

## **DISCUSSION**

### LIFE Administrator MOU Extension

Current administrator MOUs will expire on June 30, 2019. Staff has initiated the procurement process that should culminate in June 2019, and will seek Board approval in July 2019. Extension of the current MOUs will facilitate the provision of uninterrupted service to participants; maintain a steady and consistent flow of communication of program changes to the participants; complete the development of system infrastructure to support the new operations and administrative process; and provision of the administration and management services to more than 500 partner agencies. Once the major revisions of the program are implemented, staff will concentrate on assisting and training the administrators in the use of the database, the new guidelines and execution of contracts with partner agencies and service providers. Immediate Needs Transportation Program (INTP) has started its integration to LIFE beginning September 2018 and is expected to be fully integrated into the LIFE program effective Summer, 2019.

The program administrators will be renewed for the six month period (July 1, 2019 to December 31, 2019) at the following rates: LIFE program (RRTP) administration: FAME Assistance Corporation \$150,000, Human Services Association \$100,000. Immediate Needs Transportation Program Administration (INTP): International Institute of Los Angeles \$162,500, and FAME Assistance Corporation \$162,500.

### LIFE Budget Amendment

The LIFE Program was awarded Section 5316 funds to support the LIFE Program's outreach and marketing efforts. The total grant award is \$1,735,145 and includes a 50% local match for a total project cost of \$3,470,290 to be used within three years of the award. As a condition of receiving the full \$1,735,145 in Section 5316 funds, Metro will provide \$192,174 in local funds to the City of Compton. Staff anticipates allocation of \$400,000 in FY19 to be utilized for the marketing and outreach and subsidized transportation to qualifying patrons. The funds will be matched with our subsidy funding and expended for communicating the changes as well as the major campaign to attract new recruits. The future years Section 5316 budget will be allocated through the budget process. The marketing and outreach plan details are included in Attachment D of this Board report.

#### City of Compton

The City originally applied for the Section 5316 funds and was awarded \$192,174 in operating funds. However, the Section 5316 funds were old grant funds repurposed through a budget revision. Because the City wasn't named in the original Section 5316 grant and couldn't be added through an amendment, they could not receive the funds. Metro will retain the originally awarded Section 5316 funds and replace those funds with local funds so that the City of Compton will still receive the total award recommendation.

#### Municipal Operator LIFE Contracts

In February 2007, Metro Board authorized the inclusion of Municipal and Included operators in the LIFE (previously referred to as RRTP) program. Staff negotiated and executed Memorandums of Understanding (MOUs) with the operators interested in joining the program. Since then Antelope Valley Transit Authority, Culver CityBus, Foothill Transit, GTrans, LADOT Transit, Long Beach Transit, Montebello Bus Lines, Norwalk Transit systems, Santa Clarita Transit, Santa Monica Big Blue Bus and Torrance Transit have joined the program. Once LIFE is transitioned to TAP, all TAP enabled operators will be able to participate in the program should they choose. Glendale Beeline, Burbank and Pasadena have expressed interest in joining the program. Staff will develop the Memorandums of Understanding, in cooperation with the operators. The new contracts are anticipated to be in place by July 1, 2019 so the participants can choose to ride any of the participating operators. This will allow for the timely execution of the contract for each operator prior to the implementation of additional LIFE benefits, namely the introduction of the "20-Ride" benefit.

#### SHORE Program Extension

The SHORE program is administered by Shelter Partnership with an annual budget of \$520,000, of which \$500,000 is set aside for transportation subsidies and \$20,000 for administration of the program. SHORE supports the homeless service providers located in Downtown Los Angeles, South Los Angeles, East Los Angeles and Hollywood. During FY19, SHORE transitioned from tokens to TAP cards. Please see Attachment B for a description of SHORE program. Staff is aware of the geographical limitations of this program and will continue evaluating the program in relation to LIFE to address the unique transportation issues of the individuals experiencing homelessness and victims of domestic violence countywide. LIFE and SHORE programs are subject to annual audit.

#### LIFE Program Implementation

Implementation of LIFE program has been moving forward in two phases;

##### Phase I



The first phase of the program was implemented in January 1, 2018. The subsidy was increased for participants with the immediate expansion of the program using the current coupon/token based distribution methods providing qualifying riders access to discounted 7-day or 30-day passes (RRTP) or the distribution of tokens by Metro affiliated network of social service agencies (INTP).

Table 1 below reflects the LIFE program benefits effective July 2019.

<b>LIFE</b> <i>Effective July 1, 2019</i>				
<b>Individual Benefits (Choice of one each month)</b>				
Pass Type	Pass Amount	Current Subsidy per Month	Current Subsidized Pass Price	% Off Pass Price
Regular Fare 30 Day	\$100	\$24	\$76	24%
or	\$25	\$6	\$19	24%
Regular Fare 7 Day (four weeks per month)		(four times per month)		
College/Vocational Pass 30 Day	\$43	\$13	\$30	30%
Student 30 Day Pass	\$24	\$10	\$14	42%
Senior/Disabled 30 Day Pass	\$20	\$8	\$12	40%
20 Regional Rides (per month)	Option available as an alternative to pass purchase. Applicable to all rider categories			
<b>Agency Benefits</b>				
<ul style="list-style-type: none"> <li>Taxi Vouchers, not counted against individual benefits above. Some short term transit benefits are being developed for homeless individuals</li> </ul>				
<b>Total Annual Budget</b>	\$14.1 million in 2019			

Phase II

Phase II will consist of completion of the INTP transition to LIFE and complete technical integration into TAP wallet, eliminating the need for coupon and token usage. This will provide more convenient and affordable access and increase the ability of qualifying riders to secure and utilize transit services in Los Angeles County. The transition of INTP into the LIFE program is expected to be completed during Summer 2019.

The integration will result in the following features:

- **A Simplified Participant Eligibility Process** - eligibility for subsidies will be indicated on eligible participant's TAP card each year eliminating the need to appear at the distributing agency every 6 months. The purchases can be done at a vendor site or thru TAPtogo.net.
- **New TAP Ride-based Options** - Tying participants' benefits to a TAP card allows for a new ride product to replace the tokens currently issued under INTP. Under the revised program, effective July 1, a customer can choose either a discounted pass product or the 20 regional TAP rides each month. Currently, the TAP ride option is not available. In addition, in cooperation with homeless providers, a product is being developed to specifically address the transportation needs of homeless individuals. Staff is exploring the option of providing a preloaded product on disposable/temp cards that can be issued directly by homeless service providers to eligible clients. In case of loss or theft of the card, the client would be able to return to the agency to receive their remaining subsidy.

When fully implemented, the combined increase in transit subsidy for qualified riders and technological improvements in the program will significantly enhance the ability of economically vulnerable individuals, including Senior and Disabled, Student, and regular riders, to access both Metro and other Municipal, Included or Local transportation service providers.

#### Marketing & Outreach

In an effort to ensure maximum outreach and the introduction of the new program to potential riders, an extensive marketing campaign is being developed for launch in June 2019. In addition, a major campaign to inform our current patrons is currently underway. Section 5316 funding will be utilized to fund both campaign expenditures. See Attachment D for the detailed Marketing Plan for new participants and for the notification and communication of "Changes are coming" Marketing Plan. The campaign uses a four part strategy:

- **Distribution of information throughout Metro network** - Different approaches have been devised for the current participants and the new recruitment. The campaign will utilize Metro channels to reach all eligible riders. These channels, some of which will also be provided to participating operators, brochures (translated into 9 languages), posters, car and rail cards, on hold messages, Source post, etc.
- **Distribution of information through Digital media consultant** - a media agency will be contracted to place advertisements in various websites, applications, digital radio and a wide range of bill boards to reach target audiences. In addition, a consultant is developing program

videos for new and current participants.

- **Outreach through program administrators and participating agency partners** - LIFE administrators, along with 500+ participating non-profit, faith-based or governmental agencies conduct outreach to their client base and general public. Staff will also be contacting small employers, libraries, civic and senior centers, and organizations or agencies that are currently not participating in the program.
- **Outreach conducted by Metro program staff** In addition to staff's attendance at community based outreach events, LIFE program information will be provided to Municipal Operator partners, Bus Operations Subcommittee and Local Transit Systems Subcommittee, Service Councils and various Metro committees. The program changes will be communicated to internal Metro departments that have regular contact with the public to assist with outreach.

With the introduction of updated technology through the TAP system, the effectiveness of the campaign will be continuously analyzed, and the outreach plan will be revised to target underserved areas.

#### Notification of Changes to Current Patrons

In addition to the major marketing campaign countywide, a campaign informing our current patrons is currently underway.

- The current participants have received information on the "Changes are Coming" at the start of the December 2018 distribution and will continue the campaign through future enrollments.
- The information will be emailed and or mailed to patrons multiple times.
- Metro, administrator and participating agency staff will continue communicating the changes in person during distributions. This effort began in November 2018 and will continue until all clients have been notified.
- An animated video was developed to display the changes to the patrons. The video will be played at the participating agency sites during each distribution.
- Metro's webpage also has been updated to inform the visitors of the changes and the video will be available as well.
- The information will be communicated to the patrons at community based outreach events such as Homeless Connect Days, Colleges, On the Move Riders events etc.

## **DETERMINATION OF SAFETY IMPACT**

There is no impact on the safety of Metro patrons or employees as a result of the Board's consideration of this item.

## **FINANCIAL IMPACT**

Funding of \$14.1 million is included in the FY19 Budget in cost center 0443, project number 410016, for the programs. Approval of the inclusion Section 5316 funding will increase the funding level to \$14.5 million in FY19.

### **Impact to Budget**

The FY19 Adopted budget included \$10 million funded with Prop C 40% and an additional \$4.1 million from Measure M 2% (ADA Paratransit and Metro Discounts for Seniors and Students). Should the Board approve staff recommendation, \$400,000 of Section 5316 funding will be added to the budget. Future appropriations will be included in subsequent year's budgets.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This recommendation supports the following goal of the Metro Strategic Plan.

Goal 3: Enhance communities and lives through the provision of mobility and access to opportunity

## **ALTERNATIVES CONSIDERED**

The Board could choose to not approve the contract extensions with current providers. Staff does not recommend this option as the change of the administrators in the midst of the transition would have a negative effect on the smooth service delivery and patron notifications. If the additional funding is not approved then staff will not be able to take advantage of the Section 5316 funding to expand program outreach. The Board may also choose not to authorize the contract negotiation with the transit operators. This is not recommended as it would adversely affect program participants by limiting their access to expanded travel and transportation options. The Board may also choose to not to extend the contract to the SHORE program, however this option is not recommended since this will negatively affect the homeless individuals participating in the program.

## **NEXT STEPS**

The implementation of Phase I on January 1, 2018 marked the beginning of additional activities in order to capture the technological advances in future TAP technology. Future planned activities include:

- Issue RFP for new third party administrators
- Ensure smooth transition of the administrators

- Implement the marketing plan
- Prepare and execute five-year agreements with current or new Municipal, Included or TAP Operator partners
- Continue integration of INTP into LIFE
- Continue development of the system infrastructure to support new administrative processes in coordination with TAP Operation
- Review and revise current policies and operating guidelines
- Continue to conduct outreach on the new program, including a comprehensive outreach campaign to raise awareness of available discounts
- Continue to work with participating non-profit agencies to address implementation issues
- Review the SHORE program in relation to LIFE and explore opportunities to either integrate, incorporate or expand either programs

### **ATTACHMENTS**

Attachment A - May 2014 Board Report

Attachment B - Description of LIFE, INTP and SHORE

Attachment C - Operator Reimbursement Policy

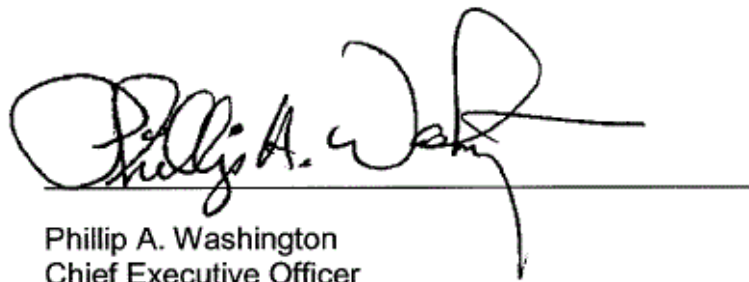
Attachment D - Marketing and Outreach Plan

Prepared by:

Armineh Saint, Sr. Mgr., Transportation Planning (213) 922-2369

Drew Phillips, Dir. Budget, (213) 922-2109

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



Phillip A. Washington  
Chief Executive Officer



**Metro**

Metropolitan Transportation Authority

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**REVISED**  
**FINANCE, BUDGET AND AUDIT COMMITTEE**  
**May 14, 2014**

**SUBJECT: FUNDING FOR FARE SUBSIDY PROGRAMS**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATIONS**

Authorize the extension and execution of Memorandum of Understanding by the Chief Executive Officer for the 1) Support for Homeless Re-Entry Program (SHORE-\$500,000 annual budget); 2) Immediate Needs Transportation Program (INTP-\$5,000,000 annual budget); and, 3) Rider Relief Transportation Program (RRTP-\$5,000,000 annual budget) for five years beginning Fiscal Year (FY) 2015, subject to availability of funds approved through the budget process. Additionally, authorize:

- A. Re-allocation of the coupon printing expense, estimated at \$100,000 for FY15, from the administration budget to the transportation budget so that the full value of the administrative share of \$500,000 is available for the program administration.
- B. Allocate additional funding in the amount of \$20,000 for the administration of the SHORE program, bringing the total funded value to \$520,000 (an increase of 4%)
- C. Authorize a change in the distribution of INTP fare media to allow for up to 70 ~~65~~ 65 ~~50~~ % of the subsidy value to be made available through the token program, increasing the token share from its current level of ~~65~~ 50 %. Conversely, the subsidy value allocated to the taxi program would decrease from ~~35~~ 50 % to ~~30~~ 35 %.

**ISSUE**

The INTP, SHORE and RRTP are specialized transportation programs that serve people with disabilities, frail elderly, welfare participants, indigents, low-income transit riders and people with immediate transportation needs. Both the INTP and SHORE were established with funding through the Call for Projects. RRTP was developed by MTA Board action to mitigate the adverse effects of the 2007 fare increase on low-income population. The programs were last re-authorized in May 2009 for the period FY2010 through FY2014. Please refer to Attachment A for details on each program.

## **DISCUSSION**

In addition to re-authorization of the programs at the funding levels of the past five years, staff requests the following three modifications (one to each of the three programs):

A. When the RRTP was adopted in June 2007, the Board approved 10% (\$500,000) for administration of the RRTP program which included an estimated \$40,000 in printing costs with the remainder to be paid to the program's administrators, FAME Assistance Corporation (FAC) and Human Services Association (HSA). The success of the program coupled with the rise in printing cost has increased the overall cost of printing to \$90,000, effectively lowering the amount of funding allocated to administer the program. For FY15, the printing cost would approximately be \$100,000, an increase of \$10,000 is estimated based on the program growth. The funds remaining in the transportation subsidy budget are adequate to absorb the printing cost.

B. Since the inception of the program in 1994, Shelter Partnership, Inc. has utilized other funding sources to fund the administration of the program, leaving 100% of Metro funds available for transportation subsidy to the participants. However, due to recent budget cuts the agency is unable to provide the full funding for the administration of the program and is requesting additional funding totaling \$20,000 or 4% for administration.

C. In 2008, the Board approved a ~~65~~ 50% token/~~35~~ 50% taxi share under the INTP program. However, the demand for fixed route services exceeds that for taxis. Increasing the allowable token share to a maximum of ~~70~~ 65% would allow more individuals to be served.

## **Policy Implications**

The INTP, SHORE and RRTP programs provide subsidies to a segment of riders who are either unable or cannot afford to ride our transit services even for their immediate and basic transportation needs. These programs enrich the lives of disadvantaged individuals in many ways. Providing transportation to an abused individual to flee from a dangerous situation to a shelter is a way to ensure his or her survival. Providing transportation to homeless people to attend training or job interview, food pantry or medical appointment improves their quality of life. These programs improve lives by providing lifeline transportation services. All three programs are subject to annual audits, and there have been no significant findings to date. With Board authorization, we will execute MOUs with service providers administering these programs to receive funds.

PROGRAM	NO OF ANNUAL PARTICIPANTS
SHORE	7,000
INTP	28,000
RRTP	55,000

A. Originally, the Board approved the allocation of 10% (\$500,000) to administer the RRTP program. Annually, approximately \$90,000 (18%) of the administrative funding is for printing cost, reducing the actual amount of funds for administration by FAC and HSA to just 8.2%, far below the Board approved 13% for the comparable INTP. The continued growth of the program has required greater administrative effort while the funds available for administration have declined.

B. Since SHORES's inception in 1994, Shelter Partnership, Inc. has covered the administrative cost of the SHORE program from other sources. However, recent budget cuts have affected their ability to do so. The partial subsidy of the administrative cost in the amount of \$20,000 (3.8% of a revised program budget of \$520,000) would allow Shelter to continue their administrative duties for the SHORE program with no interruptions.

C. Currently, there is more demand for fixed route than taxi - the requests for tokens exceed the allocated budget by 5% annually. Furthermore, any future fare restructuring if approved by the board, would increase the cost of tokens and will have a negative impact on the number of individuals served. Increasing the bus ratio will assist in reversing the impact should it occur.

**DETERMINATION OF SAFETY IMPACT**

Approval of this project will have no impact on Safety.

**FINANCIAL IMPACT**

Funding of \$10.5 million is included in the FY14 Budget in cost center 0443, project number 410016, task 01(INTP), task 02(SHORE), task 03(RRTP). Reauthorization of these programs plus approval of the three requested modifications would increase the funding level to \$10.52 million for the next five years beginning with FY15. These programs will be funded with Proposition C 40% Discretionary revenues. As this is a multi-year program, the cost center manager will be responsible in budgeting it in the future years.

**ALTERNATIVES CONSIDERED**

The Board of Directors may choose not to authorize the CEO to continue with the execution of the MOUs with the proposed providers as recommended. However, this



option is not recommended, as we will be unable to provide funding for these services and would adversely affect more than 80,000 individuals who will not be able to use transportation for their basic needs, attend school or report to work.

A. The Board may also choose not to authorize the allocation of RRTP printing cost to the transportation share (\$4.5 million) of the budget from the administration share (\$500,000). However, the continued reduction in administrative funding available to FAC and HSA as printing costs increase will impact the effectiveness of the program.

B. The Board might also choose not to subsidize a portion of the administrative cost for the SHORE program however this will impact the administration of the program.

C. The Board might also decide to keep the subsidies at the same level, however this option is not recommended since a number of participants using bus subsidy would be adversely impacted.

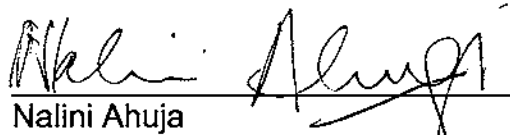
### **NEXT STEPS**

We will prepare five-year MOUs for execution with each of the service providers, as described in the Recommendation. Approval of the recommendation will allow us to provide funding for these specialized transportation programs as budgeted annually. Staff will continue to work with TAP to incorporate the RRTP coupon process to make the program operation more efficient and effective. Additionally, annual audits will continue for each of the three programs. We will return to the Board if there are any significant changes to the programs that affect funding levels or sources.

### **ATTACHMENT**

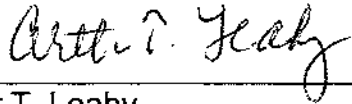
A. Description of SHORE, INTP and RRTP programs.

Prepared by: Armineh Saint, Program Manager, Local Programming (213) 922-2369  
Kelly Hines, Director, Local Programming (213) 922-4569



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Nalini Ahuja  
Executive Officer, Finance and Budget



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Arthur T. Leahy  
Chief Executive Officer

**SUPPORT FOR HOMELESS RE-ENTRY PROGRAM**

SHORE began in May 1994 and was developed to aid homeless persons in central Los Angeles, so that they would become self-sufficient through access to such services as schooling, employment, healthcare, and social services.

Shelter Partnership, Incorporated has administered the \$500,000 annual token program with its own operating funds. Currently, due to budget cuts they are requesting \$20,000 in addition to their transportation subsidy to fund the administration of the program.

Annually, more than 7,000 individuals participate in the program. The tokens are distributed through a network of homeless shelters to assist the clients to access health care, mental health, child care, employment and housing to promote stability and self-sufficiency.

Eligible participants are individuals and families participating in case management services at one of the approved social service agencies in Central Los Angeles.

**IMMEDIATE NEEDS TRANSPORTATION PROGRAM**

This program was established in May 1992 following urban unrest. The Board selected the FAME Assistance Corporation (FAC) to administer and broker the INTP. The Board expanded the program in 1993 to provide service countywide. At that time, the International Institute of Los Angeles (IILA) was selected to broker the program in the northern and eastern half of the county, while FAC continued to broker the southern and western half.

Since 1993, \$5 million annually has been budgeted to the INTP, \$4.3M or 87% is allocated to transportation and \$650,000 or 13% to administration of the program. Each administrator receives \$2.5 million annually, broken down to \$325,000 in administration and \$2.1M in transportation subsidy. Board approved ratio of allocation for transportation subsidy is 65% bus tokens and 35% taxi coupons and vouchers. For past few years, there are more demands on bus tokens than taxi coupons so therefore we request that the ratio be changed to 75% bus tokens and 25% taxi coupons/vouchers.

In total, there are approximately 500 agencies in the INTP network who distribute taxi vouchers and bus tokens to persons with immediate transportation needs and limited transportation resources.

Individuals can apply to any of the participating agencies in their area and once they meet the criteria they will start receiving their subsidy.

There are three types of subsidies;

- Bus Tokens
- Taxi Coupons
- Taxi Vouchers

Annually, more than 28,000 participants receive bus tokens and taxi coupons that are used for trips to medical, shelter, case management, job search/job interview, food and other essential destinations. Taxi coupons and vouchers are utilized to individuals who due to frailty, safety or urgency are unable to use the fixed route service.

### **RIDER RELIEF TRANSPORTATION PROGRAM**

The Board of Directors established the RRTP to help mitigate the impact of the fare adjustment on the low-income and transit dependent riders of Los Angeles County. Three agencies FAC, HSA and JFS were selected to administer the program, which started fare media and subsidy coupon distribution in April 2008. The program had a slow start but by recognizing the barriers, the program was modified.

Jewish Family Service of Los Angeles recused itself from the RRTP program, effective June of 2009, and is no longer involved with the program. Therefore, as of June 2009, FAC has been receiving \$3,000,000 (60%) in transportation subsidy, including 10% or \$300,000 for administration, and HSA receives \$2,000,000 (40%) in transportation subsidy, which includes \$200,000 for administration. The two administrators are working with eligible participants as well as a network of non-profit and governmental agencies to distribute pass subsidy coupons to the RRTP's target population.

As a result of a motion approved by our Board in February 2009, the program was extended to provide subsidy to the eligible riders of the Municipal Operators who have had recent fare adjustment or are likely to raise fares while the program is in place. To date, Long Beach Transit, Santa Monica Big Blue Bus, Torrance Transit, Culver City Bus, Norwalk Transit, Foothill Transit, Antelope Valley Transit, Montebello Transit, Santa Clarita and Los Angeles Department of Transportation have joined the program.

Eligible participants are individuals whose income is below poverty level and who are either Metro or participating Operators' pass holders. The coupons are redeemed at the time of purchase and they are valued at \$10 for a regular pass and \$6 for senior/disabled/student passes. There are currently 55,000 participants in the program

Subsidy coupons are distributed through a network of non-profit agencies to eligible participants. Individuals receiving subsidies from the city/school are not allowed to participate in the program.

## **LIFE (Low Income Fare is Easy)**

LIFE previously referred to as Rider Relief Transportation Program, is a fare subsidy program that assists Los Angeles County's most economically vulnerable citizens by offering discounts towards purchase of a pass or subsidized transportation. The discount coupons may be applied to LACMTA and participating operator passes.

In 2007 the Metro Board of Directors, when they raised the fares, approved \$5 million for RRTP to assist patrons who would be adversely affected by the raise in the fares. The program started its operation in April 2008, and in February 2009, Metro's Board approved the inclusion of the riders of municipal operators who have, or are likely to raise their fares, into the program. Currently, there are a total of 11 operators participating in the LIFE program.

The subsidies currently offered are \$24 for Regular riders, \$13 for College/Vocational riders, \$10 for Student K-12 riders, and \$8 for Senior Disabled riders. The discounts may be applied to Regular TAP cards and Reduced Fare TAP cards.

### ***Immediate Needs Transportation Program (INTP) and its Integration to LIFE***

The program started its operation in 1992 following urban unrest. The Board selected FAME Assistance Corporation (FAC) to administer the program and expanded the program in 1993 to provide service countywide and International Institute of Los Angeles (IILA) was selected to co-administer the program. Since then the Board has budgeted \$5 million annually to offer subsidized transit trips and in special circumstances subsidized taxi service to individuals with limited resources who have a qualifying trip purpose and no other resources to meet that transportation need.

The transition of INTP to LIFE started in September of 2018 by training the participating agencies in the use of LIFE database and will culminate once LIFE is integrated to TAP.

Annually, \$14.1M is budgeted for the LIFE program, \$12.9M is set aside for transportation and \$1.15M is allocated to the administrators of the program. The administrators are FAME Assistance Corporation (FAC) and Human Services Association (HSA) and International Institute of Los Angeles (IILA). The subsidies are distributed to eligible participants through a network of 500+ non-profit and governmental agencies.

There are approximately 67,000 participants in the program. Individuals receiving subsidies from the city, school or employer or have an ACCESS card are not eligible to participate in the program.

## **SUPPORT FOR HOMELESS RE-ENTRY PROGRAM (SHORE)**

SHORE began its operation in May 1994 and was developed to aid homeless persons in central Los Angeles, so that they would become self-sufficient through access to such services as training, employment, healthcare, and social services.

Annually, \$520,000 is budgeted for the program, \$500,000 is allocated to transportation subsidy and \$20,000 to administration of the program. Shelter Partnership, Incorporated, administers the program that serves the homeless service providers located in Downtown Los Angeles, South Los Angeles, East Los Angeles and Hollywood.

Annually, more than 7,000 individuals participate in the program. The tokens are distributed through a network of homeless service providers who assist the clients to access health care, mental health, child care, employment and housing to promote stability and self-sufficiency.

**ATTACHMENT C**

**LIFE Participating Transit Operator Reimbursement Policy**

The 20 regional ride reimbursement policy below was approved by Bus Operations Subcommittee in September 2018 and will be included in the contracts with the operators.

Ride Type	LIFE Monthly Discount	Discounted Ride	5% Commission and Admin Fee	Reimbursement
Regular	\$ 24.00	\$ 1.20	\$ 0.06	\$ 1.14
College/Vocational	\$ 13.00	\$ 0.65	\$ 0.03	\$ 0.62
Student K-12	\$ 10.00	\$ 0.50	\$ 0.03	\$ 0.48
Senior	\$ 8.00	\$ 0.40	\$ 0.02	\$ 0.38
Reimbursements will be based on the lower of the cash fare or the reimbursement level above				

For passes purchased by LIFE participants from any participating operator, the operator will receive the commission based on the full pass value. The reimbursement rate will be lower of the pass value or the discount.

Pass Type	LIFE Monthly Discount	Commission Rate	Reimbursement
Regular	\$ 24.00	Standard commission rate applies based on the full pass value	Based on the lower of pass or the discount
College/Vocational	\$ 13.00	Standard commission rate applies based on the full pass value	Based on the lower of pass or the discount
Student K-12	\$ 10.00	Standard commission rate applies based on the full pass value	Based on the lower of pass or the discount
Senior	\$ 8.00	Standard commission rate applies based on the full pass value	Based on the lower of pass or the discount
Reimbursements will be based on the lower of the value of the product purchased or the discount amount			

### 2019 LIFE Campaign Timeline

	April					May				June				July					August					September					October				November				December				Jan-Jun			
	1	8	15	22	29	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26	2	9	16	23	30	7	14	21	28	4	11	18	25	2	9	16	23	30				
<b><u>MATERIALS/EFFORTS</u></b>																																												
Car Cards - Metro buses																																												
Car Cards - Muni buses																																												
Rail Poster																																												
2-Sheets																																												
Take One - Metro buses, Customer Centers and Admins																																												
Application																																												
Posters - Metro buses, Customer Centers and Admins																																												
Messages on hold																																												
Web ads on metro.net																																												
Web page on metro.net																																												
East Portal Tower ad																																												
East Portal Customer Center ticker																																												
Source/Pasajero post																																												
Paid digital advertising																																												
Paid digital radio																																												
Out of home billboards/bulletins																																												
Program flyer																																												
Current participants flyer																																												
Training of internal Metro partners i.e. Customer Relation, Customer Care																																												
Non-profit agency outreach (600 agencies)																																												
METRO third party vendors																																												
Community Relations outreach																																												
Muni Operator Outreach																																												

Analyze use, revise marketing strategy to target underserved areas.





## Board Report

File #: 2017-0177, File Type: Program

Agenda Number: 15.

### PLANNING AND PROGRAMMING COMMITTEE JANUARY 16, 2019

**SUBJECT: BRIGHTON TO ROXFORD DOUBLE TRACKING PROJECT (B2R DESIGN)**

**ACTION: AUTHORIZE CONTRACT MODIFICATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute Modification No. 4 to Contract No. PS2415-34120 with STV, Inc. for the Brighton to Roxford Double Tracking (B2R) Project in the amount of \$2,203,529, increasing the total contract value from \$12,633,429 to \$14,836,958.

#### **ISSUE**

On July 26, 2018, the Board approved programming \$11,528,416 for professional services for the B2R project to accommodate the changes necessary to accommodate the East San Fernando Valley Transit Corridor (ESFVTC) Project and a new pedestrian underpass for the Burbank Airport North Metrolink Station as well as incorporate changes related to safety improvements and state of good repair of the existing at-grade crossings, tracks and signals. With the previously approved programmed funds, staff is requesting authorization to modify the existing Contract No. PS2415-34120 with STV, Inc. for the B2R Project in the amount of \$2,203,529.

#### **BACKGROUND**

The Metrolink Antelope Valley Line is the only commuter rail service serves Burbank Airport North station, Sun Valley, Sylmar/San Fernando, the cities Santa Clarita, Palmdale, Lancaster and unincorporated Los Angeles County. Amtrak also provides inter-city rail service to Glendale and Burbank. The Metrolink Antelope Valley line is approximately 62 percent on single track. The existing single track starts from CP Brighton in Burbank to Lancaster is operationally challenging due to safety, scheduling, inability to recover from incidents and service delays. A single track system is equivalent to a one lane road with bi-directional traffic.

#### **DISCUSSION**

The B2R Project will provide a second commuter rail main line track from Control Point (CP) Brighton in Burbank to CP Roxford in Sylmar on the Metrolink Antelope Valley Line. The proposed 11 mile of a second commuter rail main line track increases commuter rail service capacity and enhances safety, improves on-time performance and service reliability. The B2R Project is needed

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to provide 30 minute bi-directional service to the new Burbank Airport North Station up to the Sylmar/San Fernando Station and with the capability of 30 minute service to the cities of Santa Clarita, Palmdale and Lancaster.

In April 2017, staff placed the B2R Project on hold prior at the 65% design stage to coordinate with the ESFVTC Project. The ESFVTC Project is planned from Van Nuys Boulevard in Los Angeles through the Metro owned and Metrolink operated right-of-way (ROW) up to the Metrolink Sylmar/San Fernando Station. The B2R and the ESFVTC Projects will share approximately 2.5 miles of ROW corridor along six at-grade intersections where a single commuter/freight track currently exists within the ROW. Metro has requested that STV design team make adjustments in final design as needed to accommodate the ESFVTC Project. The design adjustments will include track realignment, redesign of signals and communications, design for construction of a new bridge for the relocated Metrolink track, additional utilities research, updating traffic studies, redesign of grade crossings, additional surveying, and additional drainage design.

### **DETERMINATION OF SAFETY IMPACT**

The Project will enhance safety by upgrade 16 existing at-grade crossings to quiet zone ready standards with improvements such as pedestrian gates, emergency egress swing gates, and channelization handrails that will be included on the engineering drawings.

### **FINANCIAL IMPACT**

In July 2018, the Board approved programming authority in the amount of \$11,528,416 of Measure R 3% for the B2R Project and design revisions related to ESFVTC Project in the amount of \$1,078,584. FY19 funding has been budgeted in Cost Center 2415, Project 460074, Account 50316, and Cost Center 4010, Project 465521, Account 50316. The Project Manager, the Cost Center Manager and the Senior Executive Officer, Regional Rail will be responsible for budgeting costs in future years.

#### **Impact to Budget**

The funding for the contract modification in the amount of \$2,203,529 comprises of \$1,078,584 from ESFVTC Project, Cost Center 4350, System Team 2 and the remaining \$1,124,945 from Measure R 3% funds. These funds are not eligible for bus and rail operations expenditures.

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

Approval of this contract modification will support the following Metro Strategic Plan Goal: Once the Brighton to Roxford Double Track Project is completed, there will continuous double track along the Antelope Valley Line from Los Angeles Union Station (MP 0) to the Balboa Blvd Overpass (MP25.3), a total length of over 25 miles. To realize the full benefit of a true double track corridor, which provides operational benefits that that help ensure service reliability and capacity enhancement as well as improved safety of operations, it is important to ensure that the existing track is brought up to a state of good repair so that it can be relied upon to function with the same reliability and functionality as the newly constructed second track, and to avoid potential ongoing maintenance

issues or track outages for repair that may otherwise be required if SOGR improvements are not included.

### **ALTERNATIVES CONSIDERED**

The Board could choose not to approve the Contract Modification and decide not to continue to complete the design documents for B2R Project. This alternative is not recommended as design revisions are needed to the B2R Project in order to accommodate the ESFVTC Project. In addition, the B2R Project provides much needed capacity and service reliability improvements to the only rail service to Burbank Airport North station, Sun Valley, Sylmar/San Fernando, the cities of Santa Clarita, Palmdale, Lancaster and unincorporated Los Angeles County.

### **NEXT STEPS**

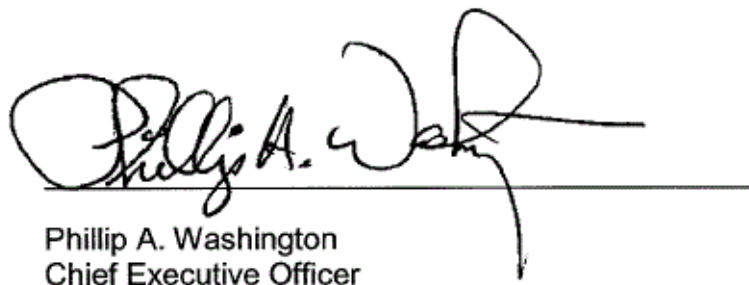
Upon Board approval and concurrence of requested funds, staff will execute Modification No. 4 with STV, Inc. to complete the environmental clearance and final design documents.

### **ATTACHMENTS**

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

Prepared by: Dan Mahgerefteh, Director, Engineering, Regional Rail (213) 418-3219  
Brian Balderrama, Senior Director, Project Engineering, Regional Rail (213) 418-3177  
Jeanet Owens, Senior Executive Officer, Project Management, Regional Rail (213) 418-3189

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



Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## BRIGHTON TO ROXFORD DOUBLE TRACKING PROJECT/PS2415-3412

1.	<b>Contract Number:</b> PS2415-3412		
2.	<b>Contractor:</b> STV, INC.		
3.	<b>Mod. Work Description:</b> Completion of environmental clearance and 100% plans, specifications and estimates		
4.	<b>Contract Work Description:</b> Professional services contract to provide engineering services for completion of the environmental clearance documents, preliminary engineering documents, permitting and final design engineering		
5.	<b>The following data is current as of:</b> 10/15/18		
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Contract Awarded:</b>	07/23/15	<b>Contract Award Amount:</b> \$12,490,781
	<b>Notice to Proceed (NTP):</b>	08/25/15	<b>Total of Modifications Approved:</b> \$142,648
	<b>Original Complete Date:</b>	09/01/18	<b>Pending Modifications (including this action):</b> \$2,203,529
	<b>Current Est. Complete Date:</b>	09/01/20	<b>Current Contract Value (with this action):</b> \$14,836,958
7.	<b>Contract Administrator:</b> Angela Mukirae		<b>Telephone Number:</b> (213) 922-4156
8.	<b>Project Manager:</b> Dan Mahgerefteh		<b>Telephone Number:</b> (213) 418-3219

**A. Procurement Background**

This Board Action is to approve Contract Modification No. 4 issued in support of the completion of environmental clearance and 100% design plans for the Brighton to Roxford Double track project.

This Contract Modification was processed in accordance with Metro's Acquisition Policy and the contract type is a cost-plus-fixed-fee.

On July 23, 2015, the Board awarded a cost-plus-fixed-fee Contract No. PS2415-3412 to STV, Inc. in the amount of \$12,490,781 for the Brighton to Roxford Double Track Project.

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

**B. Cost Analysis**

The recommended price has been determined to be fair and reasonable based upon the existing contract rates, an independent cost estimate (ICE), technical analysis, cost analysis and fact finding. Fee remains unchanged from the original contract.

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
\$2,203,529	\$2,823,250	\$2,203,529

## CONTRACT MODIFICATION/CHANGE ORDER LOG

## BRIGHTON TO ROXFORD DOUBLE TRACKING PROJECT/PS2415-3412

<b>Mod. No.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>\$ Amount</b>
1	Supplemental scope for flagging crews, right of entry permits and field survey work on SCRRRA (Metrolink) rail track.	Approved	09/24/15	\$51,700
2	Supplemental scope for environmental clearance per the National Environmental Policy Act.	Approved	09/20/16	\$90,948
3	Period of performance extension through 09/01/20 to complete phase 2 of the project.	Approved	08/14/18	\$0
4	Supplemental scope for completion of environmental clearance and 100% design documents.	<b>Pending</b>	<b>10/25/18</b>	<b>\$2,203,529</b>
	<b>Modification Total:</b>			<b>\$2,346,177</b>
	<b>Original Contract:</b>		07/23/15	<b>\$12,490,781</b>
	<b>Total:</b>			<b>\$14,836,958</b>

## DEOD SUMMARY

## BRIGHTON TO ROXFORD DOUBLE TRACKING PROJECT/PS2415-3412

**A. Small Business Participation**

STV Incorporated made a 26.62% Small Business Enterprise (SBE) commitment. The project is 31% complete and the current SBE participation is 39.22%. STV Incorporated is currently exceeding their SBE commitment.

<b>Small Business Commitment</b>	<b>SBE 26.62%</b>	<b>Small Business Participation</b>	<b>SBE 39.22%</b>
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	<b>DBE/SBE Subcontractors</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	BA, Inc.	4.07%	6.79%
2.	Cornerstone Studios, Inc.	0.55%	0.48%
3.	Diaz Yourman & Associates	2.52%	5.49%
4.	Epic Land Solutions, Inc.	0.94%	0.25%
5.	Lin Consulting	2.88%	5.79%
6.	Pacific Railway Enterprise, Inc.	11.33%	11.53%
7.	Ryan Snyder Associates, LLC	0.20%	0.22%
8.	Wagner Engineering & Surveying, Inc.	4.13%	8.67%
	<b>Total</b>	<b>26.62%</b>	<b>39.22%</b>

<sup>1</sup>Current Participation = Total Actual amount Paid-to-Date to DBE 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 is not applicable to this Contract Modification.

**C. Prevailing Wage Applicability**

Prevailing Wage requirements are applicable to this Modification. DEOD will monitor contractors' compliance with the State of California Department of Industrial

Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA)

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

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





## Board Report

File #: 2018-0622, File Type: Informational Report

Agenda Number: 16.

### PLANNING AND PROGRAMMING COMMITTEE JANUARY 16, 2019

**SUBJECT: LONG RANGE TRANSPORTATION PLAN UPDATE**

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

**WITHDRAWN:** RECEIVE AND FILE status report on the Long Range Transportation Plan (LRTP) Update, including the following informational items:

- A. Public Engagement Summary Report (Phase 1); and
- B. Draft Mobility Plan to Access Opportunity Framework.

#### **ISSUE**

This is a status report on the development of the LRTP update. Included is a summary for the first phase of public engagement (Attachment A), and Draft Mobility Plan to Access Opportunity Framework (formerly Vision) as overview guidance to the entire LRTP (Attachment B).

#### **DISCUSSION**

##### Background

In September 2017, LRTP Work Plan was presented to the Metro Board (Legistar File No. 2017-0548); it included a scope of work that has distinct modules (i.e., chapters) for development and timeline for key deliverables to the Board. In March 2018, the Board was presented the Orientation and Context module framework (Legistar File No. 2018-0003). In November 2017, the Board received a Public Participation Plan outline for phases of public engagement (Legistar File No. 2017-0644), with an update provided in August 2018 (via Board Box) regarding Phase 1 outreach that began summer 2018, with a scheduled conclusion of November 2018.

##### Public Engagement - Phase 1 Approach

Phase 1 of LRTP's public engagement was an open-ended listening phase. The outreach is designed around a "Our Next LA" thematic frame. A broad variety of stakeholders were asked what they envision for their future communities, especially as it related to Metro's use of its future transportation dollars. For example, Post-it forms were used to ask where participants lived, and how

they would describe the “My Next\_\_\_\_\_” future of that community.

Metro conducted more than 35 public events and attended an additional 21, collected more than 3,000 post-its and received more than 20,000 surveys. Additional outreach was conducted online, at public meetings, through social media, major employers and more. A summary of public events, including location, and other outreach details is provided in Attachment A.

#### Public Engagement - Phase 1 Results

Analysis of the completed post-its and top survey answers indicates that public interest focuses primarily on the following 5 areas (in no particular order):

- Livability -- Increase access to jobs, affordable housing and more, through quality transportation, to improve the public well-being
- Complete streets -- Safer corridors that include expanded bike, pedestrian and green infrastructure, while maintaining a state of good repair on roadways
- Improved transit -- Optimize speed, reliability, security, customer experience and performance on the transportation network
- Less congestion -- Provide options to bypass traffic, improve traffic flow and improve travel times
- Innovative transportation options -- Provide innovative and high quality mobility service options

#### Public Engagement - Phase 2

These five focus areas will be used to establish a Values Framework in Phase 2 of LRTP public engagement. Stakeholders will be asked to rank these five areas in terms of their own top priorities. A new online ranking tool was developed in December 2018, but stakeholders will continue to be able to write in their priorities, if they do not see their priority area listed. Phase 2 outreach will continue through spring of 2019, and the responses will help shape the LRTP Values Framework, which will include performance metrics.

#### A Mobility Plan to Access Opportunity Framework Module

This module is intended to provide the overview of what Metro will achieve through the LRTP. Attachment B presents a detailed outline of what that entails. Importantly, the foundational guidance in this framework is based on the Board-adopted Metro Vision 2028 Strategic Plan, which sets up near term goals and action plans for Metro. This framework explains the relationship between Vision 2028 goals and LRTP plan requirements. Both plans are aligned to achieve Metro goals, but the LRTP has significant distinctions, including: required financial constraint to bound investment priorities; three decades longer time frame to support Measure M delivery; and application of federal and state air quality requirements. Both plans are distinct, but linked in guiding Metro’s commitment to excellence for LA County’s transportation future.

#### Upcoming Milestone Baseline Understanding Framework Module

Staff will return to the Board with the draft Baseline module within the first quarter of 2019. This

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important module will include the following information about the existing transportation system and Metro stakeholders:

- Travel Demand Model analysis and other research for the existing system;
- Socio-demographic information about the communities Metro serves, including identification of inequity based on data;
- Partner agency information, including strategic efforts and related plans.

The baseline data will provide the foundation for defining performance metrics and targets that will assess achievement of LRTP goals and objectives. Research is ongoing. The Baseline Understanding module will be drafted and adapted during the LRTP Update process to be responsive, consistent and continuously reinforcing, with implementation modules/plans during the continuum of LRTP.

### **Equity Platform Framework**

The LRTP public engagement effort provides key information consistent with the Listen & Learn pillar of the Equity Platform. The Phase 1 outreach was an open listening approach to engage stakeholders. Information learned will be included in the Baseline Understanding module, the Values Framework module and used for Phase 2 of public engagement.

### **DETERMINATION OF SAFETY IMPACT**

This report has no impact on safety because no action results from this receive and file report.

### **FINANCIAL IMPACT**

This item has no fiscal impact to the agency because no action results from this receive and file report.

#### **Impact to Budget**

Activities associated with completing the LRTP update are budgeted in the current fiscal year and are within budget.

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

The LRTP will advance all five goals of Vision 2028 because it is foundational to this update and is specifically called upon to implement performance measures for system improvement.

### **ALTERNATIVES CONSIDERED**

Thorough public engagement is essential to a valid LRTP update, in order to accurately represent the needs and priorities of the region. Therefore, no alternative was considered.

### **NEXT STEPS**

The LRTP Update is scheduled to be completed by the end of fiscal year 2020, which generally

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aligns with SCAG's 2020 Regional Transportation Plan and Sustainable Communities Strategy update. During the development timeline, all frameworks and their modules will be completed and updated, as appropriate. The next modules to be developed are the Baseline Understanding and Values Frameworks, which will be highly integrated and provide the foundation for a performance-based approach to consider investment priorities, and related trade-offs. Staff will rely heavily on stakeholder input for this module and all aspects of LRTP development, including input from Metro internal working groups, external partners and the Policy Advisory Council. LRTP scenarios will also be prepared and analyzed. All scenarios will be financially constrained, and comply with voter-approved ballot measures and other legal commitments.

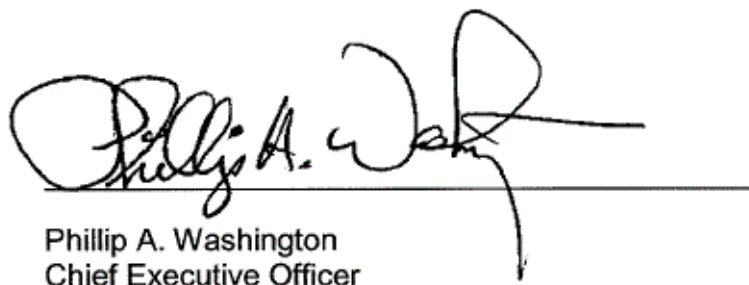
## **ATTACHMENTS**

Attachment A - Public Engagement Summary Report, Phase 1

Attachment B - Draft Mobility Plan to Access Opportunity Framework

Prepared by: Rena Lum, Senior Director, Countywide Planning & Development, (213) 922-6963  
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Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington  
Chief Executive Officer



# L RTP Outreach Summary

Phase One Complete



# Listening Phase

Open-ended questions

- 3 types of data collection used to better understand the transportation needs throughout Los Angeles County
  - Surveys – paper and online
  - Post-its – paper and online
  - Interviews – paper and video
- Public Outreach Types:
  - Public Events – 33
  - Telephone Town Hall – 29,991 calls
  - Social Media – Facebook, Twitter
  - Major Employers – See Appendix
  - Community Based Organizations – See Appendix
  - Public Meetings –
    - Policy Advisory Council (PAC)
    - Technical Advisory Committee (TAC)
    - Citizens' Advisory Council (CAC)



Survey

Post-its

Interviews

## WHAT'S OUR NEXT LA\*?

English | Español

### OUR NEXT LA\*

We are listening to everyone who lives, works, or plays in LA County, so tell us what you'd like to see.

Our Next LA\* is a multi-year effort to improve access to opportunities through transportation investments in all of LA County's 88 cities and its hundreds of neighborhoods. We need your story to better plan a future that gets everyone where they want to go.

Start Survey

### What matters to you?

Choose your language

Select where you live, work, or play

Tell us what you'd like to see

My Next

LA\*

is

Type here

Submit

LA\* is Saying:

**MY  
NEXT  
SAN  
DIMAS**  
*is connected.*

**MY  
NEXT  
CULVER  
CITY**  
*is affordable.*

**MI  
PRÓXIMO  
LA\***  
*is para todos.*

**MY  
NEXT  
SOUTH  
PASADENA**  
*is bikeable.*



- Interviewed 143 people at public events
- Contacted 99 CBOs countywide





# Listening Period

## Community Events

21,145

Surveys

3,857

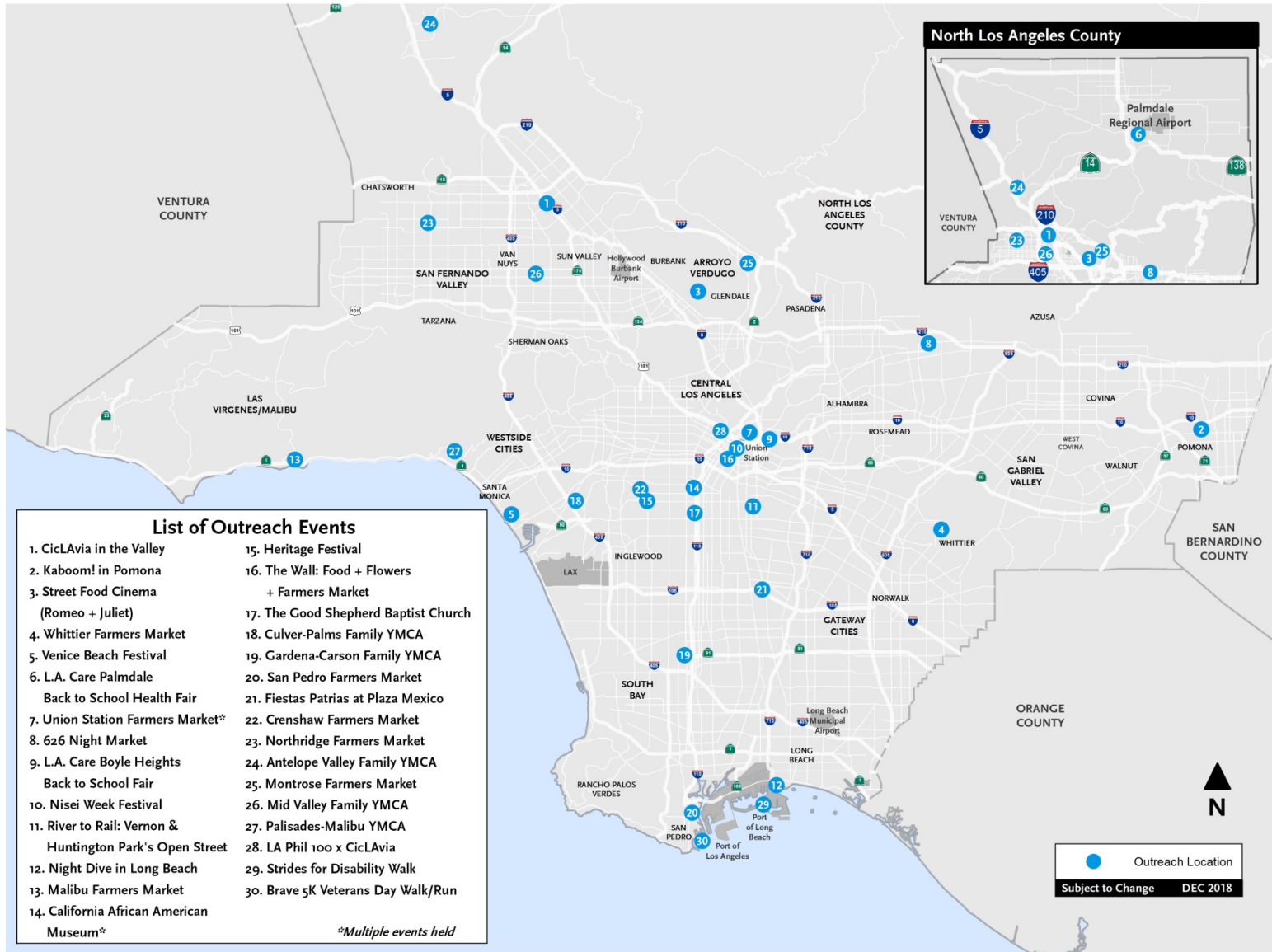
Post-its

33

Public Events



# LRTP Outreach Locations Map





# We heard a lot of concerns:

“

I want more/better late night service

“

More affordable housing

“

I would add sidewalks...it is not safe to walk in the street with cars

“

Too much traffic

“

I want options so I don't have to have a car



# Phase 2: Values

## Turning public feedback into priorities



# Top Things We Heard

- *Better Transit*
- *Less Congestion*
- *More Affordable*
- *Innovative Choices*
- *Safer/Complete Streets*

OUR  
NEXT  
LA\* is  
*better transit.*

By *better transit*, we mean faster, more frequent, secure and reliable public transportation, with more options and better customer experience.

OUR  
NEXT  
LA\* is  
*less congested.*

By *less congested*, we mean options to bypass traffic, better traffic flow and improved travel times for you.

OUR  
NEXT  
LA\* is  
*for everyone.*

By *for everyone*, we mean more affordable and inclusive, with access to housing, jobs, and more.

OUR  
NEXT  
LA\* is  
*innovative.*

By *innovative*, we mean innovative solutions like apps and mobility services to provide more choices for getting around.

OUR  
NEXT  
LA\* is  
*complete streets.*

By *complete streets*, we mean corridors for all travelers with fewer potholes, more greenery, bike lanes, better sidewalks and safer crossings.

OUR  
NEXT  
LA\*  
*is* .

If you don't see your top five priority categories above, tell us what matters most to you.

# Phase 2 – Values

*Vote Online (Winter 2019)*

Rank your priorities:

We heard you. And now we need your help in refining future choices.

Details on the top five areas of focus, based on your feedback, are below. Please drag & drop to rank your own priorities for Our Next LA\*.

- ⋮
- ⋮
- ⋮
- ⋮
- ⋮

Submit

Or

Tell us what we are missing:

Tell us if we've missed something. What matters to you?

Choose your language

Select where you live, work or play

Tell us what you'd like to see

MY NEXT



LA\*



is

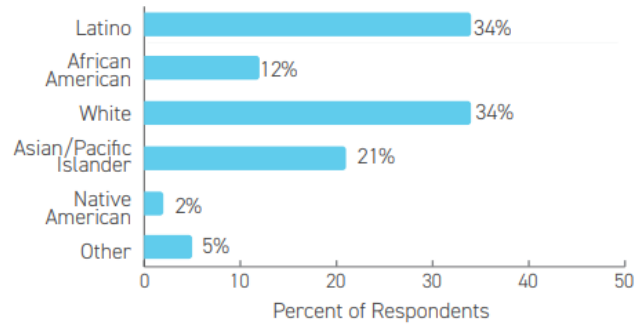
| Type here



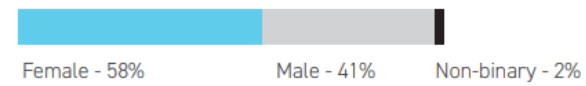
# Appendix A: Survey Responses & Statistics

# Demographic Data

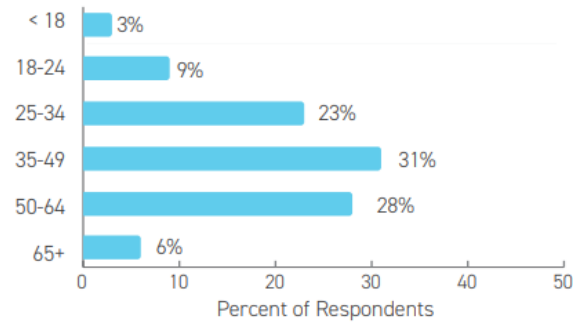
## ETHNICITY



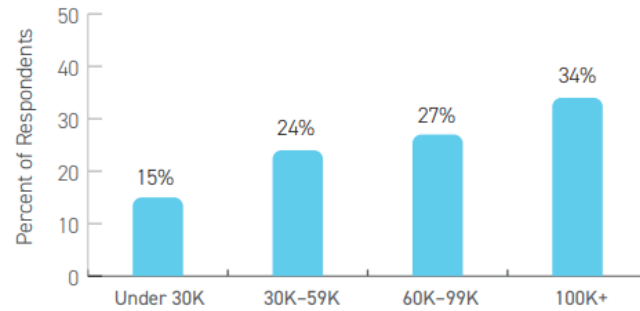
## GENDER IDENTITY



## AGE

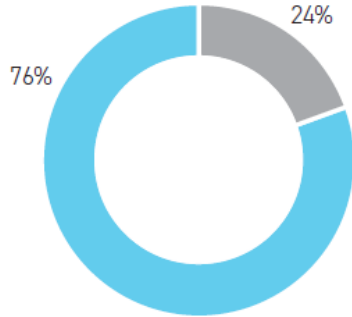


## HOUSEHOLD INCOME



# Travel Behavior

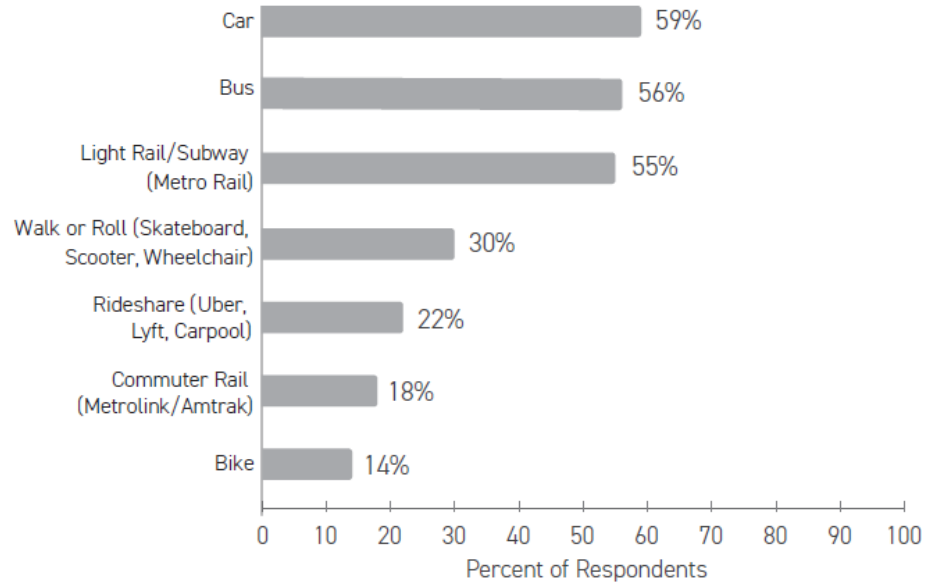
Thinking about how you travel throughout Los Angeles County, which of the following best describes you?



I primarily use one transportation option most days

I regularly use two or more transportation options in a given day

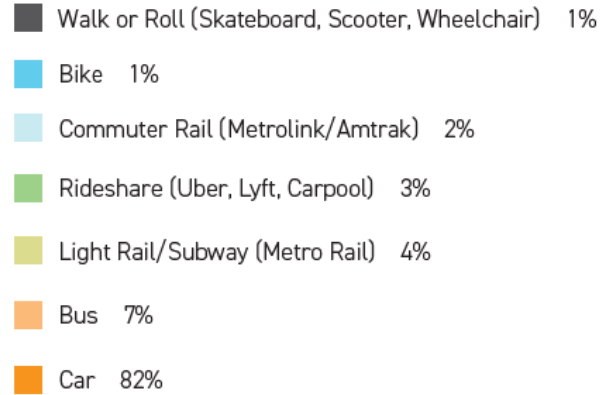
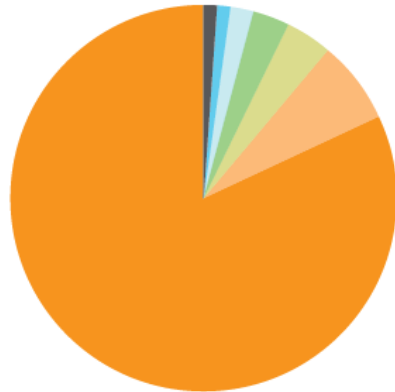
● Which transportation modes do you use the MOST often?





# Travel Behavior

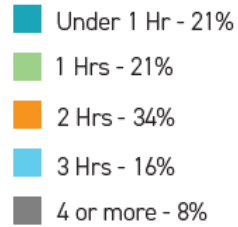
What is your primary transportation mode?



How many hours do you typically spend traveling per day?

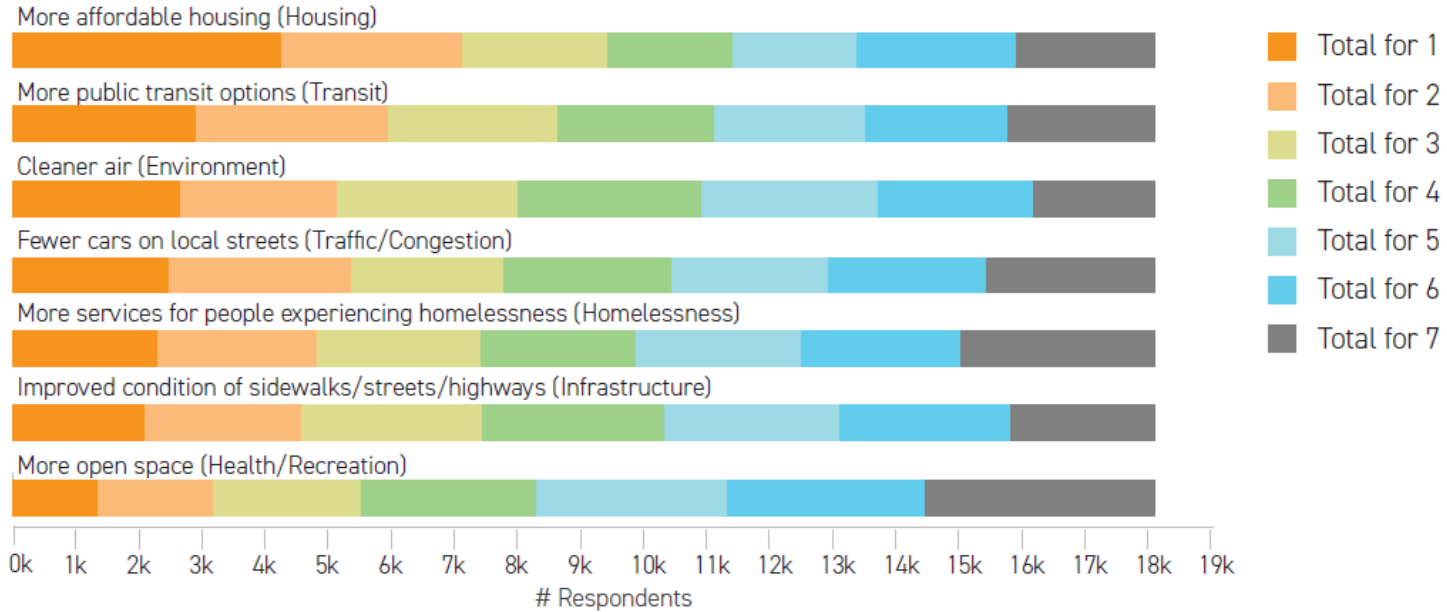


Percent of Respondents

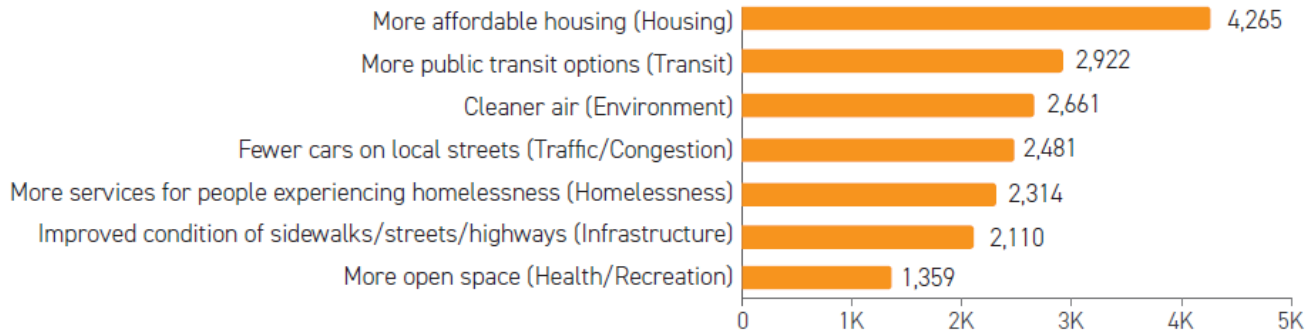


# Overall Priorities

On a scale of 1-7, with 1 being most important and 7 being least important, how would you rank the following improvements to your community?

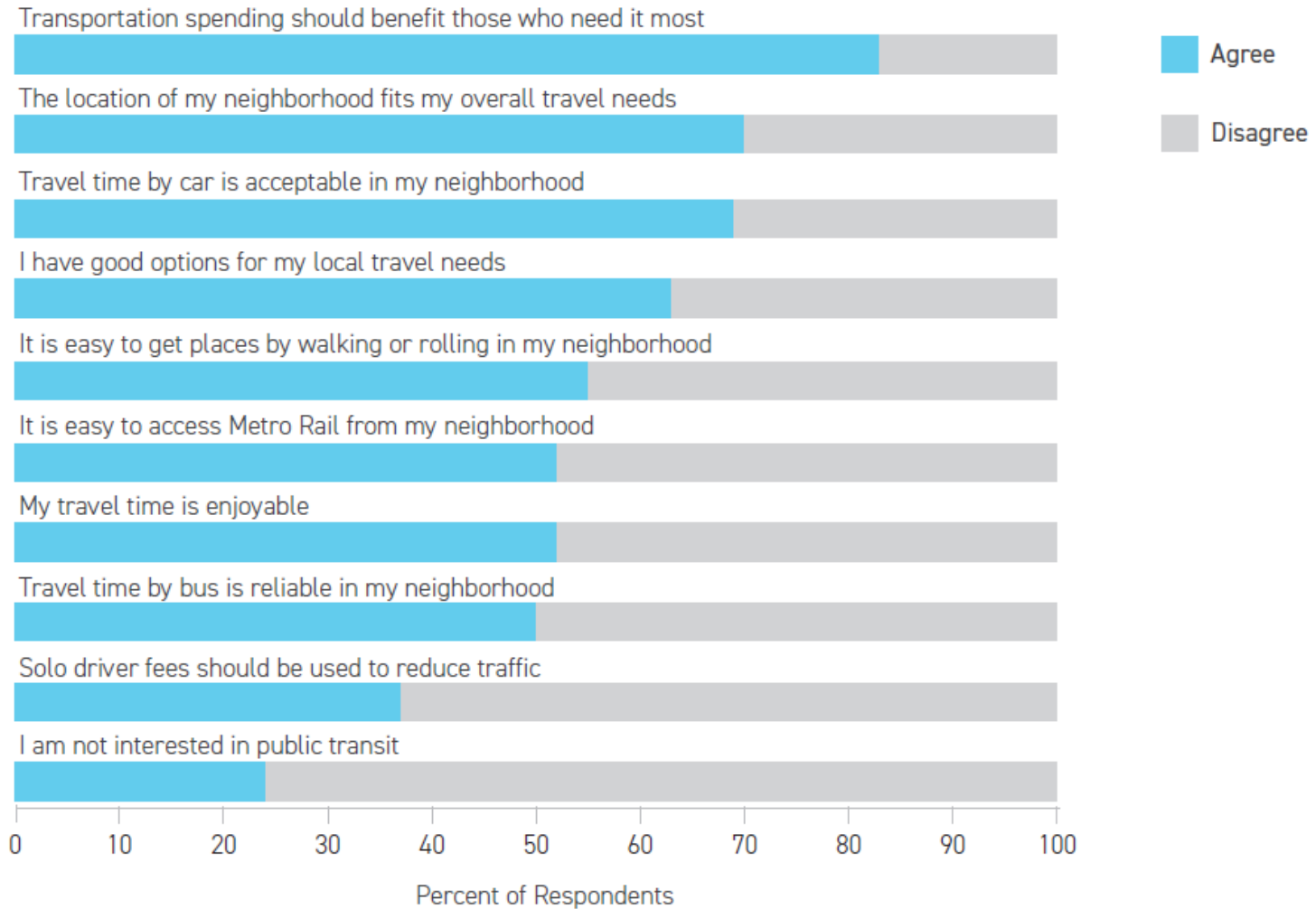


## Total # of Respondents Ranking Most Important



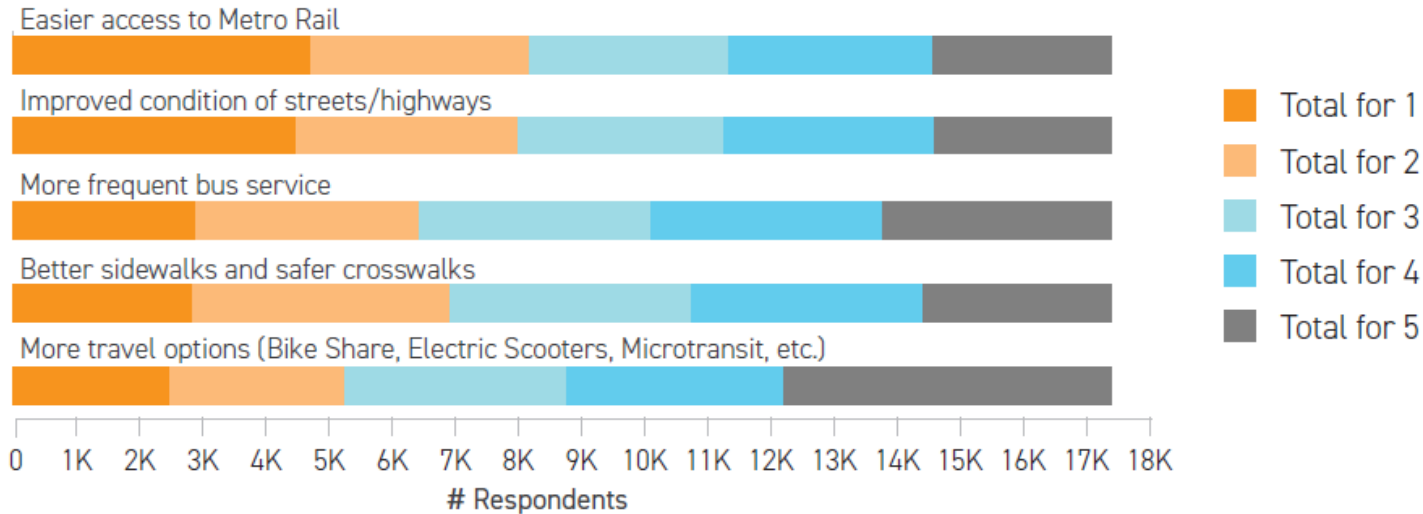
# Neighborhood Travel

When thinking about your local travel experience, how much do you agree or disagree with the following statements?

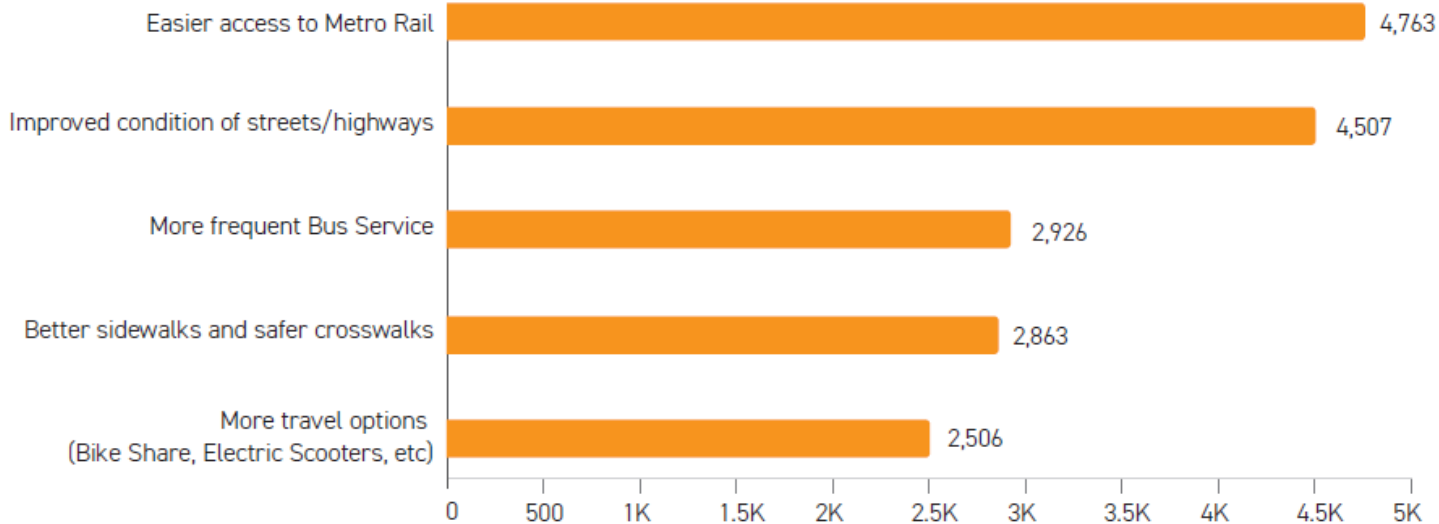


# Neighborhood Travel

On a scale of 1-5, with 1 being most important and 5 being least important, how would you rank the following transportation improvements in your community?



## Total # of Respondents Ranking Most Important





# Appendix B: Outreach Events & Contacts



## Events

CicLAvia The Valley  
Kaboom! Pomona Fairplex  
Street Food Cinema (Romeo + Juliet)  
Uptown Whittier Farmers Market  
Venice Beach Festival  
L.A. Care Palmdale Family Resource Center  
Back to School Health Fair  
Union Station Farmers Market  
626 Night Market  
L.A. Care Boyle Heights Family Resource  
Center Back to School Health Fair  
Union Station Farmers Market  
Nisei Week Festival JACCC Plaza Events  
River to Rail: Vernon and Huntington Park's  
Open Street Event  
Night Dive in Long Beach  
Malibu Farmers Market  
CAAM: Oh Happy Day - California's  
Contribution to Gospel Music, In Conversation  
with Adler Guerrier and Todd Gray  
Heritage Festival  
The Wall: Food + Flowers + Farmers Market  
The Good Shepherd Baptist Church  
Culver-Palms Family YMCA  
Gardena-Carson Family YMCA  
San Pedro Farmers Market  
Fiestas Patrias at Plaza Mexico  
Crenshaw Farmers' Market  
Northridge Farmers' Market  
Antelope Valley Family YMCA  
Montrose Farmers' Market  
CAAM: Can't Stop Won't Stop

## Events (cont'd.)

Mid Valley Family YMCA  
Palisades-Malibu YMCA  
Celebrate LA! LA Phil 100 x CicLAvia  
Strides for Disability Walk  
Brave 5K Veterans Day Walk/Run  
Whittier Concert in the Park  
El Segundo Art Walk  
Taste of Ecuador  
National Night Out  
Community Resource Fair and Carnival  
NoHo Block Party  
Panorama Mall's 38th Annual Government  
Day  
Mobile Unit: WIC Office - Pop Up  
Mobile Unit: Woodlawn Elementary - Back to  
School Night - Pop Up  
Mobile Unit: Senior Center - South Gate - Pop  
Up  
Mobile Unit: WIC Office - Pop Up  
Mobile Unit: Huntington Park Community  
Center  
Mobile Unit: WIC Office - Pop Up  
Fiesta Hermosa  
Defisal Salvadoran Independence Day Parade  
and Festival  
Mobile Unit: Hawaiian Gardens Senior Center  
- Pop Up  
CAAM: Hope is a Chorus  
Bike Rodeo  
Taste of Soul  
Dia de los Muertos

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## Community Based Organizations

East L.A. Community Corporation (ELACC)  
Hansen Dam Park Advisory Board  
Burbank Transportation Management Organization  
South Asian Network  
Boyle Heights Neighborhood Council  
First5 LA  
UDLA (Unification of Disabled Latin Americans)  
Greater L.A. Organization of Chinese Americans  
California Black Women's Health Project Ararat  
Los Angeles Neighborhood Council  
Thaitown Community Development Corporation  
AGBU Young Professionals  
Organization of Istanbul Armenians  
Armenian Cultural Foundation  
Alliance for Children's Rights  
SIPA (Search to Involve Pilipino Americans)  
Boys & Girls Club of Pasadena  
Gardena Valley Japanese Cultural Institute  
Youth Policy Institute  
Venice Japanese Community Center  
Asian Americans Advancing Justice  
Bikecar101

## Community Based Organizations (cont'd.)

Pacific Asian Consortium in Employment  
Armenian Society of Los Angeles  
Day One  
Pasadena Japanese Cultural Institute  
Asian Youth Center  
San Fernando Valley Japanese American Community Center  
Chinese Parents Association for the Disabled  
L.A. Care Family Resource Center - Palmdale  
L.A. Care Family Resource Center - Pacoima  
YMCA of Greater Whittier  
Japanese Community Pioneer Center  
Special Services for Groups  
Japanese Institute of Sawtelle  
Pasadena Complete Streets Coalition  
Albion Riverside Park Local Volunteer Neighborhood Oversight Committee  
Mexican American Opportunity Foundation  
Boys & Girls Club of West San Gabriel Valley  
Armenian Allied Arts Association

## Jurisdiction Partners (in addition to 89 jurisdictions & municipal operators)

SCAG

Telephone Town Hall

Sustainability Council

PAC and other interested parties

USC Faculty and Staff

Jurisdiction Agencies

Citizens' Advisory Committee

Technical Advisory Committee

SFVCOG

Northern Corridor Cities

Congresswoman Karen Bass

County of LA

LAWA

Santa Monica

LADOT

LA Planning

LA Sanitation

City of LA Council District 1

City of LA (Council Staff)

## Internal Metro

Metro Employee Survey

## Large Employers

USC

UCLA

ABM

LA Trade Tech

Cedars Sinai

American Airlines

Fehr & Peers

WSP

AECOM

## Faith-Based Institutions

Santa Clarita Valley Food Pantry

CFR & Associates

Holman United Methodist Church

Grace Resources

FACE Korea Church

Los Angeles Christian Health Center

Grace to You

MEND (Meeting Each Need With Dignity)

Human Services Association

Southern Baptist Korean Church

Antelope Valley Dream Center

Family Promise of San Gabriel

Foothill Unity Center

## Healthcare Organizations

Hollywood Sunset Free Clinic

Kheir

Rancho Los Amigos

Antelope Valley Partners for Health

## Educational Institutions

Pasadena City College

Compton Unified School District

## Professional Organizations

Harbor Association of Industry & Commerce

Lincoln Heights Chamber of Commerce

Physicians for Social Responsibility

American Armenian Nurses Association

California Teacher's Union



## Other Organizations

Pasadena Federal Credit Union  
FuturePorts  
Los Angeles American Lung Association in California  
California African American Museum  
Southern California Womens Health Conference  
Executive Support Network  
Armenian International Medical Fund  
Armenian Relief Society  
Asian Pacific Gays and Friends  
Gay and Lesbian Armenian Society  
Chinese American Museum  
William Mead Homes  
Pasadena Bruins  
Harbor Regional Center  
Lena Kennedy & Associates  
Southern California Resource Services for Independent Living  
CHOICISS

## Media Outlets

The Source

## Social Media

Facebook  
United Way of California (via Twitter)  
Cal State Long Beach (via Twitter)  
City of Los Angeles (via Twitter)  
Metro (via Twitter)  
Southern California Association of Governments (SCAG) (via Twitter)  
County of Los Angeles (via Twitter)  
Big Blue Bus (via Twitter)

## Additional Contacts Included:

JPL  
CalTech  
Disney  
LA Community College  
Children's Hospital  
Gibson Dunn  
KPMG  
O'Melveny  
Wedbush  
Northrop Grumann  
United Airlines  
Kaiser Permanente  
Kaiser Permanente  
NBC/Universal  
Westside Center for Independent Living  
Save Open Space  
Verbum Dei High School  
Montebello Unified School District  
Rio Hondo College  
Maravilla Foundation  
Malibu Community Labor Exchange  
Armenia School Foundation  
Superior Grocers

# LONG RANGE TRANSPORTATION PLAN MODULE: A MOBILITY PLAN TO ACCESS OPPORTUNITY (DRAFT FRAMEWORK)

## 1. What is the Mobility Plan to Access Opportunity Module?

- This module presents the overview of what Metro seeks to achieve through the LRTP and how it will take Los Angeles County to that outcome as the result of implementing this plan
- Fundamentally, it is a reasonably feasible expression of the future guided by commitments, laws, principles, plans and programs
- It is also the executive summary and acts as a simple brochure for the LRTP that is easy to grasp

## 2. What Does Metro Do for Los Angeles County?

- About Metro's enabling legislation
- Plan
- Fund
- Build
- Operate
- Maintain

## 3. What are the Purposes of the Metro Vision 2028 Strategic Plan and the LRTP?

- Metro Vision 2028 Strategic Plan
  - An agency-wide strategic plan that creates the foundation for transforming mobility in Los Angeles County (LA County) over the next 10 years
  - It sets the mission, vision, performance outcomes, and goals for Metro and puts in motion specific initiatives and performance outcomes towards which Metro and its partners will strive in pursuit of a better transportation future
- LRTP
  - Establishes a fiscally constrained plan to fund, build, operate and maintain regional transportation systems in Los Angeles County, in accordance with state and federal laws, after consideration of priorities and tradeoffs, to operationalize the Metro Vision 2028 Strategic Plan
  - It is a 40+ year plan
  - Guides Metro's support to its partners to assist with their transportation systems and services
  - Articulates what Metro needs from its many partners to achieve both the Metro Vision 2028 Strategic Plan and LRTP
  - Establishes a framework for implementing these plans and monitoring the effectiveness of their implementation

## 4. What is Set Forth in the Metro Vision 2028 Strategic Plan?

- Metro's five vital and bold goals
  - Provide high-quality mobility options that enable people to spend less time traveling.
  - Deliver outstanding trip experiences for all users of the transportation system.
  - Enhance communities and lives through mobility and access to opportunity.
  - Transform LA County through regional collaboration and national leadership.
  - Provide responsive, accountable, and trustworthy governance within the Metro organization.
- Metro's mission is to provide a world-class transportation system that enhances quality of life for all who live, work, and play within LA County.
- Metro's vision is composed of three elements:
  - Increased prosperity for all by removing mobility barriers;
  - Swift and easy mobility throughout LA County, anytime; and
  - Accommodating more trips through a variety of high-quality mobility options

## 5. What is the Mobility Plan Set Forth in the LRTP?

- The mobility plan in the LRTP is to boldly and feasibly facilitate access to opportunity across the entire mobility services lifecycle
- The LRTP will demonstrate how Metro Vision 2028 Strategic Plan's goals will be achieved by 2028 and beyond and in doing so, addresses identified needs, gaps and disparities

## 6. What are the Key Issues and Opportunities Influencing Access to Opportunity?

- People
  - Equity
  - Population and economy
- Natural and Built Environments
  - Climate change
  - Adapting and accommodating within the existing built environment
- Transformative Forces
  - Technological change
  - Tremendous capital transportation investments
- Resources
  - Working within available financial and labor resources
  - Meeting existing commitments
- Transportation System
  - Congestion
  - Maintaining and operating a simultaneously growing and aging system

## 7. What is the Plan for LA County's Regional Transportation Systems?

- High-capacity transit network
  - 2028
  - Long term
- Highway network
  - 2028
  - Long term
- Active transportation network
  - 2028
  - Long term
- Congestion management
  - ExpressLanes
  - Other congestion management tools
- Bus and micro-transit services
  - 2028
  - Long term
- State of good repair
  - 2028
  - Long term

## 8. How Will Metro Achieve the LRTP?

- Establish constrained priorities—within a reasonably expected funding envelope—based on
  - Voter commitments
  - Laws and Board policies
  - Metro Vision 2028 Strategic Plan
  - LRTP guiding themes, goals and policies
  - Needs assessment
  - Public and stakeholder engagement
- Establish a funding plan to achieve these priorities
- Adhere to this LRTP, using it to guide decision-making and administration at Metro
- Guide how Metro funds its many partners
- Guide project delivery
- Prioritize vital supporting initiatives

- Transit-oriented Communities
- Labor
- Contracting opportunities

## **9. How Will Metro Know It Is on Track to Achieve the LRTP?**

- Performance measures
- Visionary Outcomes: Metro Vision 2028 aims to double the total percent usage of transportation modes other than solo driving, including transit, walking, biking, sharing rides and carpooling by accomplishing the following
  - Ensuring that all County residents have access to high-quality mobility options within a 10-minute walk or roll from home;
  - Reducing maximum wait times for any trip to 15 minutes during any time of the day;
  - Improving average travel speeds on the County's bus network by 30 percent; and
  - Providing reliable and convenient options for users to manage their travel time.
- Transparency, accessibility and reporting

## **10. What Does Metro Need from Its Many Partners to Support Achieving the Metro Vision 2028 Strategic Plan and LRTP?**

- Leadership
- Discipline
- Land use coordinated with Metro's transformative transportation investments and services
- Transportation investments that are supportive of Metro's transformative investments and regionally-scaled mobility services

# Long Range Transportation Plan Update

## Status Report

*Planning & Programming Committee, January 16, 2019*

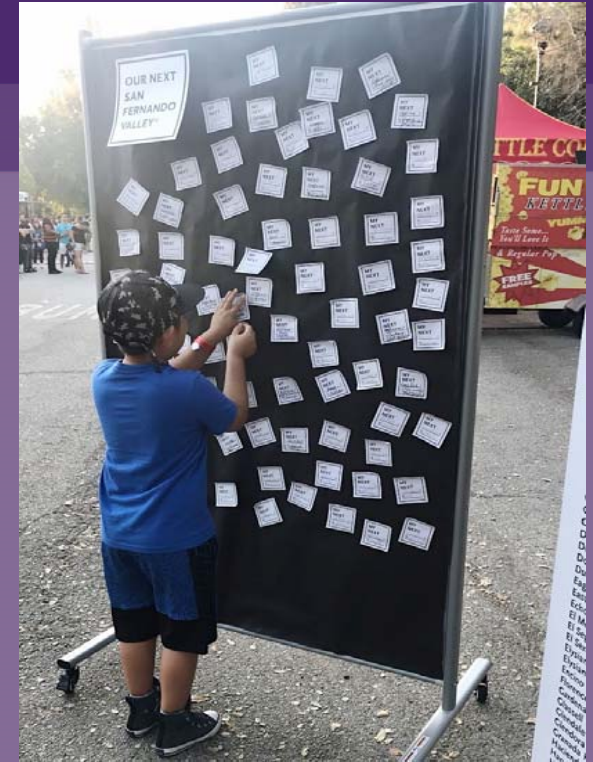


# Outreach Summary (Phase 1)

- 35 Public Events
- 21,472 Total Surveys
- 3,857 Total Post-its
- 29,991 Calls (Telephone Town Hall )
- 50 CBO Connections
- Policy Advisory Council (PAC) Networks
- Social Media
- Major Employer Outreach

*County of LA, City of LA, LAX (LAWA), Various Cities, JPL*

*UCLA, USC, Cal State Long Beach, NBC/Universal, Etc.*



**Metro**

# Phase 1: Open-Ended Listening

## Top Things We Heard

- *Better Transit*
- *Less Congestion*
- *More Affordable*
- *Innovative Choices*
- *Safer/Complete Streets*

**OUR  
NEXT  
LA\* is**  
*better transit.*

By *better transit*, we mean faster, more frequent, secure and reliable public transportation, with more options and better customer experience.

**OUR  
NEXT  
LA\* is**  
*less congested.*

By *less congested*, we mean options to bypass traffic, better traffic flow and improved travel times for you.

**OUR  
NEXT  
LA\* is**  
*for everyone.*

By *for everyone*, we mean more affordable and inclusive, with access to housing, jobs, and more.

**OUR  
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LA\* is**  
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By *innovative*, we mean innovative solutions like apps and mobility services to provide more choices for getting around.

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By *complete streets*, we mean corridors for all travelers with fewer potholes, more greenery, bike lanes, better sidewalks and safer crossings.

**OUR  
NEXT  
LA\***  
*is* .

If you don't see your top five priority categories above, tell us what matters most to you.



Metro®

# Phase 2 – Stakeholders Vote Their Top Priorities

Online tool at [OurNext.LA](https://OurNext.LA)

**We heard you. And now we need your help in refining future choices.**

Details on the top five areas of focus, based on your feedback, are below. Please drag & drop to rank your own priorities for Our Next LA\*.

⋮	<input type="text" value="Better transit"/>
⋮	<input type="text" value="Less congested"/>
⋮	<input type="text" value="Affordable and inclusive for everyone"/>
⋮	<input type="text" value="Innovative mobility choices"/>
⋮	<input type="text" value="Safer and complete streets"/>

**Submit**

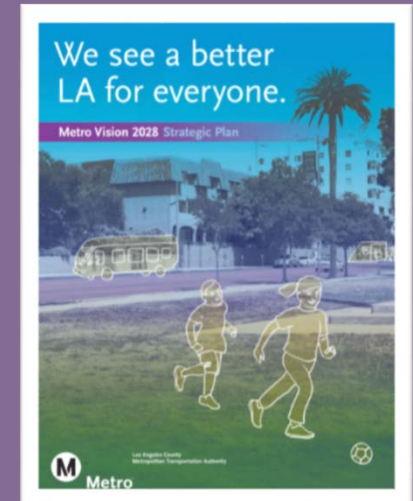




# A Mobility Plan to Access Opportunity Module

## Framework Provides the Following:

- Overview of what Metro will achieve through LRTP
- Explains the relationship between LRTP and Metro Vision 2028 Strategic Plan
- Both Plans are aligned to achieve Metro goals
- LRTP has significant distinctions:
  - Financially constrained
  - Longer time frame to support Measure M delivery
  - Application of federal and state air quality requirements



# Next Steps

- **Phase 2 of Public Engagement**
  - Focused on establishing priorities to build a values framework (*Early 2019*)
- **Draft LRTP Baseline Understanding**
  - Present baseline conditions and travel patterns (*Spring 2019*)
- **Draft Values Module Framework**
  - Provide a framework for performance based decision making (*Spring 2019*)
- **Scenario Testing and Results**
  - Test future alternatives such as congestion pricing (*Summer 2019*)



Board Report

File #: 2018-0736, File Type: Program

Agenda Number: 18.

**REVISED**  
**PLANNING AND PROGRAMMING COMMITTEE**  
**JANUARY 16, 2019**

**SUBJECT: OPEN STREETS GRANT PROGRAM FY2020 MINI-CYCLE**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Metro Open Streets Grant Program FY 2020 Mini-cycle Application and Guidelines (Attachment B); and
- B. REPROGRAMMING \$252,688 in unutilized Cycle Two funds towards the FY 2020 Mini-cycle; and to fully fund Cycle Three awarded events in El Monte and Paramount.

**ISSUE**

Board approval will authorize the Open Streets Grant Program FY 2020 Mini-cycle, as directed by the Metro Board at its September, 2018 meeting. Board Approval is needed to proceed with the Mini-cycle competitive grant program framework and release the Guidelines and Application to Los Angeles County Cities, County and Councils of Government offices that were not awarded funding during the Cycle Three application process and are eligible for funding assistance to implement Open Street events in FY 2020.

**BACKGROUND**

In September 2013 the Metro Board approved the Open Streets Competitive Grant Program framework to fund a series of regional Open Street events in response to the June 2013 Board Motion 72. Open Street events are temporary one-day events that close city streets to automotive traffic and open them to people to walk, bike or roll. The goals of the program are to provide opportunities to experience walking, riding a bike, and riding transit possibly for the first time; to encourage future mode shift to walking, bicycling and taking public transportation; and to promote civic engagement to foster the development of multi-modal policies and infrastructure at the local level.

At the June 2014 meeting, the Board awarded \$3.7 million to 12 jurisdictions for Cycle One of the

Open Streets Grant Program. At the September 2016 meeting, the Board awarded \$4.14 million to 17 jurisdictions for Cycle Two. By the end of Cycle Two in December 2018, 25 events that were awarded funding in Cycle One and Cycle Two have been completed, totaling nearly 160 miles of open streets across 29 separate jurisdictions.

**DISCUSSION**

At its September 2018 meeting the Board approved funding recommendations for a third Cycle of 15 Open Street events in 18 cities, and directed staff to:

- Report back on the regional diversity of previous cycles and potential strategies to ensure regional diversity of funding in this and future cycles; and
- With a focus on regional equity, create a \$1 million dollar Mini-cycle in FY 2020 of Open Street grant applications that is open to all communities and Councils of Governments in Los Angeles County, excluding those that have received funding from the Cycle Three Grants: the cities of South Pasadena, West Hollywood, Culver City, Los Angeles, San Fernando, San Dimas, Long Beach and Paramount; and the San Gabriel Valley Council of Governments.

Regional Diversity in Funding

In response to Motion 72 (Attachment A) in 2013 staff developed a comprehensive framework and competitive grant process to solicit and evaluate applications for Open Street events throughout Los Angeles County. In order to increase knowledge of the program, staff reached out via email to each of the 88 independent cities in the County and presented at the Streets and Freeways Subcommittee and the Los Angeles Technical Advisory Committee. During the 2014, 2016 and 2018 funding cycles, staff hosted application workshops at Metro Headquarters and LA County Councils of Government offices. During Cycles Two and Three additional points were added for multijurisdictional events and events proposed in disadvantaged communities, as determined by the CalEnviroScreen score. The table below represents the diverse range of applications received and funded in Cycles One, Two and Three.

Subregion	Apps Received	Percent of Total Apps Received	Apps Awarded	Percent of Total Apps Awarded
San Gabriel Valley	12	18.8%	10	22.7%
Gateway Cities	17	26.6%	9	20.5%
Central Los Angeles	12	18.8%	9	20.5%
Westside Cities	10	15.6%	8	18.2%
South Bay	6	9.4%	3	6.8%
San Fernando Valley	4	6.3%	3	6.8%
Arroyo Verdugo	3	4.7%	2	4.5%
Total	64	100.0%	44	100.0%

In order to continue to increase regional diversity of applications and ensure that all cities have an equal opportunity to apply for events, staff will continue to work with Councils of Government offices to offer application workshops; present to relevant committees at Metro; offer an application workshop at Metro Headquarters; and coordinate with Councils of Governments and other cross-

---

jurisdictional entities to assist with grant writing assistance for smaller, more disadvantaged cities across the County.

#### FY 2020 Mini-cycle Initiation

The Application and Guidelines for the FY 2020 Mini-cycle (Attachment B) will mirror those for Cycle Three, and are informed by feedback from applicants, grantees and participants of Cycles One and Two, as well as recommendations solicited from the Open Streets Evaluation Study contractor. The goal of the Application and Guidelines is to ensure that the FY 2020 Mini-cycle continues to promote multi-modal access, advance active transportation at local levels and encourage transit usage. During Cycle Three a maximum funding ceiling of \$500,000 per event was implemented. That higher funding ceiling will remain for the FY 2020 Mini-cycle and is consistent with the new Equity Platform Framework in so far as a higher level of Metro funds is available to cities that would otherwise not be able to produce an Open Street event in their community due to lack of city funds available.

#### Reprogramming of Funds

After reconciling expended funds from Cycle Two, staff is requesting that \$103,688 in unutilized funds for closed-out Cycle Two grants in the cities of San Dimas and Whittier, be reprogrammed, along with \$149,000 for a cancelled event in the City of Montebello. Of the combined total, \$71,688 will be reprogrammed toward the FY 2020 Mini-cycle, and \$181,000 will be used to fully fund the requested grant amount for Cycle Three awarded events in the cities of El Monte and Paramount.

#### Equity Platform

By increasing the funding ceiling for the Open Streets program and providing additional scoring points to disadvantaged communities during the competitive application review process, as defined by the CalEnviro Screen, the Mini-cycle advances the Equity Platform. Metro outreach participation in Open Streets events, many of which are in disadvantaged communities, provides opportunities for Metro staff to discuss and answer questions about ongoing and planned initiatives with community members in the communities where they live.

### **DETERMINATION OF SAFETY IMPACT**

The Open Streets Grant Program FY 2020 Mini-cycle will not have any adverse safety impacts on our employees and patrons.

### **FINANCIAL IMPACT**

There is no impact to the FY 2019 budget. Up to \$1 million for the FY 2020 Mini-cycle will be requested during the FY 2020 budget process. Staff will work with the Office of Management and Budget to identify a funding source through the end of FY 2020. As this is a multi-year program it will be the responsibility of the cost center manager and the Chief Planning Officer to budget funds in future Cycles.

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

Metro Open Streets FY 2020 Mini-cycle aligns well with Strategic Plan Goal 3. By introducing local

communities and stakeholders to the value of car-free and car-light mobility and providing opportunities to experience this mobility firsthand and possibly for the first time, Metro is leveraging its investment in the Open Streets Grant Program to promote the development of communities that are not reliant on personal automobile. By introducing new users to taking public transit, walking and riding a bike on a city street, possibly for the first time, Open Street events increase Metro's ability to meet the Strategic Plan Vision 2028 of doubling non drive-alone mode-share (carpool, transit, walking and biking) trips in the next 10 years.

### **ALTERNATIVES CONSIDERED**

The Board has the option to not approve the FY 2020 Mini-cycle initiation. This alternative is not recommended as it is not in line with Board goals to increase awareness of opportunities throughout Los Angeles County for taking public transportation, walking and riding a bicycle.

### **NEXT STEPS**

Upon Board approval, staff will release the application package for the FY 2020 Mini-cycle. An easy to fill out web-based application will be utilized and an informational workshop will be held for applicants. It is anticipated that the application will be released in Spring 2019 with staff returning for Board approval of the FY 2020 Mini-cycle in ~~June 2018~~ July 2019.

### **ATTACHMENTS**

Attachment A - June 27, 2013 Board Motion #72

Attachment B - Open Streets FY 2020 Mini Cycle Application Package & Guidelines

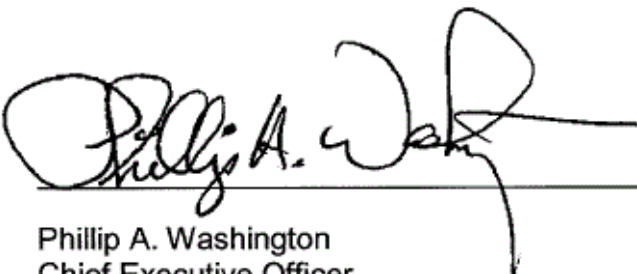
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Phillip A. Washington  
Chief Executive Officer

**MOTION BY  
MAYOR ANTONIO R. VILLARAIGOSA,  
SUPERVISOR GLORIA MOLINA,  
DIRECTOR ARA NAJARIAN, DIRECTOR MEL WILSON**

Planning and Programming Committee  
June 19, 2013

**Los Angeles County “Open Streets” Program**

Across the nation, cities have begun hosting “open streets” events, which seek to close down streets to vehicular traffic so that residents can gather, exercise, and participate in pedestrian, bicycling, skating and other related activities.

These events are modeled after the “*Ciclovias*” started in Bogota, Colombia over thirty years ago in response to congestion and pollution in the city.

In 2010, Los Angeles held its first “open streets” event, called CicLAvia.

After six very successful events, CicLAvia has become a signature event for the Los Angeles region.

With over 100,000 in attendance at each event, CicLAvia continues to successfully bring participants of all demographics out to the streets.

This event offers LA County residents an opportunity to experience active transportation in a safe and more protected environment, and familiarizes them with MTA transit options and destinations along routes that can be accessed without an automobile.

The event also takes thousands of cars off the streets, thereby decreasing carbon emissions.

Bicycling, as a mode share, has increased dramatically within LA County in the last years, boosted largely by the awareness brought about by these “open streets” programs.

Over the past decade, LA County has seen a 90% increase in all bicycle trips.

CONTINUED

In response to this growing demand, many local jurisdictions have begun implementing robust bike infrastructure and operational programs that enhance the safety and convenience of bicycling as a mode of travel.

Seeing the success of CicLAvia in Los Angeles, these jurisdictions have expressed a desire to pursue their own “open streets” events to increase awareness for active transportation and reduced reliance on the private automobile.

MTA should partner alongside a regional “open streets” type program in order to coordinate, assist, and promote transit related options.

These events will become a significant contributor to MTA’s overall strategy to increase mobility and expand multi-modal infrastructure throughout the region.

They will also promote first-mile/last-mile solutions and fulfill the Sustainable Communities Strategy Plan, as proposed by the Southern California Association of Governments.

**WE THEREFORE MOVE THAT** the MTA Board of Directors direct the CEO to use the following framework in order to create an “open streets” program:

1. Identify an eligible source of funds to allocate annually up to \$2 million to support the planning, coordination, promotion and other related organizational costs.
2. Report back at the September 2013 Board meeting a recommended competitive process and program, working with the County Council of Governments and other interested cities, to implement and fund a series of regional “open streets” events throughout Los Angeles County.
3. Develop a technical process to collect data and evaluate the cost and benefits (e.g. transit use increases, reduction of air emissions, etc.) of these events.

###





**Metro**

Los Angeles County  
Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000 Tel  
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## **Open Streets FY 2020 Mini-cycle Application Package & Guidelines**

*All fields are required for application submission unless noted.*

### **Program Guidelines**

#### **Program Objectives**

Open Streets are events which temporarily close the streets to automobiles and open them up to people to re-imagine their streets while walking, biking, rollerblading or pushing a stroller in a car-free environment. The goals of the program are to encourage sustainable modes of transportation (biking, walking and transit), provide an opportunity to take transit for the first time, and provide an opportunity for civic engagement that can foster the development of a city's multi-modal policies.

#### **Eligibility**

With a focus on regional equity, FY 2020 Mini-cycle applications are open to the County, and all city and council Councils of Government offices within Los Angeles County excluding those that received funding from the Cycle Three Grants: the cities of South Pasadena, West Hollywood, Culver City, Los Angeles, San Fernando, San Dimas, Long Beach and Paramount; and the San Gabriel Valley Council of Governments. Funding may be distributed to more than one event per city/jurisdiction until the maximum funding allocation is reached. Applicants shall rank applications for 2 or more events in order of priority with 1 being the most important, 2 being the second most important, etc.

#### **Funding**

There is up to \$1,071,688 available for grants for the Open Streets FY 2020 Mini-cycle. There are no minimum funding guarantees per applicant jurisdiction or event. Any city/jurisdiction, or a combined multi-jurisdictional team, can apply for a maximum of \$500,000 per single event. Any agreement on funding distributions among jurisdictions participating in a multijurisdictional event must be negotiated directly between the applicant and all other jurisdictions that are participating in the event. There is no guarantee that applicant will receive full funding request. If grant applicant is unable to accept amended award amount and commit to produce the event as scoped, award will be available to next highest scored application. Funds will be available starting in July 2019, pending Metro Board approval and events must be staged by June 31, 2020. Funding sources may be federal and cities/jurisdictions will be required to comply with all federal funding procedures and requirements.

#### **Scoring**

Project will be evaluated on the following criteria on a 100 point score. An event must receive a minimum of 70 points to be eligible for funding.

#### **General Event Information – 10 points**

## Project Feasibility – 25 points

Proposed partnerships and demonstration of potential for event success*	10
Event readiness (Funds will be required to be expended by December 31, 2020)	4
Agency’s existing active transportation programs and policies	4
Community support	4
Matching funds committed	3

\* Partners may include but are not limited to COGs, community groups, event producers and non-profits. Previous grantees must demonstrate success with previous events and lessons learned. New applicants must demonstrate that they have the capacity to produce an Open Street event.

## Route Setting – 35 points

Route is innovative (Examples include evening events, events that encourage increased retail/stakeholder participation, and events that deviate from previous LA County Open Street events)	5
Event cost per mile and value of connections to destinations along the route	5
Proximity and access to commercial and retail corridors	5
Connections to cultural, architectural, historical and/or important destinations in the community	4
Route includes disadvantaged communities*	4
Route is along or intersects with existing bicycle infrastructure**	3
Activities for pedestrians (e.g. dance classes, yoga, concessions, information booths)	3
Topography - The route minimizes hilly terrain***	3
Route length (industry standards recommend a minimum of between 4 and 6 miles in length)	3

\*Based on average of 70th percentile CalEnviroScreen Score for census tracts directly adjacent to the proposed route (<http://oehha.maps.arcgis.com/apps/Viewer/index.html?appid=112d915348834263ab8ecd5c6da67f68>)

\*\*Will the route be on or intersect any existing bicycle infrastructure? Will the route encourage first time riders to modify their travel behavior in the future?

\*\*\* As an example see San Francisco’s “Wiggle” - [http://en.wikipedia.org/wiki/The\\_Wiggle](http://en.wikipedia.org/wiki/The_Wiggle)

## Transit and Community Connectivity - 30 points

Route includes multiple jurisdictions	10
Ability to attract participants from surrounding and countywide jurisdictions	5
Accessibility to Metro Rail	5
Connections between multiple central business districts or retail corridors	5
Applicant jurisdiction has not had a previous Open Street event in their community	5

## Funding Eligibility

Funding may be used for pre-event planning & outreach costs in conjunction with implementing an event. Funding may be used for any operational or capital cost associated with the day-of event excluding activation/routing held off-street unless approved in writing by the Open Streets Grant Program Manager. Funding may not be used for alcohol-related activities. Funds awarded will not exceed the event cost in the original application and may be less if the key objectives can be achieved at lower costs. Scope and event day changes shall be handled administratively and be approved by Program Manager. Any cost overruns shall be the responsibility of the applicant. Both third party consulting costs and internal staff costs for directly providing services with respect to the project will be eligible for funding.

### **Data Collection and Reporting Requirements**

Grantee shall collect data using Metro's selected data collection methodology and survey instrument as provided by the Metro's Open Street Evaluation Study contractor. Data should be provided to Metro in a post-implementation spreadsheet no later than three months after the event is executed. Metro will withhold ten percent (10%) of eligible expenditures per invoice as retainage. Metro will release retainage after Metro has evaluated Grantee's post-implementation report and data collection performance according to the criteria specified by Metro and its Evaluation Study contractor. Data collection will include at a minimum but not be limited to: participation counts of pedestrians and cyclists along the route; transportation use data and counts of individuals exiting Metro Rail Stations with bicycles where applicable; personal anecdotes; and economic impact on local retailers. Additional reporting criteria will be added to the Memorandum of Understanding and standardized data collection template to better evaluate the progress of the program toward achieving the objectives of the program goals presented in Board Motion 72 including providing post-implementation reports that include plans for any new permanent active transportation infrastructure in the community, and/or temporary pop-up pilot infrastructure along the event route for a pilot period after the event is held if feasible, and what other means the jurisdictions will do to increase bicycle and pedestrian mode shares post event.

### **General and Administrative Conditions Lapsing Policy**

Open Streets FY2020 Mini-cycle events must be staged by June 31, 2020 and funds not expended by this date will lapse. Lapsed funding will go towards the next grant cycle of the Open Streets Program. Applicants who have their funds lapse may reapply for funding in the next cycle -- however their requests will be prioritized after new applicants and previously successful applicants.

### **Grant Agreement**

Each awarded applicant must execute a grant agreement with Metro. The agreement will include the event scope and a financial plan reflecting the grant amount, event partners and the local match. Funding will be disbursed on a reimbursement basis subject to satisfactory compliance with the original application cost and schedule as demonstrated in a quarterly report supported by a detailed invoice showing the staff and hours billed to the project, any consultant hours, etc. Final scheduled payment will be withheld until the event is staged and approved by Metro and all post-implementation requirements have been satisfied.

### **Audits and Event Scheduling**

All grant programs may be audited for conformance to their original application. Metro shall review event schedule and final date of the event to ensure regional and scheduling distribution. At Metro's Program Manager's request events may be rescheduled to avoid overlapping events.

### **Application**

#### **General Information**

1. City/Government Agency Name:

2. Project Manager Name:
3. Project Manager Title and Department:
4. Project Manager Phone Number:
5. Project Manager E-mail Address:
6. City Manager Name:
7. City Manager Phone Number:
8. City Manager E-mail Address:

**General Open Street Event Information**

9. Open Street Event Name  
(Example: Sunnytown Sunday Parkways Open Street Event.)  
*Maximum Allowed: 150 characters.*

10. Event Description  
(Example: Main Street, Flower Street, Spring Street, 7<sup>th</sup> Street, 1<sup>st</sup> Street and Broadway Avenue in downtown Sunnytown will be closed to cars from downtown to mid-town to invite people on foot and on bikes to rediscover the streets of their community in a car-free environment. Local retailers and restaurants will be invited to expand their operation in to the street. A health fair, yoga in the street, booths from local community organizations, and an art show will be included in the route.)  
*Maximum Allowed: 500 characters.*

11. Estimated Route Length (in miles):  
*Maximum Allowed: 4 digits.*

12. Estimated Number of Signalized Intersections:  
*Maximum Allowed: 3 digits*

13. Attach a map of the proposed route including a clear demarcation of event bounds by street name. A digital map made in Google maps or ArcGIS is preferred

14. Describe the pavement quality along the route and any considerations that will be made for poor quality pavement.  
*Maximum Allowed: 150 characters.*

15. Does the event route cross any freeway on or off ramps? (Y/N)

If “YES” for Question 15

15a. How many freeway crossings exist along the proposed route and what are their locations? (NOTE: Additional coordination with CalTrans will be required for each freeway ramp crossing at the cost of grantee).

*Maximum Allowed: 150 characters*

16. Does the event include rail grade crossings? (Y/N)

If “YES” for Question 16

16A. How many grade crossing exist along the proposed route and what are their locations? (NOTE: Additional staff resources will be required for each grade crossing at the cost of grantee).

*Maximum Allowed: 150 characters*

17. Municipal and private motorized vehicles are prohibited from the route for the entirety of the event. List how your jurisdiction will monitor the route without motorized vehicles; what measures will be taken to ensure that vehicles do not enter the route, and any other safety measures that will be taken.

*Maximum Allowed: 300 characters*

### **Project Feasibility**

18. Estimated month & year of Event (Funds will be available starting in July 2019, pending Metro Board approval. Event must be staged by June 31, 2020) *Maximum Allowed: 6 digits*

19. Does your City’s General Plan or other planning program support open street events and/or active transportation?

(Examples include: adopted a Complete Streets Policy or Updated Circulation Element to include Complete Streets, adopted a Bike Plan, adopted a Pedestrian Plan, Developing or implementing Bike Share Programs, adopted Climate Action Plans, and Implementation of Parking Management Programs to encourage more efficient use of parking resources)

*Maximum Allowed: 500 characters*

20. Would your jurisdiction be amenable to reduced scope or route length? (Y/N)

### **Demonstration of Event Success**

21. Does your city plan to partner with any non-profits, event production companies and other community partners to assist in event implementation and planning? (Y/N)

If “YES” for question 21

21a. List your proposed partners and their role in the event planning and implementation:

*Maximum Allowed: 600 Characters*

If “NO” for question 21

21b. What is your city doing in lieu of partnerships with outside agencies (including non-profits and other community partners) to engage the community and make the event successful? *Maximum Allowed: 800 Characters*

22. Does your city have previous experience organizing open street events or other large public events (such as large city-wide or region-wide events related to

transportation, athletics, cultural celebrations and/or events that require street closures)? List and describe.

*Maximum Allowed: 800 Characters*

If “YES” for question 22

22a. What lessons has your city learned from previous open street (or similar) events that will increase the success of the proposed event? *Maximum Allowed: 800 Characters*

### **Event Budget**

23. What is the total estimated cost of the event?

*Maximum Allowed: 10 characters.*

24. What is the requested grant amount? *Maximum Allowed: 10 characters*

25. What is the proposed local match amount? (min 20% in-kind required)

*Maximum Allowed: 10 characters.*

26. What are the estimated outreach costs?

*Maximum Allowed: 10 characters.*

27. What are the estimated pre-event planning costs?

*Maximum Allowed: 10 characters.*

28. What are the estimated day(s) of event(s) staging costs (including staffing, rentals, permits, etc.)?

*Maximum Allowed: 7 characters.*

29. Agencies are required to provide a 20% match: Will you provide an in-kind or a local fund match?

1. In-kind
2. Local Fund Match

30. What is the event cost per mile (Answer to #23 / Answer #11)?

31. Attach completed Financial Plan and event Scope of Work templates provided at <https://www.metro.net/projects/active-transportation/metro-open-streets-grant-program/>

### **Route Setting**

32. Will the route connect multiple cities? Y/N

List all partner cities.

If “YES” to question 32

32a. How will your city insure connectivity throughout the route, coordination between multiple agencies and a sense of one contiguous event?

*Maximum Allowed: 1000 characters.*

33. Will the route be along or connect to commercial corridors? Y/N Explain.

*Maximum Allowed: 1000 characters.*

34. Will the route be along any residential corridors? (Y/N)

*Maximum Allowed: 1000 characters*

If “YES” to question 34

34a. How will your city ensure connectivity throughout the route, a sense of one contiguous event through residential areas, and that participants do not feel isolated from the more active commercial areas of the event?

*Maximum Allowed: 1000 characters.*

35. Will the route be along any industrial or institutional corridors (such as large medical centers, universities, or fairgrounds)? (Y/N)

*Maximum Allowed: 1000 characters*

If “YES” to question 35

35a. How will your city insure connectivity throughout the route, a sense of one contiguous event through industrial/institutional areas, and that participants do not feel isolated from the more active commercial areas of the event?

*Maximum Allowed: 1000 characters.*

36. Will the route be along or connect to cultural, architectural, recreational and/or historical destinations and events? Y/N Explain.

*Maximum Allowed: 1000 characters.*

37. List and describe the bicycle and off-street pedestrian infrastructure along or adjacent to the route. *Maximum Allowed: 1000 characters.*

38. What is the elevation change between the highest and lowest points along the proposed route? (Tip: you can use a free website like [www.mapmyride.com](http://www.mapmyride.com) or google maps to calculate this information).

39. Will the event be innovative? Y/N

If “YES” to question 39

39a. List ways that the event will deviate from previous LA County Open Street events and how it will attract new participants (examples include afternoon or evening events, events that celebrate holidays or other special occasions such as Valentine’s Day and Halloween, events that encourage increased retail/stakeholder participation, etc.).

40. Provide an outline of the general programming elements/ideas/goals that will be represented in activities along the route the day of the event (an example is public health goals will be highlighted by fitness classes such as yoga along the route).

*Maximum Allowed: 1000 characters.*

41. Use EnviroScreen score to determine the average score of the combined census tracts that are located directly adjacent to the route.

<http://oehha.maps.arcgis.com/apps/Viewer/index.html?appid=112d915348834263ab8ecd5c6da67f68>

*Maximum Allowed: 4 digits*

### **Regional Significance**

42. List all rail stations within a ½ mile radius of the event route.

*Maximum Allowed: 250 characters*

43. For those rail stations within a ½ mile radius of the event route that do not connect directly to the route, please provide explanation for the lack of connection, and describe how you will ensure safe transport of participants from those stations to the route (including coordination with the station operators and other means).

*Maximum Allowed: 1000 characters*

44. How will your city transport people to the event other than by personal automobile? Explain how you will use organized bike trains/feeder rides (groups of people who travel by bike together), bike-bus shuttles (that carry a minimum of 10 bikes each) or other multi-modal options to transport people to the event, particularly if no Metro Rail or other rail option is available.

*Maximum Allowed: 1000 characters*

### **Marketing and Outreach**

45. Briefly describe the marketing strategy you will employ to encourage event participation from nearby jurisdictions and throughout the county. *Maximum allowed: 150 characters*

46. What strategies will you employ to encourage increased participation of businesses located along the event route (examples include temporary suspension of sidewalk display permitting, workshops, door-to-door outreach, etc.)? *Maximum allowed 150 characters*

47. Upload a letter of support from the city/county applicant and if applicable each city/non-profit/other partner. (Please include all letters in one PDF).

48. Describe how your city will satisfy Metro's data collection requirements (i.e. agency staff, volunteers, consultant, etc.) and any additional event data the agency may collect.

49. If your agency plans to submit more than one application, please rank this application in order of priority with 1 being the most important and 2 the second most important, etc.



# Open Streets FY 2020 Mini-cycle



**Metro**

# September, 2018 Board Motion

## September, 2018 Board Motion 16.1 directed staff to:

- Report back to the Board in 120 days with potential strategies and methods to ensure resources are spread across a wider geographical area;
- Create a “mini-cycle” in FY2020 of Open Street Grant applications for communities that have not received funding from the Cycle 3 Grants; and
- Identify potential funding sources of up to \$1 million for the “mini-cycle” Open Street event applications.



# Recommendation

## Staff recommends the following components:

- AUTHORIZING the Metro Open Streets Grant Program FY 2020 Mini-cycle Application and Guidelines (Attachment B).
- REPROGRAMMING \$252,688 in available Cycle Two funds towards the FY 2020 Mini-cycle (\$71,688) ; and to fully fund Cycle Three awarded events in El Monte and Paramount (\$181,000).



# Regional Diversity in Funding

## Funding Distribution For All Cycles

Subregion	Apps Received	Percent of Total Apps Received	Apps Awarded	Percent of Total Apps Awarded
San Gabriel Valley	12	18.8%	10	22.7%
Gateway Cities	17	26.6%	9	20.5%
Central Los Angeles	12	18.8%	9	20.5%
Westside Cities	10	15.6%	8	18.2%
South Bay	6	9.4%	3	6.8%
San Fernando Valley	4	6.3%	3	6.8%
Arroyo Verdugo	3	4.7%	2	4.5%
Total	64	100.0%	44	100.0%

# Regional Diversity in Funding

## Methods to Ensure Regional Diversity

- Continue to work with COG offices to offer application workshops;
- Present to relevant committees at Metro;
- Offer an application workshop at Metro Headquarters; and
- Coordinate with COGs and other cross-jurisdictional entities to assist with grant writing assistance for smaller, more resource challenged cities across the County.



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# Map of Approved Events All Cycles



0 5 10 Miles

Cycle Three Recommendations

Cycle One Funded Events

Cycle Two Funded Events



# Funding Identification

- Staff is requesting to reprogram \$252,688 in available Cycle Two funds towards the FY 2020 Mini-cycle; and to fully fund Cycle Three awarded events in El Monte and Paramount
- Staff is coordinating with the Office of Management and Budget to identify a funding source within the FY 2020 budget process to fund the remainder of the FY 2020 Mini-cycle



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# Next Steps

## Pending Board Approval:

- Release online application in early February 2019;
- Hold a workshop;
- Outreach to COGs, the Metro TAC and TAC subcommittees to present at meetings and offer grant writing assistance for smaller, more disadvantaged cities; and
- Return to Board for the Mini-cycle funding recommendations in summer 2019.







## Board Report

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File #: 2018-0767, File Type: Program

Agenda Number: 19.

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### PLANNING AND PROGRAMMING COMMITTEE JANUARY 16, 2019

**SUBJECT: MEASURE M MULTI-YEAR SUBREGIONAL PROGRAM - LAS VIRGENES/MALIBU  
SUBREGION**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

A. APPROVING:

1. programming of \$22,045,893 in Measure M Multi-Year Subregional Program (MSP) - Active Transportation/Transit/Tech Program (Attachment A);
2. programming of \$18,824,581 in Measure M MSP Highway Efficiency Program (Attachment B);  
and

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

#### **ISSUE**

Measure M MSPs are included in the Measure M Expenditure Plan. All MSP funds are limited to capital projects. Each Subregion is required to develop the MSP five-year plan (Plan) and project list. Based on the amount provided in the Measure M Expenditure Plan, a total amount of \$57,888,134 was forecasted to be available for programming in Fiscal Year (FY) 2017-18 to FY 2021-22, to the Las Virgenes/Malibu Subregion in two Programs: 1) Active Transportation/Transit/Tech (expenditure line 56); and 2) Highway Efficiency (expenditure line 57). Board approval is necessary to program the funds to these projects and serve as the basis for Metro to enter into Funding Agreements with the respective implementing agencies.

#### **DISCUSSION**

On June 2017, the Metro Board of Directors approved the adoption of the Measure M Master Guidelines (Guidelines), with two amendments and five approved motions. Subsequently, the Administrative Procedures for Measure M MSP were signed by the Chief Executive Officer (CEO) on

February 2, 2018.

The Las Virgenes/Malibu Subregion consists of the cities of Agoura Hills, Calabasas, Hidden Hills, Malibu, Westlake Village and adjacent unincorporated area of Los Angeles County. On May 31, 2018, a Funding Agreement was executed between Metro and the Subregion Council of Governments (COG) for the Planning Activities (Plan development and updates) for the MSP. The COG led the Plan development process, which includes working with all the member jurisdictions along with the public participation process. The COG Governing Board also adopted Subregional Qualitative Performance Measures including Mobility, Economic Vitality, Accessibility, Safety and Sustainability & Quality of Life, per the Administrative Procedures.

In the last several months, Metro staff worked closely with the COG and the implementing agencies on project eligibility reviews of the proposed projects. For those proposed projects that are to be programmed in FY 2018-19 and FY 2019-20 (near term - first two programming years), Metro required a detailed project scope of work during staff review for eligibility and program nexus during the Plan development process, i.e. project location and limits, length, project elements, project phase (s), total project expenses and funding requested, and project schedule, etc. The amount of details will ensure timeliness of the Project Funding Agreements execution once the Metro Board approves the Plan. For those proposed projects that will have programming funds in FY 2020-21 and beyond, Metro accepted high level (but focused and relevant) project scope of work during the review process. Metro staff will work with the Subregion and the implementing agencies on the details through a future annual update process. Those projects will receive conditional approval as part of this approval process. However, final approval of funds for those projects shall be contingent upon the implementing agency proving the eligibility of each project as required in the Guidelines.

### Equity Platform

Consistent with Metro's Equity Platform, the MSP outreach effort recognizes and acknowledges the need to establish comprehensive, multiple forums to meaningfully engage the community to comment on the proposed projects under both Programs. COG along with the cities of Agoura Hills, Calabasas, Hidden Hills, Malibu, Westlake Village and adjacent unincorporated area of Los Angeles County undertook a robust outreach effort and invited the general public to a series of public workshops and meetings. Metro will continue to work with the Subregion to seek opportunities to reach out to a broader constituency of stakeholders.

### **DETERMINATION OF SAFETY IMPACT**

Programming of Measure M MSP funds to the Las Virgenes-Malibu Subregional projects will not have any adverse safety impacts on Metro's employees or patrons.

### **FINANCIAL IMPACT**

In Fiscal Year (FY) 2018-19, \$415,000 is budgeted in Cost Center 0441 (subsidies budget - Planning) for the Active Transportation/Transit/Tech Program (Project # 474401) and \$1.5 million is budgeted in Cost Center 0442 (Highway Subsidies) for the Highway Efficiency Program (Project #475503). Since

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these are multi-year projects, Cost Centers 0441 (Planning - Subsidies to Others) and 0442 (Highway Subsidies) will be responsible for budgeting in future years.

#### Impact to Budget

The sources of funds for these projects are Measure M Transit, First/Last Mile (Capital) and Highway, Active Transportation, Complete Streets (Capital). These fund sources are not eligible for Metro bus and rail operating and capital expenditures.

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

Recommendation supports the following goals of the Metro Vision 2028 Strategic Plan:

Goal 1: Provide high-quality mobility options that enable people to spend less time traveling by alleviating the current operational deficiencies and improving mobility along the projects.

Goal 4: Transform LA County through regional collaboration by partnering with the Council of Governments and the local jurisdictions to identify the needed improvements and take the lead in development and implementation of their projects.

### **ALTERNATIVES CONSIDERED**

The Board could elect not to approve the programming of funds for the Measure M MSP projects for the Las Virgenes/Malibu Subregion. This is not recommended as the proposed projects were developed by the Subregion in accordance with the Measure M Ordinance, Guidelines and the Administrative Procedures.

### **NEXT STEPS**

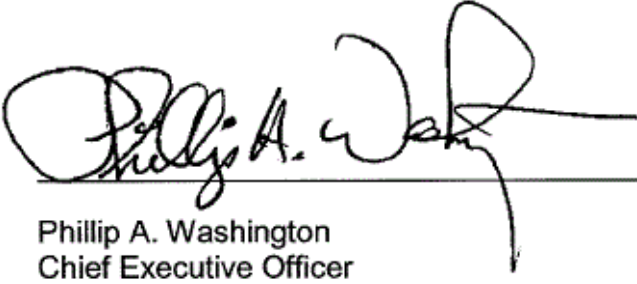
Upon Board approval, respective implementing agencies will be notified, and Funding Agreements will be executed with those who have funds programmed in FY 2018-19 and FY 2019-20. Staff will continue to work with the Las Virgenes/Malibu Subregion COG and the implementing agencies to identify and implement projects. Annual updates will be provided to the Board.

### **ATTACHMENTS**

Attachment A - Active Transportation/Transit/Tech Program Project List  
Attachment B - Highway Efficiency Program Project List

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**Las Virgenes/Malibu Subregion  
Measure M Multi-Year Subregional Plan - Active Transportation/Transit/Tech Program**

	Agency	Project ID No.	Project/Location	Funding Phases	FY 2018-19	FY2019-20	FY2020-21	FY 2021-22	Total Program
1	Calabasas	MM4401.02	City-wide Green Streets - Malibu Hills Road, Calabasas Road, Old Town Calabasas, Las Virgenes Road and Parkway Calabasas	PS&E Construction	\$ 1,656,164				\$ 1,656,164
2	Calabasas	MM4401.03	Mulholland Highway Gap Closure - Old Topanga Canyon Road & Old Topanga Canyon Road to City Limits	PS&E Construction	450,200	3,172,765	2,590,285		\$ 6,213,250
3	Calabasas	MM4401.04	Old Town Parkway Improvements - Park Granada to City Limits*	PS&E Construction				1,987,335	\$ 1,987,335
4	Malibu	MM4401.05	Pedestrian/Bicyclist Crosswalk Improvements - PCH @ Big Rock Dr. & 20356 PCH	PS&E Construction		41,915	118,238	523,066	\$ 683,219
5	Malibu	MM4401.06	Westward Beach Parking and Walkway Improvements	PS&E Construction	1,500,000	1,200,000	800,000		\$ 3,500,000
6	Westlake Village	MM4401.07	Lindero Linear Park - Lindero Canyon Blvd from Agoura Rd to Foxfield Dr.	PS&E Construction	3,206,314	1,146,364			\$ 4,352,678
7	Westlake Village	MM4401.08	Lindero Sidewalk Extension - Thousand Oaks Blvd to Via Colinas*	PS&E ROW			1,175,023	1,203,224	\$ 2,378,247
8	LA County	MM4401.09	Malibu Canyon Road Bridge Replacement	PS&E Construction	100,000	100,000	175,000	500,000	\$ 875,000
9	LA County	MM4401.10	Topanga Beach Shuttle Bus Stops Improvements (Metro Orange Line to Metro Expo Line in Downtown Santa Monica)	PS&E Construction	50,000	100,000	250,000		\$ 400,000
<b>Total Programming Amount</b>					<b>\$ 6,962,678</b>	<b>\$ 5,761,044</b>	<b>\$ 5,108,546</b>	<b>\$ 4,213,625</b>	<b>\$ 22,045,893</b>

\* Conditional programming approval as only high level scope of work was developed and reviewed. Future annual update process will reconfirm the programming.

**Las Virgenes/Malibu Subregion  
Measure M Multi-Year Subregional Plan - Highway Efficiency Program**

	Agency	Project ID No.	Project/Location	Funding Phases	FY 2018-19	FY2019-20	FY2020-21	FY 2021-22	Total Program
1	Agoura Hills	MM5503.01	U.S 101/Palo Comado Interchange - Chesebro Rd S to Driver Ave. & Chesebro Rd to N of interchange	PS&E Construction	\$ 5,393,212	\$ 2,802,224			\$ 8,195,436
2	Agoura Hills	MM5503.02	Kanan Road Corridor from Thousand Oaks Blvd to Cornell Road *	Env PS&E			1,051,879	1,761,614	2,813,493
3	Hidden Hills	MM5503.03	Long Valley Road/Valley Circle/US-101 On-Ramp Improvements	PS&E, ROW Construction	468,006	243,169	249,247	255,230	1,215,652
4	Malibu	MM5503.04	Malibu Park and Ride Lots	ROW	3,100,000				3,100,000
5	Malibu	MM5503.05	Median Improvements PCH	PS&E Construction	150,000	150,000	1,000,000	700,000	2,000,000
6	LA County	MM5503.06	Malibu Canyon Road Improvements - Malibu Canyon Rd @ Piuma Rd. & Las Virgenes Rd @ Las Virgenes Canyon Rd	PS&E ROW Construction	200,000	125,000	700,000	475,000	1,500,000
<b>Total Programming Amount</b>					<b>\$ 9,311,218</b>	<b>\$ 3,320,393</b>	<b>\$ 3,001,126</b>	<b>\$ 3,191,844</b>	<b>\$ 18,824,581</b>

\* Conditional programming approval as only high level scope of work was developed and reviewed. Future annual update process will reconfirm the programming.



Board Report

File #: 2018-0621, File Type: Appointment

Agenda Number: 20.

**OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE  
JANUARY 17, 2019**

**SUBJECT: MEMBERSHIP ON METRO GATEWAY CITIES SERVICE COUNCIL**

**ACTION: APPROVE NOMINATION**

**RECOMMENDATION**

APPROVE Mr. Danny Hom for membership on Metro’s Gateway Cities Service Council.

**ISSUE**

A member of the Gateway Cities Service Council submitted his resignation effective October 11, 2018. The term of the now-vacant seat is July 1, 2018 - June 30, 2021.

**DISCUSSION**

Metro seeks to appoint Service Council members reflective of the demographics of each respective region. The 2010 Census demographics of each of the Service Council regions are as follows:

% Sector Total	Hispanic	White	Asian	Black	Other	Total Pop
San Fernando Valley	41.0%	42.0%	10.7%	3.4%	2.9%	100.0%
South Bay	42.5%	23.8%	12.0%	18.3%	3.4%	100.0%
Westside/Central	43.5%	30.7%	13.0%	10.0%	2.8%	100.0%
Gateway Cities	63.9%	16.7%	8.5%	8.6%	2.3%	100.0%
Service Area Total	48.5%	26.8%	14.0%	8.2%	2.6%	100.0%

The individual listed below has been nominated to serve by the Gateway Cities Service Council’s appointing authority. If approved by the Board, this appointment will serve the remainder of the seat’s three-year term. A brief listing of qualifications for the new nominee is provided along with the nomination letter from the nominating authority.

**Gateway Cities**

The demographic makeup of the Gateway Cities Service Council with the appointment of these

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nominees will consist of four (4) White members and four (4) Hispanic members as self-identified by the members in terms of racial/ethnic identity. The gender breakdown of the Council will be five (5) men and three (3) women.

- A. Danny Hom, Gateway Cities Service Council, New Appointment  
Nominated by: Gateway Cities Council of Governments  
Term Ending: June 30, 2021

### **DETERMINATION OF SAFETY IMPACT**

Maintaining the full complement of representatives on each Service Council to represent each service area is important. As each representative is to be a regular user of public transit, and each Council is composed of people from diverse areas and backgrounds, this enables each Council to better understand the needs of transit consumers including the need for safe operation of transit service and safe location of bus stops.

### **ALTERNATIVES CONSIDERED**

The alternative to approving this appointment would be for this nominee to not be approved for appointment. To do so would result in reduced effectiveness of the Service Councils, as it would increase the difficulty of obtaining the quorum necessary to allow the Service Councils to formulate and submit their recommendations to the Board. It would also result in the Service Councils having less diverse representation of their respective service area.

### **NEXT STEPS**

Staff will continue to monitor the major contributors to the quality of bus service from the customer's perspective, and share that information with the Service Councils for use in their work to plan and to implement and improve bus service in their areas and the customer experience using our bus service.

### **ATTACHMENTS**

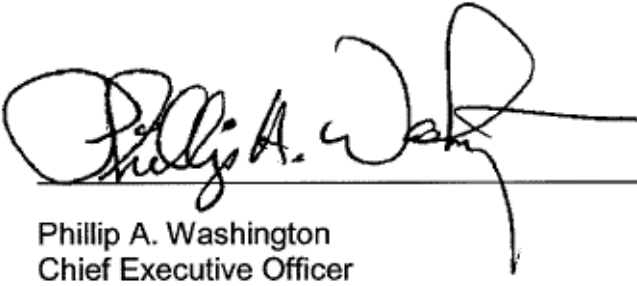
Attachment A - Nominee's Listing of Qualifications  
Attachment B - Nomination Letter

Prepared by: Conan Cheung, Sr, EO Service Development, Scheduling and Analysis,  
(213) 418-3034

Gary Spivack, DEO, Regional Service Councils, (213) 418-3234

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108





Phillip A. Washington  
Chief Executive Officer

**NEW APPOINTEE BIOGRAPHY AND QUALIFICATIONS**

**DANNY HOM**

**Nominee for Gateway Cities Service Council**



Danny Hom is a lifelong resident of Los Angeles County and has lived in the Gateway Cities region for most of that time. He currently resides in Long Beach and works as the Development and Communications Coordinator for GRID Alternatives, a non-profit that works to make renewable energy technology and job training accessible to underserved communities. Prior to working with GRID, he has held multiple positions as a social media strategist and worked communications manager. Mr. Hom holds a Bachelor of Arts in English from UCLA and a certificate in Fundraising from the UCLA Extension.

APPOINTING AUTHORITY NOMINATION LETTER

SOUTHEAST LOS ANGELES COUNTY



GATEWAY CITIES  
COUNCIL OF GOVERNMENTS

- Artesia
- Avalon
- Bell
- Bellflower
- Bell Gardens
- Ceritos
- Commerce
- Compton
- Cudahy
- Downey
- Hawaiian Gardens
- Huntington Park
- Industry
- La Mirada
- Lakewood
- Long Beach
- Lynwood
- Maywood
- Montebello
- Norwalk
- Paramount
- Pico Rivera
- Santa Fe Springs
- Signal Hill
- South Gate
- Vernon
- Whittier
- County of Los Angeles
- Port of Long Beach

December 10, 2018

Mr. Phillip A. Washington, CEO  
Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, CA 90012

Dear Mr. Washington:

**Nominee for the Metro Gateway Cities Service Council**

Acting in its capacity as the convening coalition of the Metro Gateway Cities Service Council, the Board of Directors of the Gateway Cities Council of Governments has nominated one member of the community to fill a seat expiring on June 30, 2021, replacing Richard Burnett.

At its regularly scheduled meeting of December 5, 2018, the Gateway Cities Council of Governments Board of Directors nominated Mr. Danny Hom, Member of the Community, to fill the seat expiring June 30, 2021. A copy of the nominee's application is enclosed.

We would appreciate your assistance in agendizing the nomination for confirmation by the MTA Board of Directors at the next regularly scheduled meeting.

Sincerely,

Nancy Pfeffer  
Executive Director

Enclosure

Cc: Ms. Dolores Ramos, Sr. Administrative Analyst, Regional Service Councils

**Board Report**

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**File #:** 2018-0723, **File Type:** Contract**Agenda Number:** 21.

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**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE  
JANUARY 17, 2019****SUBJECT: THREE-WAY MUFFLER CATALYSTS****ACTION: AWARD CONTRACT****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a two year, Indefinite Delivery, Indefinite Quantity Contract No. MA56400000 to Cummins Incorporated, the lowest responsive and responsible bidder for Three-Way Muffler Catalysts. The award is for a Base year not-to-exceed of \$607,663 inclusive of sales tax, and a one year Option for a not-to-exceed amount of \$622,855, inclusive of sales tax for a total not-to-exceed contract value of \$1,230,518, subject to resolution of protest(s), if any.

**ISSUE**

This procurement is for the acquisition of new three-way muffler catalysts, which are required for maintaining a safe and reliable bus fleet operation. Award of this contract will ensure that Bus Maintenance has adequate inventory to repair and maintain buses according to Metro maintenance standards.

**BACKGROUND**

The component usage reports from Material Management revealed that on an annual basis approximately 125 three-way muffler catalysts were issued to Bus Maintenance to replace failed components and to support replacement during engine rebuild programs. The three-way muffler catalysts are installed by Metro Mechanics at the Central Maintenance Shops and at all bus operating divisions. Buses cannot operate without properly functioning three-way muffler catalysts.

**DISCUSSION**

A three-way muffler catalyst is a simple, passive device that reduces exhaust noise and three harmful emissions from the buses: hydrocarbons (HC), carbon monoxide (CO) and nitrogen oxide (NOx). Problems with the three-way muffler catalyst can quickly lead to engine performance issues. The three-way muffler catalysts support over 90% of our bus fleet which have Cummins 8.9 ISLG engines and Cummins 8.9 ISLG Near-Zero engines.

The contract to be awarded is a “requirements type” agreement in which we commit to order only from the awardee, up to the specified quantity for a specific duration of time, but there is no obligation

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or commitment for us to order any or all of the three-way muffler catalyts that may be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required. The Diversity and Economic Opportunity Department (DEOD) recommended a two percent (2%) DBE goal for this solicitation. The recommended contractor has proposed to meet or exceed the established goal. The purchased three-way muffler catalyts are installed by Metro Mechanics.

Three-way muffler catalyts will be purchased and maintained in inventory and managed by Material Management. As three-way muffler catalyts are issued, the appropriate budget project numbers and accounts will be charged.

### **DETERMINATION OF SAFETY IMPACT**

Award of contract will ensure that all operating divisions and the Central Maintenance Facility have an adequate inventory to maintain the equipment according to Metro Maintenance standards.

### **FINANCIAL IMPACT**

Funding in the amount of \$607,663 for these three-way muffler catalyts is included in the FY19 budget under account 50441, Parts - Revenue Vehicle in multiple bus operating cost centers under project 306002 Operations Maintenance, and in the Central Maintenance cost center 3366 under project 203025 Bus Engine Replacement Project.

Since this is a multi-year contract, the cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years.

#### **Impact to Budget**

The source of funds will come from Federal and local TDA 4 funds that are eligible for Bus capital projects. Use of these funding sources maximizes established funding provisions and guidelines.

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

The procurement of three-way muffler catalyts supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The new three-way muffler catalyts will maintain the reliability of the bus fleet and ensure that our customers are able to arrive at their destinations without interruption and in accordance with the scheduled service intervals for Metro bus operations.

### **ALTERNATIVES CONSIDERED**

The alternative is to not award the contract and procure three-way muffler catalyts on the open market on an as-needed basis. This approach is not recommended since it does not provide a commitment from the supplier to ensure availability and price stability.

### **NEXT STEPS**

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Metro's requirements for three-way muffler catalysts will be fulfilled under the provisions of the contract.

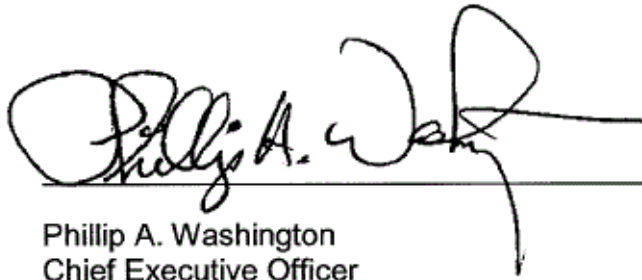
**ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared By: James D. Pachan, Superintendent of Maintenance, (213) 922-5804

Reviewed by: Debra Avila, Chief Vendor/Contract Management Officer (213) 922-6383  
James T. Gallagher, Chief Operations Officer (213) 418-3108



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Phillip A. Washington  
Chief Executive Officer

**PROCUREMENT SUMMARY**

**PURCHASE OF THREE-WAY MUFFLER CATALYSTS/MA56400000**

1.	<b>Contract Number:</b> MA56400000	
2.	<b>Recommended Vendor:</b> Cummins Inc. 1939 Deere Avenue, Irvine, CA 92606	
3.	<b>Type of Procurement (check one):</b> <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	A. <b>Issued:</b> 9/03/18	
	B. <b>Advertised/Publicized:</b> 9/06/18	
	C. <b>Pre-proposal/Pre-Bid Conference:</b> N/A	
	D. <b>Proposals/Bids Due:</b> 10/10/18	
	E. <b>Pre-Qualification Completed:</b> 10/12/18	
	F. <b>Conflict of Interest Form Submitted to Ethics:</b> 10/11/18	
	G. <b>Protest Period End Date:</b> : 1/25/19	
5.	<b>Solicitations Picked up/Downloaded:</b> 5	<b>Bids/Proposals Received:</b> 2
6.	<b>Contract Administrator:</b> Juelene Close	<b>Telephone Number:</b> 213/922-1066
7.	<b>Project Manager:</b> James Pachan	<b>Telephone Number:</b> 213/922-5804

**A. Procurement Background**

This Board Action is to approve Contract No. MA56400000 issued for the procurement of Three-Way Muffler Catalysts. Board approval of contract award is subject to resolution of any properly submitted protest.

IFB No. MA456400 was issued in accordance with Metro’s Acquisition Policy and the contract type is Indefinite Delivery, Indefinite Quantity (IDIQ).

No amendment was issued during the solicitation phase of this IFB:

A total of two bids were received on October 10, 2018.

**B. Evaluation of Bids**

This procurement was conducted in accordance, and complies with LACMTA’s Acquisition Policy for a competitive sealed bid. The two bids are listed below in alphabetical order:

1. Cummins, Inc.
2. The Aftermarket Parts Company, LLC (New Flyer Parts)

All bids received were determined to be responsive and responsible, and in full compliance with the requirements of the IFB.

**C. Price Analysis**

The recommended bid price from Cummins Inc. has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest responsive and responsible bidder.

<b>Bidder Name</b>	<b>Bid Amount</b>	<b>Metro ICE</b>
Cummins Inc.	\$1,230,519	\$1,139,728
The Aftermarket parts Company, LLC (New Flyer Parts)	\$1,600,178	

**D. Background on Recommended Contractor**

The recommended firm, Cummins Inc. is located in Irvine, CA has been in business for 26 years. Cummins Pacific, LLC has provided similar products for other agencies including Orange County Transportation Authority (OCTA), San Diego Metropolitan Transit System, and Santa Monica’s Big Blue Bus has provided satisfactory service and product to Metro on previous purchases.



## DEOD SUMMARY

## PURCHASE OF THREE-WAY MUFFLER CATALYSTS/MA56400000

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 2% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Cummins LLC met the goal by making a 2% DBE commitment.

<b>Small Business Goal</b>	<b>2% DBE</b>	<b>Small Business Commitment</b>	<b>2% DBE</b>
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	<b>DBE Subcontractors</b>	<b>Ethnicity</b>	<b>% Committed</b>
1.	Say Cargo Express	Hispanic American	2.00%
<b>Total Commitment</b>			<b>2.00%</b>

**B. Living/Prevailing 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 wages are not applicable to this contract.

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

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

**Board Report**

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**File #:** 2018-0739, **File Type:** Contract**Agenda Number:** 22.

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**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE  
JANUARY 17, 2019****SUBJECT: FIRE ALARM PANEL REPLACEMENT PROJECT****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

APPROVE an increase to the Life-of-Project (LOP) budget for the bus facilities fire alarm control panel replacement project (CP 202333) by \$1,850,000, increasing the LOP budget from \$1,624,300 to \$3,474,300, which will enable staff to re-solicit and award a contract to the lowest responsible bidder for the bus facilities fire alarm control panel replacement project.

**ISSUE**

In June 2016, the Board approved the fire alarm control panel upgrade project with a LOP budget of \$1,624,300 as part of the adopted FY17 annual budget. The initial project scope developed in 2015 has significantly changed to ensure installing a complete fire alarm control system with compatible components that comply with current local, state and federal fire/life safety regulations and codes. These changes impact the project's overall cost requiring an increase to the LOP budget.

**BACKGROUND**

Currently, there are 26 fire alarm control panels throughout 16 Metro bus facilities. Four (4) of the 26 panels are in good order, leaving 22 panels for replacement at 14 Metro bus facilities.

An initial project scope was developed in 2015 to replace the bus facilities existing fire alarm control panels and components while re-utilizing the existing associated wiring. Based on the initial scope, cost estimates were developed and LOP budget was requested and approved. Upon LOP approval, a thorough Engineering assessment was performed which determined that the existing wiring would not be compatible with the new addressable fire alarm control panels and components.

Since then, the scope of work has been updated to meet all current requirements which includes the replacement of 22 fire alarm control panels, all associated components, wiring, installation of newly mandated auxiliary panels and abatement of potential asbestos and lead paint. This is necessary to ensure compliance with current local, state and federal fire/life safety regulations and codes. The updated scope also includes a one (1) year warranty and maintenance period instead of the 90 day

industry standard.

Although this project has been solicited twice within the past seven (7) months, no award was made, as bids either did not meet the SBE goals or they were priced significantly higher than Metro's Independent Cost Estimate and the current LOP budget.

## **DISCUSSION**

There are 22 fire alarm control panels located at 14 Metro bus facilities requiring replacement. The majority of these panels range between 15 to 30 years old where most of them have exceeded their useful life expectancy. The system components associated with the panels also require replacement considering their age and parts obsolescent.

Fire alarm control panels are extremely important as they protect Metro's employees, assets, and facilities. A complete replacement of the panels and associated components is necessary to ensure compatibility and compliance with the current fire/life safety regulations and codes, as well as to provide timely and effective maintenance services with minimal deficiencies.

## **DETERMINATION OF SAFETY IMPACT**

The approval of this item will ensure installation of new fire alarm control panels with system compatible components to meet current fire/life safety regulations and codes while protecting Metro employees, assets, facilities, and providing comprehensive maintenance services.

## **FINANCIAL IMPACT**

This action will increase the LOP budget for CP 202333, adjusting the LOP budget from \$1,624,300 to \$3,474,300.

Since this is a multi-year project, the Cost Center Manager and Project Manager will ensure that the balance of funds are budgeted in future Fiscal Years. The expenditure plan for CP 202333 is shown in Attachment A.

### **Impact to Budget**

The current source of funds for this action comes from Transportation Development Act (TDA). Use of these funding sources currently maximizes funding allocation given approved funding provisions and guidelines.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Replacement of the existing fire alarm control panels with the associated components and wiring will contribute towards the goal for responsive, accountable, and trustworthy governance within the Metro organization by providing a safe workplace for Metro employees, protecting Metro's valuable equipment and facilities, and complying with current local, state, and federal fire life safety regulations and codes.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to increase the LOP budget. This approach is not recommended as most of the existing fire alarm systems at Metro bus facilities have exceeded their useful life expectancy. This equipment is safety sensitive and any further upgrade delays may impact the facilities' overall fire/life safety service reliability. Delays may also result in higher maintenance costs due to lack of parts' availability for aging equipment.

### **NEXT STEPS**

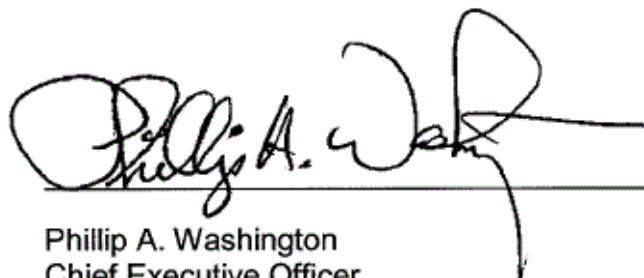
Upon Board approval of the requested LOP budget increase, staff will issue a new solicitation for this project and the CEO may approve the responsive and responsible low bid contract award, pursuant to California Public Contract Code 130051.9(c). The contract will be executed, and Operations - Maintenance and Engineering will proceed forward with the project scope.

### **ATTACHMENTS**

Attachment A - CP 202333 Expenditure Plan

Prepared by: Brady Branstetter, DEO, Facilities Maintenance, (213) 922-6767  
Lena Babayan, Senior Director, Facilities Maintenance, (213) 922-6765

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108  
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



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Phillip A. Washington  
Chief Executive Officer

**CP 202333 Expenditure Plan  
Fire Alarm Replacement - Bus Facilities**

<b>Non-Labor Items</b>	<b>Past ITD</b>	<b>Current FY 2019</b>	<b>Future FY 2020</b>	<b>Future FY 2021</b>	<b>Total</b>
Fire Alarm System Replacement - Bus Divisions			\$ 1,347,874.00	\$ 1,300,500.00	\$ 2,648,374.00
AE47810E0128000 - Systems Engineering Task Order for Fire Alarms Electric Support (Secotrans)			\$ 17,500.00	\$ 17,500.00	\$ 35,000.00
3000006021 - Fire Panel Assessment (HDR Engineering)	\$ 127,834.00				\$ 127,834.00
Other Miscellaneous Services	\$ 792.00				\$ 792.00
Project Contingency				\$ 200,000.00	\$ 200,000.00
<b>Non-Labor Total</b>	<b>\$ 128,626.00</b>	<b>\$ -</b>	<b>\$ 1,365,374.00</b>	<b>\$ 1,518,000.00</b>	<b>\$ 3,012,000.00</b>

<b>Metro Labor</b>	<b>\$ 132,198.00</b>	<b>\$ 65,385.00</b>	<b>\$ 132,360.00</b>	<b>\$ 132,357.00</b>	<b>\$ 462,300.00</b>
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<b>Yearly Cash Flow Forecast:</b>	<b>\$ 260,824.00</b>	<b>\$ 65,385.00</b>	<b>\$ 1,497,734.00</b>	<b>\$ 1,650,357.00</b>	<b>\$ 3,474,300.00</b>
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	<b>ITD</b>				
<b>Prior Year Total Expenditures</b>	<b>\$ 260,824.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 260,824.00</b>



## Board Report

File #: 2018-0748, File Type: Contract

Agenda Number: 23.

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### OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE JANUARY 17, 2019

**SUBJECT: LEASE AGREEMENT WITH ANDY AZAD 2002 IRREVOCABLE TRUST**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute a four-year, three month amendment to the existing lease agreement with Andy Azad 2002 Irrevocable Trust (“Landlord”) for the use of 44,964 rentable square feet (“RSF”) of warehouse space located at 2950 East Vernon Ave, Vernon, commencing May 1, 2019 at a monthly rate of \$40,017.96 for the total value of \$2,189,247 including annual escalations of three percent.

#### **ISSUE**

Supply Chain Management/Logistics currently leases this property under an existing nine-month agreement. The lease will expire April 30<sup>th</sup>, 2019. The warehouse is 26’ clearance with dock high and ground level loading. It was constructed in 1989 and is centrally located on Vernon Avenue between Santa Fe and Soto Avenue, 4 blocks east of Metro’s Vernon Yard Facility - Location 34 (See Attachment A). The proximity to downtown Los Angeles provides ideal central access to support Rail Fleet Services and Wayside Operations for the safe and secure storage of large high-dollar assets critical to the safe and effective operation of Metro’s Rail fleet.

#### **BACKGROUND**

Since the construction of the Blue Line, all Metro Rail projects include contractual spares used for the repair or replacement of failed components on Metro rail cars and mainline systems. For each rail car acquisition and mainline commissioning, a list of recommended rolling stock components is provided by the prime contractor to Metro Operations. Components and quantities are selected based on unit cost up to the original value for spare parts designated in the contract. It is the responsibility of Supply Chain Management/Logistics to house and secure these high-dollar rail assets in support of the daily operation of Metro’s rail fleet and maintain a State of Good Repair.

#### **DISCUSSION**

##### Findings

With the term lease set to expire April 30<sup>th</sup> 2019, Supply Chain Management/Logistics is requesting to secure the warehouse located at 2950 E. Vernon Ave, Vernon for an additional four years and three months.

Supply Chain Management/Logistic warehouses have reached 95% capacity to securely store large Light Rail Vehicle, Heavy Rail, and Wayside components. These items include transformers, mainline switches, multiple large spools of cable containing copper, rail car HVAC systems, pantographs, windshields, axles, train trucks, large body parts, etc.

Supply Chain Management/Logistics is currently receiving an unprecedented amount of material in the form of contractual spares to support the P3010 LRVs. In addition, contractual spares will be received to support the LAX/Crenshaw Transit Project, Gold Line Extension, Purple Line Extension (I, II, & III), Regional Connector, HRV 4000s, Division 20 Portal Widening, and future Rail capital projects that include contractual spares.

### **DETERMINATION OF SAFETY IMPACT**

The proposed lease will compliment Metro's commitment to a safe, clean, on-time and reliable transportation system by safely securing Metro rail assets.

### **FINANCIAL IMPACT**

Adoption of this Board Report would have a \$2,189,247 impact to the agency.

The Amendment provides for monthly payment of \$40,017.96 (annually \$480,215) commencing April 30<sup>th</sup>, 2019 and will cost \$2,189,247 over the four-year three-month term including an annual fixed three-percent escalations in rent.

The lease rate is \$0.89/PSF, modified gross, in which the landlord is responsible for the property taxes, Vernon Warehouse Parcel Tax, and property insurance. Metro is exempt from City of Vernon Business License Tax. Metro is responsible for utilities, at an estimated cost of \$200-\$300 per month, and for any damage caused to the leased premises.

Real Estate staff anticipates a slight increase and finds it to be in line with the escalation of warehouse rent costs in the Los Angeles Region (See Attachment B).

Current year funding for the payment of rent for the warehouse is included in the FY19 budget. Future years funding will be budgeted and paid from Supply Chain/Logistics Cost Center 6350, Project number 300040. The Chief Vendor/Contract Management Officer and Cost Center manager will be responsible for budgeting costs in future years.

### **Impact to Budget**

The current sources of funds for this action are General funds. These funds are eligible for Bus and Rail Operations and Capital expenses. Use of this funding source maximizes allowable project

funding allocations given established provisions and guidelines.

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

Recommendation supports strategic plan goal # 5.

Approval of this recommendation supports Strategic Plan Goal 5: Provide responsive, accountable and trustworthy government by securing Metro Rail investments and supporting Vision 2028.

### **ALTERNATIVES CONSIDERED**

Kinkisharyo in Palmdale quoted a price of \$20,000 per month to house the remaining balance of P3010 contractual spares owed to Metro. This would be one-half the cost of the proposed monthly warehouse rental, however, it would not address the total need for storage space for large material for Metro's contractual spares for all projects mentioned.

Another alternative would be a combination of storing large material down the aisles of existing Supply Chain Management/Logistics warehouses, and in Metro Rail Operations & Maintenance Facilities parking lots. However, this would leave high dollar rail assets unprotected, exposed to the elements, increased labor cost, delay in servicing our customers, and create an extremely inefficient means of managing inventory, as well as create potential fire code violations.

### **NEXT STEPS**

Upon approval as to form by County Counsel, the lease will be sent to the Landlord for execution.

### **ATTACHMENTS**

Attachment A - Map of Property Location

Attachment B - Lease Comparable

Prepared by: Greg Parvin, Materiel Manager, (213) 922-5009

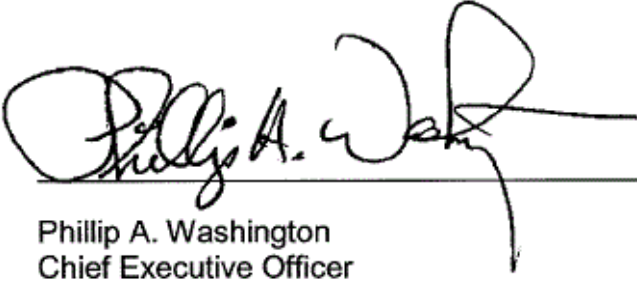
Garth Garrett, Chief Admin Analyst, (213) 922-5078

Don Mendoza, DEO Logistics, (213) 922-5789

Selena Landero, Executive Officer, Supply Chain Management/Logistics (213) 418-3104

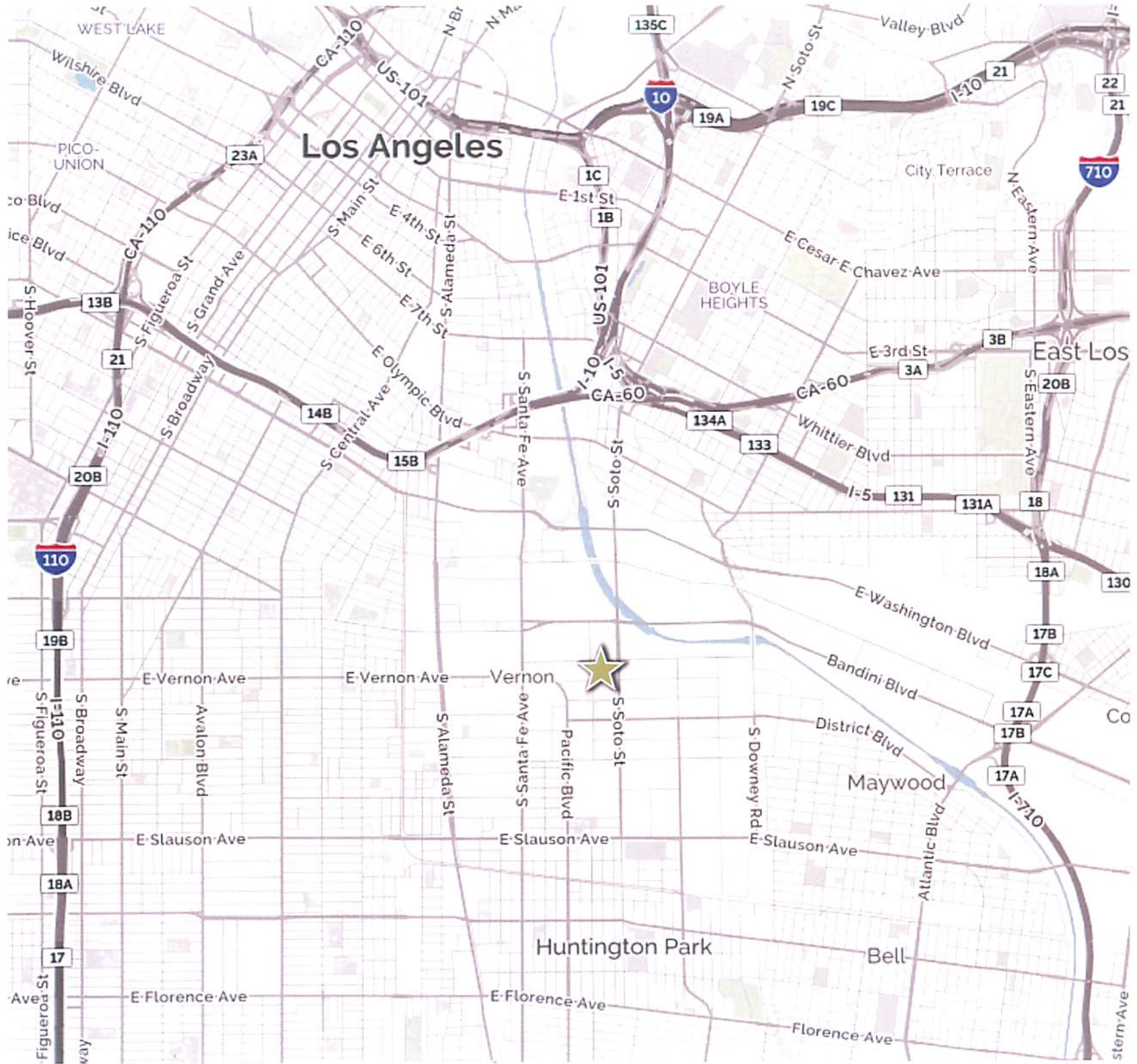
Reviewed by: Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051










Phillip A. Washington  
Chief Executive Officer

# LOCATOR MAP








		Space Leased Rent/SqFt Eff. Rent Bldg SqFt	Office TI Allow Free Rent NNN Chgs	Trans. Date Expir. Date Term Occ Date	Prop. Type Subtype Bldg. Class Parking	On Mrkt Amps Mul-Ten Yr Built	DH GL POL HT	Sprk Rail Yrd Land	Lessee Lessor Space Type Options/Rent Adj
1.		<b>PICO RIVERA COMMERCE CENTER</b> 50,026 <b>8825 MERCURY LN</b> \$0.80 NNN <b>PICO RIVERA, CA</b> \$0.80 Mrkt: Central Los Angeles / Submrkt: Montebello/P Rivera 50,026	10,425 ** 1 mo .15	06/12/17 06/30/20 36 mos 07/01/17	Indust Light B 1.81:1	3 mos 800 N 2004	6 1 N 30	Y N Y / 3% annual increases	Hand Air Express Buick McKane Holdings Direct-New / 3% annual increases
		Proc. Brkr: Lee & Associates - Tim Cronin							List. Brkr: Lee & Associates - Jeff Hubbard
		Comments: 36 Mos Lease Option to Extend; **TI's: Paint Offices/Clean up; Net Charges \$0.15; Warehouse is 100% climate controlled							Source: TW
									Uprd: 06/12/17 #762616
2.		<b>VERNON DISTRIBUTION CENTER</b> 49,250 <b>4665 E 49TH ST</b> \$0.84 NNN <b>VERNON, CA</b> \$0.96 Mrkt: Central Los Angeles / Submrkt: Vernon/Maywood/SG 49,250	2,122 ** 1 mo .245	04/11/18 08/30/28 121 mos 08/01/18	Indust Freezer/Cool B 1.81:1	2 mos 600 N 1991	8 2 N 24	Y N Y / 3% annual increases	Formosa Fresh Connection & Global Prologis Direct-New / 3% annual increases
		Proc. Brkr: Illuminant Properties - Herbert Hwang							List. Brkr: Newmark Knight Frank - John McMillan, Jeff Sanita
		Comments: **Tenant will install 40K SF of cooler space. Leased at asking rate. No downtime. Leased 2 months prior to current tenant's lease expiration. No options. Operating expenses= +/-\$.245psf/mo							Source: JS
									Uprd: 05/16/18 #782757
3.		<b>XEBEC BUSINESS CENTER</b> 40,200 <b>5233 ALCOA AVE</b> \$0.75 NNN <b>VERNON, CA</b> \$0.75 Mrkt: Central Los Angeles / Submrkt: Vernon 118,667	1,952 None 1 mo .185	03/27/18 04/30/20 37 mos 04/01/17	Indust Dist B 1.31:1	11 mos 1,200 N 1999	4 1 Y 30	Y N Y / 3% Annual Increases	Caravan Group LLC Cadogan Tate Sublease / 3% Annual Increases
		Proc. Brkr: Lee and Associates - Andy Gage							List. Brkr: Colliers International - Matt Erickson, Scott Heaton
		Comments: Sublessor is responsible for paying the Vernon Parcel Tax. Net Expenses: \$.185 psf							Source: TW
									Uprd: 04/03/18 #780452
4.		<b>FREEWAY DISTRIBUTION CENTER</b> 40,045 <b>7301-7379 TELEGRAPH ROAD #7301-</b> \$0.67 NNN <b>MONTEBELLO, CA</b> \$0.69 Mrkt: Central Los Angeles / Submrkt: Montebello/P Rivera 192,622	800 P&C 2 mos 0.152	12/01/17 03/14/23 62 mos 01/15/18	Indust Dist B 60sp/.31:1	4 mos 400 Y 1976	6 0 Y 24	Y N N / 3% annual increases	GVH Distribution Comref So Ca Industrial Sub G Direct-New / 3% annual increases
		Proc. Brkr: Hughes Marino - Tucker Hughes							List. Brkr: Newmark Knight Frank - John McMillan
		Comments: + \$.152 opex Lease Status: Executed							Source: TA
									Uprd: 04/17/18 #780997
5.		<b>HARRIS BUSINESS PARK</b> 35,638 <b>4900-5350 ZAMBRANO ST. #4900</b> \$0.69 NNN <b>CITY OF COMMERCE, CA</b> \$0.72 Mrkt: Central Los Angeles / Submrkt: Commerce 128,692	3,400 \$0.84 psf 4 mos .22	01/01/17 05/31/23 76 mos 02/01/17	Indust Dist B	4 mos 200 Y 1984	8 0 N 24	Y Y N / 3.5% annual increases	Pearlman Industries dba Gran Quartz RREEF Direct-New / 3.5% annual increases
		Proc. Brkr: Wildmore Realty - Shan Morris							List. Brkr: CBRE - Cameron Merrill, Jeff Stephens
		Comments: ** TIs: new paint, carpet, and installed a metal ramp (estimated total cost of \$30,000). Net fees @ \$0.22 psf							Source: TA
									Uprd: 03/23/17 #757950




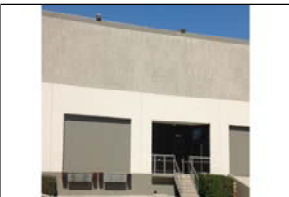

**LEASE COMPARABLES**

 Metropolis  
Industrial with Small Pictures

This information is compiled from data we believe to be correct but no liability is assumed by the company as to the accuracy of such data.

		Space Leased Rent/SqFt Eff. Rent Bldg SqFt	Office TI Allow Free Rent NNN Chgs	Trans. Date Expir. Date Term Occ Date	Prop. Type Subtype Bldg. Class Parking	On Mrkt Amps Mul-Ten Yr Built	DH GL POL HT	Sprk Rail Yrd Land	Lessee Lessor Space Type Options/Rent Adj
6.		<b>CHELI DISTRIBUTION PARK</b> <b>4811 S EASTERN AVE</b> <b>BELL, CA</b> Mrkt: Central Los Angeles / Submrkt: Commerce Area	32,880 \$0.65 NNN \$0.69 32,880	3,945 ** 1 mo .22	02/15/17 04/30/22 61 mos 04/01/17	Indust Dist B 1.0:1	0 mos 800 N 1979	7 1 N 24	Y N Direct-New / 4%I annual increases
		Comments: Off-market lease ** T.I.'s= landlord's standard make-ready improvements. One (5) year option at FMV. Operating expenses= +/- \$0.22psf/mo.							
		Source: TA							
		Updt: 04/10/17 #758890							
7.		<b>330 S ALAMEDA ST</b> <b>LOS ANGELES, CA</b> Mrkt: Central Los Angeles / Submrkt: Arts District	31,456 \$1.90 NNN \$2.72 31,456	17,068 \$50,000 3 mos	04/28/17 06/30/23 72 mos 07/01/17	Indust Flex B	1,200 N 2000	4 0 N 26	Y N Y None / see comments
		List. Brkr: Lee & Associates							
		Comments: Rates:(\$1.90 for the first 18 months, \$2.90 months 19-24, and 3% escalations after. Free parking							
		Updt: 08/15/17 #762779							
8.		<b>COMMERCE DISTRIBUTION CTR</b> <b>5900-5996 E SLAUSON AVE #5900</b> <b>CITY OF COMMERCE, CA</b> Mrkt: Central Los Angeles / Submrkt: Commerce/Bell	29,225 \$0.72 NNN \$0.75 207,915	3,950 P & C 1 mo .123	06/20/17 08/30/22 61 mos 08/01/17	Indust Dist B	100 Y 1976	8 0 Y 24	Y N N / 3% annual increases
		Proc. Brkr: Penta Pacific							
		List. Brkr: Cushman & Wakefield - Dave Hess, Mike Foley							
		Comments: \$.123 net fees. paint / carpet, 1 free plus early occupancy							
		Source: Hess							
		Updt: 06/21/17 #763086							
9.		<b>VERNON DISTRIBUTION CENTER</b> <b>4575 LOMA VISTA AVE</b> <b>VERNON, CA</b> Mrkt: Central Los Angeles / Submrkt: Vernon/Maywood/SG	28,875 \$0.82 NNN \$0.86 28,875	3,324 As is 1 mo .23	04/01/18 05/31/23 61 mos 05/01/18	Indust Dist B	2 mos 400 N 1987	6 0 N 24	Y N N 187,347 / 3% annual increases
		Proc. Brkr: CBRE - Jack Mergenthaler							
		List. Brkr: Newmark Knight - John McMillan, Jeff Sanita							
		Comments: Operating expenses @ \$0.23 psf. One (5) year option at FMV.							
		Source: DH							
		Updt: 05/16/18 #782399							
10.		<b>EAVES DISTRIBUTION CENTER</b> <b>6213-6247 RANDOLPH ST #6241</b> <b>CITY OF COMMERCE, CA</b> Mrkt: Central Los Angeles	28,374 \$0.78 NNN \$0.81 136,134	2,758 As is 2 mos .165	01/01/18 02/28/23 62 mos 01/01/18	Indust Dist B 1.72:1	4 400 Y 1979	4 0 Y 24	Y N N 869,828 / 3% annual increases
		Proc. Brkr: Lee and Associates							
		List. Brkr: Cushman & Wakefield - Dave Hess							
		Comments: Renewal. Net charges @ \$0.165 psf							
		Source: Hess							
		Updt: 01/23/18 #776804							


**LEASE COMPARABLES**

		Space Leased Rent/SqFt Eff. Rent Bldg SqFt	Office TI Allow Free Rent NNN Chgs	Trans. Date Expir. Date Term Occ Date	Prop. Type Subtype Bldg. Class Parking	On Mrkt Amps Mul-Ten Yr Built	DH GL POL HT	Sprk Rail Yrd Land	Lessee Lessor Space Type Options/Rent Adj
11.		<b>HARRIS BUSINESS CENTER</b> 27,710 <b>6000-6098 RICKENBACKER RD</b> \$0.71 NNN <b>CITY OF COMMERCE, CA</b> \$0.74 Mrkt: Central Los Angeles / Submrkt: Commerce Area 183,380	950 None 3 mos .20	01/10/17 04/30/22 63 mos 02/01/17	Indust M-Ten Ind B	1 mo 200 Y 1985	5 1 Y 24	Y Y Y 48,630	Alpine RREEF Expansion None / 4% annual increases
									Proc. Brkr: Hopkins - Ryan Ramage List. Brkr: CBRE - Cameron Merrill Comments: Expansion from next door. They also extended their lease on the 89,000sf next door which in January of 2020 re sets to the rate of the 27,000 sf.
									Source: DH Udpt: 01/31/17 #754446
12.		<b>COMMERCE INDUSTRIAL CENTER 3</b> 26,768 <b>5650-5668 61ST ST #5650</b> \$0.90 GRS <b>COMMERCE, CA</b> \$0.91 Mrkt: Central Los Angeles / Submrkt: Commerce/Bell 53,484	4,000 1 mo	10/25/17 04/30/21 41 mos 12/01/17	Indust Light B	8 mos 800 N 1969	4 0 N 28	Y N N 75,359	Double Zero Inc. Cristal Materials Sublease / 3% annual increases
									Proc. Brkr: Colliers International - Ken Howard List. Brkr: CBRE - Jack Mergenthaler Comments: Operating expenses = \$0.19 psf. Sublease
									Source: JS Udpt: 10/26/17 #773354
13.		<b>6140-6160 MALBURG #6140</b> 25,935 <b>VERNON, CA</b> \$0.67 NNN Mrkt: Central Los Angeles / Submrkt: Vernon/Maywood/SG \$0.71 50,080	1,200 None 4 mos .262	07/20/17 11/30/24 88 mos 08/01/17	Indust Dist B	200 Y 1988	2 0 Y 24	Y Y Y 83,252	CPM Onesource Direct-New None / 3% annual incerases
									Proc. Brkr: Binswanger. - Danny Reaume List. Brkr: CBRE - Cameron Merrill Comments: Landlord is fixing the loading door which wasn't on the track properly. Office was brand new in the building. Net fees @ \$0.262 psf
									Source: Hess Udpt: 07/21/17 #764602
14.		<b>COMMERCE CENTER SOUTH</b> 24,150 <b>6301-6319 CHALET DR #6301</b> \$0.70 NNN <b>CITY OF COMMERCE, CA</b> \$0.74 Mrkt: Central Los Angeles / Submrkt: Commerce 72,030	4,842 ** 1 mo .24	08/16/17 01/30/23 61 mos 01/01/18	Indust Dist B	400 Y 1978	8 1 Y 24	Y Y 469,185	Image Micro Systems Renewal / 3.5% annual increases
									Proc. Brkr: CBRE List. Brkr: Cushman & Wakefield - Mike Foley, Dave Hess Comments: Renewal, **TI's: landlord to replace HVAC units. Net fees @ \$0.24 psf.
									Source: Hess Udpt: 03/06/18 #770055
15.		<b>THE BOX YARD</b> 22,167 <b>2445 E 12TH ST #SUITE C</b> \$0.90 GRS <b>LOS ANGELES, CA</b> \$0.96 Mrkt: Central Los Angeles / Submrkt: Los Angeles 87,840	5,237 As is 0 02/01/17	01/20/17 01/30/22 60 mos 02/01/17	Indust Light B 65sp	400 Y 1988	2 1 Y 24	Y N N None / 3% annual increase	Furniture Company Santa Fe Commerce Center, LLC Direct-New None / 3% annual increase
									Proc. Brkr: CIBA Real Estate List. Brkr: Lee & Associates Comments: Located 7 blocks from Arts District
									Source: ta Udpt: 08/15/17 #758118

**LEASE COMPARABLES**

 Metropolis  
Industrial with Small Pictures

This information is compiled from data we believe to be correct but no liability is assumed by the company as to the accuracy of such data.

		Space Leased Rent/SqFt Eff. Rent Bldg SqFt	Office TI Allow Free Rent NNN Chgs	Trans. Date Expir. Date Term Occ Date	Prop. Type Subtype Bldg. Class Parking	On Mrkt Amps Mul-Ten Yr Built	DH GL POL HT	Sprk Rail Yrd Land	Lessee Lessor Space Type Options/Rent Adj
16.		<b>MONTEBELLO COMMERCE CTR</b> <b>1514-1524 GAGE RD #1514</b> <b>MONTEBELLO, CA</b> Mrkt: Central Los Angeles	20,975 \$0.68 NNN \$0.71 36,519	2,855 as is 1 mo .192	08/10/17 09/30/22 61 mos 09/01/17	Indust Light B 1.09:1	2 1 Y 1986	Y N N 115,016	Discount Trophy & Co., Inc. GLP US Mgmt Direct-New / 3% annual increases
									Proc. Brkr: CBRE - Dan Berkenfield, List. Brkr: JLL - Cameron Driscoll Comments: One 60-month term option. Net fees @ \$0.192 psf.

Source: TA

Updt: 09/06/17 #771001



**Board Report**

**File #:** 2018-0670, **File Type:** Contract

**Agenda Number:** 30.

**REVISED**  
**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE**  
**JANUARY 17, 2019**

**SUBJECT: A650-2015, HEAVY RAIL VEHICLE OVERHAUL AND CRITICAL COMPONENT REPLACEMENT PROGRAM**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to increase the Life-of-Project (LOP) budget to Contract No. A650-2015, for the Heavy Rail Vehicle Overhaul and Critical Component Replacement Program (OCCRP), by \$12,399,908 increasing the total Life-of-Project (LOP) budget from \$86,662,000 to \$99,061,908 as funded per attachment C; and
- B. APPROVING Modification No. 3 to Contract A650-2015, with Talgo Inc., for the design and installation of the Train-To-Wayside Communication (TWC) System in the firm-fixed price amount of \$2,044,908.

**ISSUE**

An on-board, vehicle TWC system is required to permit continued operation through the Division 20 Portal, Turnback and Storage tracks in the event of a TWC system failure at the Rail Operations Center (ROC).

**BACKGROUND**

The Metro Red Line, which opened in January 1993, was designed to the latest standards available in the 1980's and early 1990's. The design included a Wayside Push Button in lieu of a TWC system. In the event of a system failure at the ROC, the Wayside Push Button is used to permit local routing of the vehicles to and from the mainline.

**DISCUSSION**

The Purple Line Extensions (Sections 1, 2 and 3) and Division 20 Portal, Turnback, Storage Project

will have a TWC system installed to permit remote routing of trains from the ROC and ensure compliance with the improved headway requirements. In the event of a system failure at the ROC, an on-board, vehicle TWC system is required to permit local routing of the vehicles to and from the mainline.

The HR4000 HRVs will be delivered with a compatible TWC system. To ensure system and operational reliability, it is recommended that the 74 Option A650 HRVs currently undergoing a midlife modernization effort with Talgo, Inc., be equipped with a compatible on-board, vehicle TWC system.

The Diversity and Economic Opportunity Department (DEOD) did not recommend a Disadvantaged Business Enterprise (DBE) goal for this procurement as it is not applicable. This procurement falls under the Federal Transit Administration's (FTA) Transit Vehicle Manufacturer (TVM) goal in accordance with 49 Code of Federal Regulations (CFR) Part 26.49. However, Talgo Inc. has established a 6.51% goal under the FTA TVM goal.

### **DETERMINATION OF SAFETY IMPACT**

The approval of the Contractor recommendation will have a direct, positive impact to system safety, service quality, system reliability, maintainability and overall customer satisfaction.

### **FINANCIAL IMPACT**

The approved LOP budget for CP 206038 - A650 HRV Midlife Overhaul Project is \$86,662,000. This amount includes funds for the HRV Overhaul project. The requested increase of \$12,399,908 will increase the LOP amount to \$99,061,908, and shall be funded by eligible Measure R/Measure M Funds, State, Federal and other Operations eligible funds.

Of the \$12,399,908 requested \$10,355,000 is for the addition of the Fire Mist Suppression System and was previously approved by the Board in September 2018 (File ID: 2018-0486). The remaining \$2,044,908 is needed for the addition of the TWC system.

Since this is a multi-year contract, the cost center Manager, Project Manager, and Senior Executive Officer, Vehicle Engineering & Acquisition will be responsible for ensuring that Project costs are budgeted in future fiscal years.

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

Approval of this recommendation supports the following Metro Strategic Plan Goal: Deliver outstanding trip experiences for all users of the transportation system. This project will improve safety, service, and reliability in an effort to provide a world-class transportation system that enhances quality of life for all who live, work, and play within LA County.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to approve these contract modifications. However, this alternative is not recommended. In the event of a failure at the ROC, HRVs will not be able to set the operating route



on the new Purple Line Extensions; thus, directly impacting customer service.

**NEXT STEPS**

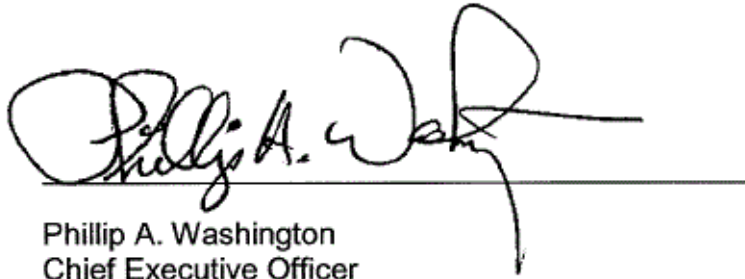
Upon Board approval, the contract modification will be exercised with Talgo, Inc.

**ATTACHMENTS**

- Attachment A - Procurement Summary
- Attachment B - Contract Modification Log
- Attachment C - Funding & Expenditure Plan
- Attachment D - DEOD Summary

Prepared by: Andrew Kimani, Senior Project Control Manager, (213) 922-3221  
Jesus Montes, Sr. Executive Officer, Vehicle Acquisition, (213) 418-3277

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108  
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## A650-2015 HEAVY RAIL VEHICLE OVERHAUL AND CRITICAL COMPONENT REPLACEMENT PROGRAM / CONTRACT NUMBER A650-2015

1.	<b>Contract Number:</b> A650-2015		
2.	<b>Contractor:</b> Talgo, Inc.		
3.	<b>Mod. Work Description:</b> Add Train-to-Wayside Communication (TWC) System		
4.	<b>Contract Work Description:</b> Overhaul A650 Heavy Rail Vehicles		
5.	<b>The following data is current as of:</b> 12.05.18		
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>
	<b>Contract Awarded:</b>	10.5.16	<b>Contract Award Amount:</b> \$54,698,676
	<b>Notice to Proceed (NTP):</b>	01.16.17	<b>Total of Modifications Approved:</b> \$28,626,818
	<b>Original Complete Date:</b>	11.16.19	<b>Pending Modifications (including this action):</b> \$ 2,044,908
	<b>Current Est. Complete Date:</b>	05.16.22	<b>Current Contract Value (with this action):</b> \$85,370,402
7.	<b>Contract Administrator:</b> Wayne Okubo		<b>Telephone Number:</b> (213)922-7466
8.	<b>Project Manager:</b> Andrew Kimani		<b>Telephone Number:</b> (213)922-3221

**A. Procurement Background**

This Board Action is to approve Contract Modification No. 3 issued in support of the addition of the Train-to-Wayside Communication (TWC) system to the A650 Heavy Rail Vehicle (HRV) as part of the overhaul and critical component replacement program on the Option Buy A650 consisting of 74 vehicles.

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

On September 22, 2016, Metro's Board of Directors approved Board Agenda Item 2016-0538 to Talgo, Inc. in the amount of \$54,698,676 for the overhaul of 38 A650 Heavy Rail Vehicles, with the a contract option to overhaul the remaining 36 vehicles of the newest A650 fleet. On October 26, 2017, Metro's Board of Directors approved Board Agenda Item 2017-0584 for Talgo to overhaul the remaining 36 heavy rail vehicles increasing the contract value to \$72,970,494.

The intent of this overhaul program is to replace vital systems and components and update relevant technology to ensure the continued safety, reliability, availability,

and maintainability of the newest A650 heavy rail fleet for full revenue service and maintain the fleet's State of Good Repair.

This recommended Contract Modification is to add the TWC system to the A650 overhaul program currently underway by Talgo. The addition of the TWC has merit as this system was initially contemplated under the overhaul program but was later removed from the scope of work. The re-inclusion of this updated feature complements the intent of the overhaul program by incorporating current technology on the A650 fleet that is compatible with Metro's expanding heavy rail system.

**B. Cost/Price Analysis**

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

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Amount</b>
\$2,351.848	\$1,020,535	<b>\$2,044,908</b>

The significant difference between Metro's Independent Cost Estimate (ICE) and the Negotiated Amount is attributed to a number of factors not fully considered in the Metro ICE.

The engineering effort required by the Contractor to add the TWC into the A650 overhaul project is significantly greater than originally estimated. That increase in level of effort is due primarily to a full re-engineering necessary to integrate the TWC with other existing vehicle systems that have already completed modernization design by the overhaul Contractor. Systems such as the Communications system now require a re-engineering and re-designing effort to interface with the TWC.

Another major factor not considered in the Metro ICE is the current A650 overhaul schedule. The integration of the TWC into the A650 overhaul will require a two month extension to the entire project. The overall program costs associated with the schedule extension were not included in the Metro ICE. Other factors such as travel costs, indirect costs, and profit were also not part of the Metro ICE.

## CONTRACT MODIFICATION/CHANGE ORDER LOG

## NAME OF PROJECT/CONTRACT NUMBER

<b>Mod. no.</b>	<b>Description</b>	<b>Status (approved or pending)</b>	<b>Date</b>	<b>\$ Amount</b>
1	Exercise Option to overhaul 18 additional A650 HRV married pairs	Approved	10.26.17	\$18,271,818
2	Add MFSS to A650 HRV OCCRP	Approved	09.28.18	\$10,355,000
3	<b>Add TWC to A650 HRV OCCRP</b>	<b>Pending</b>	<b>01.24.19</b>	<b>\$ 2,044,908</b>
	<b>Modification Total:</b>			<b>\$30,671,726</b>
	<b>Original Contract:</b>			<b>\$54,698,676</b>
	<b>Total:</b>			<b>\$85,370,402</b>

ATTACHMENT C- Funds Uses and Sources Tables

	From Inception to Date (ITD) thru FY18 Jun	7/1/18 - 6/30/19	7/1/19 - 6/30/20	7/1/20 - 6/30/21	7/1/21 - 6/30/22		
Use of Funds		FY19	FY20	FY21	FY22	Total	% of Project
Overhaul 38 Option-Buy Vehicles	\$9,846,449	\$13,468,252	\$26,706,678	\$3,827,858	\$849,440	\$54,698,676	83.2%
Professional Services	\$2,101,717	\$990,667	\$1,000,667	\$659,645	\$0	\$4,752,695	7.2%
MTA Administration	\$1,300,632	\$475,000	\$542,000	\$310,382	\$0	\$2,628,014	4.0%
Contingency	\$0	\$0	\$0	\$0	\$3,653,754	\$3,653,754	5.6%
<b>38 Option Vehicle Summary</b>	<b>\$13,248,797</b>	<b>\$14,933,918</b>	<b>\$28,249,345</b>	<b>\$4,797,885</b>	<b>\$4,503,194</b>	<b>\$65,733,139</b>	<b>100.0%</b>
	\$0						
Overhaul 36 Option Vehicles	\$4,624,856	\$1,240,633	\$0	\$10,338,548	\$2,067,781	\$18,271,818	87.3%
Professional Services (Increase Requested)	\$0	\$0	\$0	\$498,318	\$98,920	\$597,238	2.9%
MTA Administration (Increase Requested)	\$0	\$0	\$0	\$364,755	\$72,407	\$437,162	2.1%
Contingency (Increase Requested)	\$0	\$0	\$0	\$0	\$1,622,643	\$1,622,643	7.8%
<b>36 Option Vehicle Summary</b>	<b>\$4,624,856</b>	<b>\$1,240,633</b>	<b>\$0</b>	<b>\$11,201,622</b>	<b>\$3,861,750</b>	<b>\$20,928,861</b>	<b>100.0%</b>
Overhaul 74 Option-Buy Vehicles	\$14,471,304	\$14,708,884	\$26,706,678	\$14,166,406	\$2,917,221	\$72,970,494	84%
Professional Services	\$2,101,717	\$990,667	\$1,000,667	\$1,157,963	\$98,920	\$5,349,933	6%
MTA Administration	\$1,300,632	\$475,000	\$542,000	\$675,137	\$72,407	\$3,065,176	4%
Contingency	\$0	\$0	\$0	\$0	\$5,276,397	\$5,276,397	6%
<b>Total Vehicle Summary Total</b>	<b>\$17,873,653</b>	<b>\$16,174,551</b>	<b>\$28,249,345</b>	<b>\$15,999,507</b>	<b>\$8,364,944</b>	<b>\$86,662,000</b>	<b>100.0%</b>
1. Add Fire Mist Suppression System (FMSS)	\$0	\$1,094,013	\$3,003,563	\$3,253,860	\$3,003,563	\$10,355,000	84%
2. Add Train To Wayside Communication (TWC)	\$0	\$221,492	\$591,378	\$640,660	\$591,378	\$2,044,908	16%
<b>Contract Modifications</b>	<b>\$0</b>	<b>\$1,315,505</b>	<b>\$3,594,942</b>	<b>\$3,894,520</b>	<b>\$3,594,941</b>	<b>\$12,399,908</b>	<b>100.0%</b>
<b>Total New Orders Summary Including Contract Modifications</b>	<b>\$17,873,653</b>	<b>\$17,490,056</b>	<b>\$31,844,287</b>	<b>\$19,894,027</b>	<b>\$11,959,886</b>	<b>\$99,061,908</b>	<b>100.0%</b>
<b>Sources of Funds</b>		<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY21</b>	<b>Total Sources</b>	<b>%</b>
Measure R 2% (206038)	\$1,367,460	\$0	\$0	\$0	\$0	\$1,367,460	1.4%
PropA 35% Bonds/Cash	\$8,439,925	\$0	\$0	\$0	\$0	\$8,439,925	8.5%
Transportation Development Act Article 4	\$129,601	<del>\$17,490,056</del> \$10,426,723	\$0	\$0	\$0	<del>\$17,490,056</del> \$10,556,324	<del>17.8%</del> 10.7%
Federal 5337 Funding	\$7,936,667	<del>\$0</del> \$7,063,333	\$0	\$0	\$0	<del>\$0</del> \$15,000,000	<del>-8.0%</del> 15.1%
Cap and Trade: Other State & Federal sources (20	\$0	\$0	\$28,249,345	\$15,999,507	\$8,364,944	\$52,613,796	53.1%
Division 20 Portal, Turnback, and Storage Project	\$0	\$0	\$3,594,942	\$3,894,520	\$3,594,941	\$11,084,403	11.2%
* Future Local, State & Federal Funds to be identified	\$0	\$0					
<b>Total Funding Sources</b>	<b>\$17,873,653</b>	<b>\$17,490,056</b>	<b>\$31,844,287</b>	<b>\$19,894,027</b>	<b>\$11,959,886</b>	<b>\$99,061,908</b>	<b>100.0%</b>

\* Staff will pursue additional funding sources to supplement Project 206038 budget which may become available through MAP-21 or other federal sources for this project and also utilize other State and Local funding sources as opportunities arise such as Cap and Trade or other new sources.

## DEOD SUMMARY

**A650-2015 HEAVY RAIL VEHICLE OVERHAUL AND CRITICAL COMPONENT  
REPLACEMENT PROGRAM / CONTRACT NUMBER A650-2015**

**A. Small Business Participation**

Talgo Inc. is a Transit Vehicle Manufacturer (TVM) and is on the Federal Transit Administration's (FTA) list of eligible TVMs. Talgo Inc. reported that it submitted its overall Disadvantaged Business Enterprise (DBE) goal of 1.65% to FTA for FY19, in compliance with 49 Code of Federal Regulations (CFR) Section 26.49(a)(1). TVMs submit overall DBE goals and report participation directly to FTA annually.

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

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract. Rolling stock solicitations are not one of the covered contract types in Metro's Living Wage and Service Contract Worker Retention Policy.

**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 related value in excess of \$2.5 million.

**E. Local Employment Plan Program (LEP)**

Local Employment Plan Program is applicable on this contract. Staff will be monitoring progress on all LEP commitments, including the contractual commitments in creating employment opportunities in Los Angeles County and the 10% commitment to hire disadvantaged workers.

Local Employment Plan Commitment:

LEP Commitment for Base + All Options	\$2,212,675
LEP Actuals to Date	\$0.00
Balance of LEP to be attained	\$2,212,675
Disadvantaged Workers attainment	\$0.00

The manufacturer LEP Plan identifies that the LEP achievements and Disadvantaged Worker participation will commence in the assembly stage of the contract.



## Board Report

File #: 2018-0789, File Type: Motion / Motion Response

Agenda Number: 34.

**2<sup>nd</sup> REVISED**  
**CONSTRUCTION COMMITTEE**  
**JANUARY 17, 2019**

**SUBJECT: METRO GOLD LINE EXTENSION TO CLAREMONT**

**ACTION: APPROVE RECOMMENDATION**

**RECOMMENDATION**

DIRECT the Chief Executive Officer to pursue finalize negotiations with the Gold Line Authority to ensure the extension of the Foothill Alignment to Pomona station as a first phase, consistent with the provisions of Board-adopted Measure R and Measure M Unified Cost Management Policy.

**ISSUE**

At the December 2018 meeting, the Board approved Motion #40 by Solis, Fasana, Garcetti, Najarian and Barger, that the CEO report back to the Board in January 2019 with options for initial funding to extend the first phase of the Gold Line Extension to Claremont beyond La Verne to Pomona, along with a funding strategy for the second phase consisting of Claremont and Montclair.

**DISCUSSION**

The Gold Line Extension to Claremont is a proposed light rail transit (LRT) line starting from the existing Metro Gold Line Azusa station. The project is environmentally cleared for a new LRT service from Azusa to Montclair. The project development and construction is managed by the Metro Gold Line Foothill Extension Construction Authority (Construction Authority). Consistent with the Metro Board action on the 2009 Long Range Transportation Plan, the project was prioritized in the 2016 Measure M Ordinance and Expenditure Plan for \$1.02 billion in Measure M funds at the beginning of the Measure M program. Additionally the project was prioritized for state discretionary funds resulting in an award of \$249 million of Transit and Intercity Rail Capital Program (TIRCP) funds. In July 2017 Metro and the Construction Authority entered into a funding agreement (Foothill Extension Phase 2B Funding Agreement -- Glendora to Claremont) for \$1.36 billion covering Metro's commitment of the \$1.02 billion in Measure M, \$249 million in TIRCP, and \$96 million in Measure R savings from the Foothill Extension Phase 2A project. Any project cost increases that follow execution of the funding agreement are governed by the Metro Measure R and Measure M Unified Cost Management Policy (Policy) adopted by the Metro Board in July 2018.

The Construction Authority received construction bids this year that exceed the budget for the project by \$570 million. Because of this cost increase, the Construction Authority intends to reduce the initial

scope of the project and end the line at La Verne - two stops short of Claremont - and begin operations in 2025. The Construction Authority Board has approved their plan to restructure the construction contract under the shorter segment to La Verne, with an option to extend the project to Claremont and Montclair should funding become available. However, the Board's position stipulated in Motion #40 is that a first segment extend at least to the planned Pomona station. A working cost estimate from the Construction Authority for that additional segment beyond La Verne station totals roughly \$230 million.

This report addresses the provisions of the Metro Measure R and Measure M Unified Cost Management Policy, as this policy guides the management of Measure M projects that experience cost increases, and the Funding Agreement between Metro and the Construction Authority relating to the Glendora to Claremont segment of the project. This includes options to fund the project to Pomona and a strategy to fund the project to Claremont. This report does not include options to fund the Claremont to Montclair segment of the project, as this would involve funding from San Bernardino County and is outside the control of Metro.

#### Unified Cost Management Policy

The funding agreement between Metro and the Construction Authority identifies the requirements of the parties to the agreement in the event of a cost increase. The agreement specifically states that the Construction Authority will comply with the Unified Cost Management Policy as adopted and amended by the Metro Board and, in the event of a funding shortfall, the Construction Authority agrees to pursue and provide the funding needed to complete the project. The Metro Board adopted the updated Measure R and Measure M Unified Cost Management Policy in July 2018, and this policy should be considered as it identifies the process for addressing a cost increase, including the funding that should be considered. Per the policy, Metro must consider, in descending order, the following steps in the event of a funding shortfall.

- 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.

Because of these steps, this report focuses on potential cost reductions and new local revenues. Even though the construction funding and a Life of Project Budget (LOP) for the Gold Line Extension to Claremont project has been achieved, via Measure M funding commitments and the supporting Funding Agreement with the Construction Authority, as a Metro priority, the policy does not make Metro funding for project cost increases a priority.

#### Funding Options to Pomona

The proposed funding plan considers the requirements of both the Unified Cost Management Policy and the provisions of the Funding Agreement.



### Cost Reductions

*Beyond new revenue sources for the project, Metro has identified potential cost reductions that may reduce the amount of funding needed to extend the project to Pomona and Claremont. Metro staff estimates that Metro's costs attributable to the project (including staff time, vehicles, and contingency) could be reduced by \$74 million. Betterments on the project could be removed from the scope, lowering the project cost by \$5 million. The Construction Authority has recently estimated that value engineering could lower the project cost by \$54 million. In total, Metro staff estimates that \$133 million in cost reductions could be achieved on the extension of the project from Azusa to Pomona. Potential additional cost savings related to downsized parking requirements may also be considered.*

### Local Funding

The project is eligible for both Measure M and Measure R funding and is allocated, per the Funding Agreement, 100 percent of the available funding identified in the respective sales tax ordinances. The Gold Line Foothill Extension project has been a Metro funding priority and as such was allocated \$1.754 billion in Measures M and R. The Measure R funding is the balance of unspent funds from the related Gold Line to Azusa project. Additional Measure M or Measure R funding would involve the amendment of the ordinances and diversion of funding from other identified or programmed Metro uses.

Measure M also includes funding for several multi-year subregional programs (MSP) within the San Gabriel subregion, and this geographic region encompasses the project. The MSP subregion (represented by its Council of Governments) could allocate a portion of the funding for the project. There are two transit-eligible MSP programs with funding available beginning Fiscal Year (FY) 2018: the Bus System Improvement Program and Subregional Equity Program. Metro expects to program \$4.8 million of the Bus Improvement MSP funding to the subregion in FY 2024 to FY 2028, which could be contributed to the project. Further, Metro has assigned \$199 million for the Subregional Equity Program that would be available to the San Gabriel Valley subregion, funded from Measure M, beginning in FY 2043. To utilize this funding for the project, it would need to be accelerated. In order to mitigate the impact of accelerating the funds on other Metro projects and programs, the funding could be "discounted" or reduced (assuming the funds are advanced using debt financing), resulting in approximately \$66.2 million for project construction. Supporting administrative actions to access subregional equity funds need to be developed.

Measure M, as well as Measure R and Propositions A and C, provide "local return" funding to the five cities with project stations. The four cities attached to the Pomona segment will receive an estimated ~~\$237~~ \$210 million of local return over the ten year period FY 2020 to FY 2029 and could contribute a portion to the project. If the cities contributed 25%, ~~\$59.3~~ \$52.4 million would be available for the project.

In addition, the cities can potentially contribute additional funding for the cost increase through value capture financings at areas surrounding each new station. This would involve the creation of a new taxing district, such as the "benefit assessment district" that Metro utilized for the initial segment of the Red Line subway. A city-established benefit assessment district or comparable entity could

potentially generate \$10 million at each station by leveraging future tax revenue, and legislative authority currently exists to do so.

*State Funding*

The State has already granted the project \$249 million (Los Angeles County portion to Claremont) through the Transit and Intercity Rail Capital Program. Additional state discretionary funding (where Metro would compete for the funding) for a Pomona or Claremont extension is not probable, given the project has experienced a cost increase and potential scope reduction.

Metro does receive quasi-formula funding from the State through the Regional Improvement Program (RIP) and Local Partnership Program (LPP). Metro has programmed all of the projected RIP funding through FY 2036. The LPP program may have approximately \$50 million of funding available over the next ten years (through FY 2029) that could be allocated to the project, subject to the provisions of the existing Unified Cost Management Policy and Funding Agreement with the Construction Authority. Due to other programming commitments, LPP funding capacity has been identified specifically for the funding strategy to Claremont with recognition that the Construction Authority has up to 24 months following the initial contract award through Pomona to exercise the option to Claremont.

*Federal Funding*

The project was not cleared through the federal environmental process and is not currently eligible for federal grant funding.

The following table shows that the aggregate of new local revenues and cost reduction options total ~~\$303.3~~ \$296.4 million, a combination of which should be sufficient to fund the extension of the project to Pomona.

<b>Gold Line Extension – Azusa to Pomona Potential Funding Sources/Cost Reduction (\$ in millions)</b>		
<b>Options</b>	<b>Amount</b>	<b>Year Available</b>
Multi-Year Subregional Program	\$4.8	2024
Subregional Equity Program*	66.2	2020
Local Return (25% of total; FY 2020 to 2029)**	52.4	2020
Value Capture Financings	40.0	2024
Scope Reductions/Value Engineering	133.0	2019
<b>Total</b>	<b>\$296.4</b>	

\* Represents “discounted” value of \$199 million assumed to be available to San Gabriel Valley subregion beginning in 2043, which totals 33% of the 2043 value.

\*\* Represents 25% of the ~~\$237~~ \$210 million cumulative Measures M and R and Propositions A and C Local Return funds, estimated for the 5.4 project corridor cities (Glendora, San Dimas, La Verne, and Pomona) located within this segment.

Funding Strategy to Claremont

In order to fund the additional cost of extending the project to Claremont, future local return revenue could be allocated to the project. A debt financing of 25% of future local return revenue assigned to Claremont - the only corridor city for this remaining segment - could produce an additional ~~\$168.3~~ \$19.6 million. The extension would add one station with value capture potential of \$10 million; parking reductions may also be considered. Should Metro contribute regional funding to the cost increase, \$50 million of LPP funds are projected to be available. The new local and regional revenues suggested here total ~~\$228.3~~ \$79.6 million and could not be sufficient to fund the project extension to Claremont by FY 2029. Thus variations on these funding assumptions or other sources would need to be found. The Construction Authority has recognized that the terms of their procurement would provide up to 24 months following the initial contract award to exercise the contract option to Claremont and Montclair providing additional time for specific funding decisions to be made.

Gold Line Extension – Pomona to Claremont Potential Funding Sources/Cost Reduction (\$ in millions)		
Options	Amount	Year Available
Local Return (25% of total; FY 2030 to 2055)	\$19.6	2029
Value Capture Financings	10.0	2024
Local Partnership Program (State funds)	50.0	2026
<b>Total</b>	<b>\$79.6</b>	

Consistency with Metro’s Equity Platform

The delivery of the Gold Line Extension with a first phase to Pomona is significant to both Metro’s Equity Platform and the State TIRCP funding award as the City of Pomona is the most disadvantaged community along the corridor according to state-recognized Disadvantaged Communities criteria.

**DETERMINATION OF SAFETY IMPACT**

There are no safety impacts resulting from this Board report.

**FINANCIAL IMPACT**

There are no financial impacts or impact to budget resulting from this Board report. Metro staff will return to the Board with specific financial impacts of any funding options that the Board may exercise in the future.

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Ensuring the delivery of the Gold Line Extension with a first phase to Pomona will assist in

implementing the following goals of the Metro Vision 2028 Strategic Plan:

- Goal #1: Provide high-quality mobility options that enable people to spend less time traveling.
- Goal #3: Enhance communities and lives through mobility and access to opportunity.

### **ALTERNATIVES CONSIDERED**

As part of the assessment of local funding options, Metro staff recognizes that all of the cities across the Gold Line Extension corridor are receiving new local transportation funding through the passage of Senate Bill 1 (SB 1) in 2017. The current annual estimate of these funds by city for FY 2018/19 is presented below. While these funds are eligible for use on the Gold Line Extension, they do not present the same opportunity for debt financing within the required contract period of the Gold Line Extension. As new, flexible funding for the cities, these funds can offset the direct use of any Local Return from Propositions A and C or Measures R and M on the project.

#### FY 2018/19 SB 1 Local Streets and Roads (LSR) Funding

<b>City</b>	<b>SB 1 LSR Funding</b>
Claremont	\$606,117
Glendora	880,237
La Verne	555,068
Pomona	2,598,581
San Dimas	572,754
<b>Total</b>	<b>\$5,212,757</b>

Source: <http://www.californiacityfinance.com/LSR1805.pdf>

### **NEXT STEPS**

Staff will work with the San Gabriel Valley Council of Governments, local agencies and the Construction Authority to explore funding opportunities to extend the first phase of the Gold Line Extension to Claremont beyond La Verne to Pomona, along with a funding strategy for the second phase consisting of Claremont as outlined in this report. Staff will coordinate with San Bernardino County and the Construction Authority to support their development of an option to Montclair.

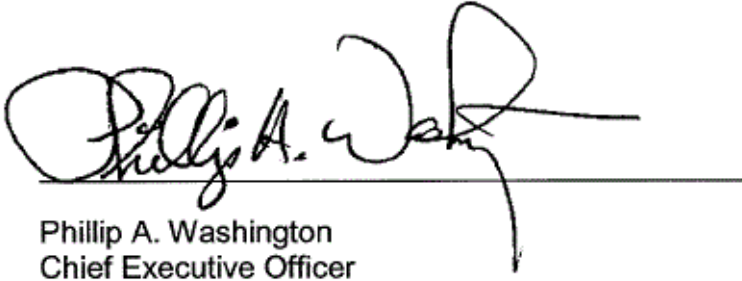
### **ATTACHMENTS**

Attachment A - Board Motion #40

Prepared by: Craig Hoshijima, DEO, Countywide Planning & Development, (213) 418-3384  
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Phillip A. Washington  
Chief Executive Officer

## Metro

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA



## Board Report

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File #: 2018-0772, File Type: Motion / Motion Response

Agenda Number: 40.

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**REGULAR BOARD MEETING  
DECEMBER 6, 2018**

**Motion by:**

**SOLIS, FASANA, GARCETTI, NAJARIAN & BARGER**

The Foothill Gold Line extension from Azusa to Claremont is the first Measure M project to break ground. This Foothill Extension has unique opportunities for our county, and its completion will afford our region significant benefits. It is estimated that during construction alone, the project will generate 17,000 jobs and more than \$2.6 billion in economic output locally. The line has already begun to generate growth around the future stations and has unprecedented opportunity for significantly more growth through envisioned transit-oriented developments that can afford tens of thousands of desperately-needed housing units within a half-mile of the future stations. Additionally, with the extension's future connections to two dozen more colleges and universities, the Pomona Fairplex, the Inland Empire and more, it is anticipated that the line will attract more than 28,000 daily passengers in its opening year. This will divert 20% of vehicle trips from local freeways and streets, reduce 146,700 vehicle miles traveled, and provide significant reduction in greenhouse gas emissions.

However, current economic and market conditions have resulted in the project needing hundreds of millions of dollars over the project estimate. The funding gap was identified following receipt of bid proposals from four highly-qualified teams competing for the design-build contract. As a result, the completion of the Foothill Extension to Claremont is in jeopardy and action must be taken.

The project was identified by the Metro Board as one of two first priority projects in 2009, when projects promoting regional rationality and equity were approved in the Long Range Transportation Plan. The project was promised to county voters twice - in 2008 and in 2016 with Measures R and M, and is one of the twenty-eight by 2028.

The Foothill Gold Line Construction Authority has proposed to phase construction within the existing procurement so that the first eight miles of the 12.3-mile project, to La Verne, can be completed in 2024; with the potential to complete the entire project by 2028 if additional funding is secured within the first two years following contract award.

While we applaud this proposal and agree we must continue moving forward on this important project, we are not satisfied with even a possibility of the line terminating at the La Verne Station and believe it is critical to fulfill our promise to voters to complete the line to Pomona and to Claremont.

**SUBJECT: METRO GOLD LINE EXTENSION TO CLAREMONT**

**RECOMMENDATION**

APPROVE motion by Solis, Fasana, Garcetti, Najarian & Barger that the Board:

- A. Reaffirm its commitment to complete the Foothill Extension to Montclair as a first priority project, per the final and unanimous vote to approve the 2009 Long Range Transportation Plan, and in accordance with promises made to county voters in 2008 and 2016 when they overwhelmingly supported Measures R and M;
  
- B. Oppose any actions or proposals that would reduce or eliminate already committed funding secured on behalf of the Foothill Extension project and/or that could disrupt the ability of the Construction Authority to complete the project to Claremont, including but not limited to proposals to introduce new rail service within the future Gold Line corridor that could make it more difficult and more costly to complete the project to Claremont. This directive does not apply to any new or improved Metrolink service as long as there is no project cost of schedule impact to the Foothill Gold Line Extension Project;
  
- C. Direct our CEO to work closely with the Construction Authority to identify possible funding sources and approaches that could be used to fill the remaining funding gap to build the project all the way to Pomona and to Claremont.
  
- D. Direct our CEO to report back to the Board in January 2019 with options for initial funding to extend the first phase beyond La Verne to Pomona, along with a funding strategy for the second phase consisting of Claremont and Montclair.



## Board Report

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File #: 2018-0439, File Type: Program

Agenda Number: 36.

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**REVISED**  
**EXECUTIVE MANAGEMENT COMMITTEE**  
**JANUARY 17, 2019**

**SUBJECT: 2019 LEGISLATIVE PROGRAM**

**ACTION: APPROVE STAFF RECOMMENDATIONS**

**RECOMMENDATION**

ADOPT:

- A. the proposed 2019 Federal Legislative Program as outlined in Attachment A; and
- B. the proposed 2019 State Legislative Program as outlined in Attachment B.

**ISSUE**

The Board of Directors adopts, on an annual basis, a legislative program for the upcoming state legislative and federal congressional sessions, which provides guidance to staff on legislative issues and policy as a means of advancing and protecting Metro's authority and the transportation interests of Los Angeles County. This year's program is presented in a different format. Based on the direction of the Vision 2028 Strategic Plan we are presenting a Five Year Strategic Legislative Program in addition to our annual goals and objectives. The Five-Year plan lays out general themes as identified in the CEO's Five Point Plan for the agency and will provide the broad policy framework through which our advocacy should be guided. We have incorporated specific activities related to the longer term plan into the goals and activities for next year. We will continue to work with the implementing departments within Metro to develop the broader objectives and will bring to the Board authorization to pursue additional specific measures as they become sufficiently developed and ready for pursuit through legislative processes.

**DISCUSSION**

Policy Implications

The role of the legislative program is to clearly define Metro's goals and objectives by securing necessary legislative authority, program funding and regulatory actions needed at the state and federal levels. The program provides policy direction to our advocacy activities in Sacramento and Washington, D.C. To achieve these important goals, Government Relations staff will implement a



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legislative strategy of consensus building and coordination with transportation stakeholders throughout Los Angeles County, the State of California and with Federal officials.

### Federal Recap

In 2018, the agency continued to pursue with vigor our Board approved federal legislative priorities in Washington, D.C. Federal transportation programs continued to be administered under the latest surface transportation authorization bill, the Fixing America's Surface Transportation Act (FAST Act), which was signed into law on December 4, 2015. While the FAST Act is authorized through 2020, the White House, U.S. Department of Transportation (USDOT), and Congress worked on a national infrastructure proposal that officials had hoped could inject some much needed investment in surface transportations program as well as implement policies to facilitate project delivery. In February 2018, the White House released a 55 page proposal that sought to leverage \$200 billion in federal funding into \$1.5 trillion of investment in infrastructure projects around the nation.

Metro played an active role in engaging the White House and the U.S. Department of Transportation to advocate for a strong infrastructure plan that could build on the best practices and lessons learned by our agency and the manner in which we are transforming the way Los Angeles County's 10 million residents commute and travel in our region. Additionally, Metro communicated its support for an infrastructure package to the members of the Los Angeles County Congressional Delegation as well as to members of key Congressional Committees that have jurisdiction over infrastructure matters. With regards to the White House's Infrastructure Plan, Congress engaged in a discussion through several hearings on the topic. Unfortunately, Congress could not come to an agreement on a path forward and the policy window to pass a package closed for the remainder of the 115<sup>th</sup> Congress.

Among the challenges that have carried over from the previous year, Congress continued to disagree on annual appropriation bills to fund the various federal agencies and programs. However, Congress and the White House did come to an agreement on setting spending caps for domestic and military budgets for a period of two years. This agreement boosted funding to surface transportation programs that led to large increases in popular programs such as the Federal Transit Administration's (FTA) Capital Investment Grant Program and the BUILD Grant Program. The two-year budget agreement also allowed Congress to complete, for the first time in decades, five of the twelve Fiscal Year 2019 annual appropriation bills and have them signed into law by the President. Unfortunately, the transportation funding bill was one of the seven remaining bills that were extended until December 7, 2018 through a Continuing Resolution. As of the writing of this report, Congress is looking to finalize the remaining bills prior to a new December 21, 2018 deadline. Metro has strongly advocated for a return to regular order in the appropriations process and will continue to do so in the future.

Lastly, Metro worked hard in Washington, D.C. to successfully advance important capital projects through discretionary grant programs. With respect to the Westside Purple Line Extension Section 3, Metro was able to navigate the grant process to gain approval from the FTA to move forward with the project on a timeline that will allow for revenue service well before the 2028 Olympic Games. Metro will continue to work closely with the FTA to gain final approval of a Full Funding Grant Agreement early in 2019. Under the USDOT's Infrastructure for Rebuilding America (INFRA) grant program, Metro was awarded \$47 million for our I-5 Choke Point Relief program that will reduce congestion

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and improve safety along a 13-mile stretch of Interstate-5 near Santa Clarita. Metro was also awarded \$5.4 million in discretionary Bus and Bus Facility. Finally, Metro has pending applications for two projects - SR71 Conversion and I-605/SR91 Interchange Improvement project - through the BUILD Grant Program that is likely to be announced before the end of the year.

In January 2019, Congress will begin the first session of the 116<sup>th</sup> Congress. Metro will continue to work closely with the Trump Administration, USDOT and Congress to gain final approval of a \$1.3 billion Full Funding Grant Agreement for the Westside Purple Line Extension Section 3 and expand on our past successes by working to leverage our local funding to advance transit, highway and other effective mobility projects across Los Angeles County. More specifically, we will be working with members of the Los Angeles County Congressional Delegation and leaders of key Congressional Committees to advance our agency's Rebuilding America initiative - which is detailed in attachment A of this Board Report.

### State Recap

Each year, Metro successfully moves the largest legislative program of any transportation agency in the State of California through the legislative process.

During the first year of the 2017-2018 State Legislative Session, the California Legislature and Governor Brown took a number of bold steps to address the growing infrastructure needs in California. Firstly, after years of debate, the Legislature passed and the Governor signed into law Senate Bill 1 (Beall & Frazier), which is a package of funding and reform that is set to generate \$52 billion over the next ten years. The bill's provisions included new funding for a variety of transportation programs. This bill is the first revision of the gas tax in over 20 years. California's highway system, its local streets and road system and its public transit system has suffered from the inability of the state to address basic state of good repair needs.

The November 2018 election brought about a number of changes and challenges. Specifically, a ballot measure, Proposition 6, aimed to repeal provisions of SB 1 and require a future vote for any increases to transportation taxes and fees. This would have jeopardized the viability of the State's aggressive transportation infrastructure funding plan. Proposition 6 was defeated by a vote of 56.8 percent statewide and 61.1 percent in Los Angeles County. Metro, as the recipient of over \$1.8 billion in funding from SB 1 programs created an informational outreach program to educate members of the public about Metro's plan to build highway and transit projects with the funding. Metro coordinated on regional and statewide outreach by participating in a number of forums, summits and workshops which outlined Metro's plan for building critical infrastructure and supported continued funding for local streets and roads improvements for the County's 88 cities and unincorporated areas.

Following the November 2018 election, the Los Angeles County State Legislative delegation also welcomes five new members. Christy Smith will represent Assembly District 38. In the Senate, new members Susan Rubio (District 22), Maria Elena Durazo (District 24), Bob Archuleta (District 32) and Tom Umberg (District 34) were sworn into office on December 3, 2018. Senate District 33 remains vacant, as Senator Ricardo Lara accepts his new position as Statewide Insurance Commissioner. We anticipate that this seat will be filled in a special election in early 2019.

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With the passage of SB 1 in April 2017, the California Transportation Commission worked to adopt guidelines and provisions for allocating funding statewide. Metro weighed in on a number of issues to establish our priorities as the CTC considered allocation formulas and discretionary grant category provisions. In May 2018, the CTC and CalSTA announced major funding awards for all of the major funding categories under SB 1. Metro was successful in advocating for the award of \$1.82 billion in funding for a number of transit and highway projects.

### **Transit and Intercity Rail Capital Program - \$1.088 Billion**

- Gold Line Foothill Light Rail Extension to Montclair
- East San Fernando Valley Transit Corridor Project
- West Santa Ana Branch Light Rail Transit Corridor project
- Green Line Light Rail Extension to Torrance
- Orange/Red Line to Gold Line BRT Transit Corridor Project
- Vermont Transit Corridor
- Link Union Station Project - \$398 million awarded to Metrolink

### **Local Partnership Program**

- Metro Orange Line Bus Rapid Transit Improvements Project: \$75 million
- La Cañada Flintridge Soundwalls Project: \$5 million

### **Solutions for Congested Corridors Program**

- Airport Metro Connector 96th Street Transit Station Project: \$150 million

### **Trade Corridor Enhancement Program**

- Interstate 5 Golden State Chokepoint Relief Project: \$247 million
- SR-57/60 Confluence: Chokepoint Relief Program: \$22 million
- America's Global Freight Gateway: Southern California Rail Project: 128.6 million
- Interstate 605/State Route 91 Interchange Improvement: Gateway Cities Freight Crossroads Project: \$32 million
- State Route 71 Freeway Conversion Project: \$44 million

On the legislative advocacy front, Metro was successful in the passage of two major pieces of legislation in 2018. Metro sponsored AB 2548 (Friedman) which authorizes Metro to implement a commuter benefits ordinance to work with employers in LA County to meet the State's Greenhouse Gas reduction goals. This legislation received strong support from the business community, environmental justice community and the legislature. AB 1205 (Jones-Sawyer) was introduced to refine aspects of Metro's successful small-business set-aside program and to establish a similar program for medium-sized businesses. Metro has forged ahead in establishing contracting policies and practices that support the development of small businesses in the county, and AB 1205's successful passage is indicative that we are committed to doing more for the economic prosperity of the region overall. AB 1205 received strong support from the small and disadvantaged and minority-owned business community.

One key priority for Metro's ongoing advocacy efforts was and continues to be the continued authorization for Caltrans to pursue and use Public Private Partnerships (P3s). The authorization for Caltrans to use the P3 method to deliver highway projects expired at the end of 2016 and the

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Legislature was unable to come to an agreement over a potential extension of the statute. Metro is working closely with a coalition of stakeholders in Sacramento to continue to urge the Legislature to reauthorize this important tool and Metro's State advocacy team will continue those efforts in next year's Legislative Session. The ability to utilize P3s to deliver projects is vital to the acceleration and delivery of Metro's LRTP and Measure M Highway and Transit priorities. Metro introduced legislation in 2018, AB 1594 (Bloom) that would clarify Metro's ability to utilize P3s and Design-build authority to accelerate project delivery. The legislation was successful in reinvigorating the discussion around P3s and Metro is poised to lead the discussion in the upcoming legislation to determine the direction and educate Sacramento leaders on the need for this authority in the wake of SB 1's new infusion of funding and need to expedite critical transportation projects statewide.

An additional priority for Metro's ongoing advocacy efforts include the need to provide certainty and stability to our power supply as we work to meet the agency's ambitious Zero-emission Bus Plan.

During next year's legislative session, we will continue to monitor efforts to jeopardize funding authorized under SB 1. We will also be working to ensure that the incoming Gubernatorial administration addresses the need for critical transportation infrastructure and housing policies that help LA County to address our long term sustainability goals.

As in previous years, our State Advocacy strategy continues to include a robust outreach and communications plan to inform and engage the members of the Los Angeles County State Assembly and Senate delegation in support of the Board-adopted Legislative program, Vision 2028, 28 by 2028, Zero-Emission Bus Plan and LRTP goals. State advocacy efforts will also continue to support Metro's Planning Department policies and programs to secure discretionary and formula funding under Senate Bill 1 for Los Angeles County as administered by the CTC.

In addition to the above, staff will be working to address a variety of other specific policy issues in the Legislative process, budget process as well as in various administrative processes in Sacramento (The entire 2018 State Legislative Program is outlined in Attachment B). These include but are not limited to:

- Metro is proposing to expand the ExpressLanes network in Los Angeles which will require tolling authorization by the CTC;
- Clarifying the process by which utilities bill Metro and potentially reduce Metro's operating costs;
- Working with the California Public Utilities Commission in leading the effort to establish Metro as a party to the proceedings and California Air Resources Board to advance Metro's Zero Emission Bus Program; and
- Supporting the allocation of cap and trade funds to Los Angeles County.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will not have an impact on safety.

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## **FINANCIAL IMPACT**

A number of the proposed state and federal legislative initiatives may provide additional funding for countywide transportation programs and projects.

## **ALTERNATIVES CONSIDERED**

The Board of Directors could determine that a legislative program is unnecessary for the agency. Failure to adopt a legislative program could result in Metro being ill prepared to address the policy and legislative challenges that will arise during the coming year.

## **NEXT STEPS**

Government Relations staff will continue to regularly sponsor briefings in Washington, D.C. and Los Angeles County for our Congressional Delegation and other key staffers on both the House and Senate Appropriations and Authorization committees. We have and will continue to place a strong emphasis on briefings for professional staff members working for House and Senate committees with primary responsibility for authorizing and appropriations bills. Additionally, Metro anticipates a conversation to begin on reauthorizing surface transportation programs beyond 2020 when they are set to expire. Metro will play an active role in shaping those discussion and looks forward to advocating for increased investment into transportation programs.

In Sacramento, we will continue to develop and strategically advance our agency's Board approved State Legislative Program through maintaining support and close relationships with the Los Angeles County State Legislative Delegation, key leaders in the Senate and Assembly Transportation Committees, as well as key stakeholders including, the new Governor, Caltrans, California Transportation Commission, and the California State Transportation Agency.

Government Relations staff will initiate briefings for the Gubernatorial Administration, members of the Legislature as well as committee staff. We will also work with state legislators to author any legislative initiatives proposed by this program. At the federal level, Government Relations will keep in close contact with new and existing members of our Congressional delegation and key Authorizing and Appropriations staff to keep our projects at the forefront. Staff will continue to monitor and track legislative efforts sponsored by other transportation interests and inform the Board of that legislation. Pursuant to the Board adopted Board Advocacy Plan we will also work closely with the Board to utilize Board member's relationships and experience in legislative matters.

Government Relations will continue to ensure that our legislative priorities and efforts are coordinated with our regional transportation partners, including Metrolink, Southern California Associations of Governments (SCAG), Municipal Operators, and Southern California County transportation commissions.

In addition, Government Relations will continue to pursue state and federal legislative initiatives that promote the efficient and rapid delivery of Measure R and Measure M projects as well as leverage Measure R and Measure M funds for additional state and federal transportation resources, and to form a coalition to protect state revenues.

The first year of the 2018-2019 two-year State Legislative Session began on December 3, 2018. The 2019 Federal Legislative Session will see both the U.S. House of Representatives and U.S. Senate

scheduled to return January 3, 2019 to convene the 116th Congress.

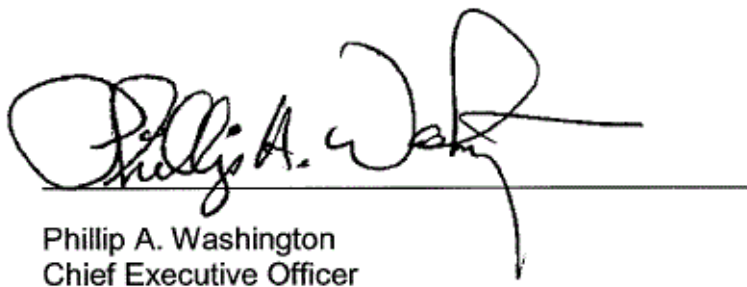
**ATTACHMENTS**

Attachment A - 2019 Federal Legislative Program Goals

Attachment B - 2019 State Legislative Program Goals

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Phillip A. Washington  
Chief Executive Officer

## **2019 FEDERAL LEGISLATIVE PROGRAM**

### **GOAL #1: PROPOSE TO CONGRESS AND THE TRUMP ADMINISTRATION OUR REBUILDING AMERICA INITIATIVE TO BOLSTER FEDERAL SUPPORT TO ACCELERATE OUR AMBITIOUS CAPITAL PROGRAM THROUGH BOARD-APPROVED TWENTY EIGHT BY 2028 INITIATIVE**

#### Proposed Activities:

Support federal legislation that embraces our Rebuilding America initiative that sets forth five key goals for Congress and the Trump Administration to adopt in order to strengthen federal transportation programs. These five goals are:

1. Increasing the length of future surface transportation authorization bills to increase the certainty needed by our agency and other transportation entities to appropriately plan for the future.
2. Increase the federal gas tax to address the federal Highway Trust Funds' solvency issues.
3. Authorize America Fast Forward Transportation Bonds to provide a powerful new finance tool for transportation agencies to use when financing major capital projects.
4. Expand and reform the Projects of National and Regional Significance program – first authorized in SAFETEA-LU; ~~5) Boost effective and efficient federal workforce development programs to ensure that transportation agencies across the nation have the trained workforce we and they will need to rebuild America's infrastructure.~~
5. Increase federal support for proven workforce development programs that will ensure Metro and other transportation agencies continue to have a skilled workforce for our expanding transportation systems.

### **GOAL #2: WORK TO CONTINUE THE IMPLEMENTATION OF THE FEDERAL TRANSIT ADMINISTRATION'S CAPITAL INVESTMENT GRANT PROGRAM AND OBTAIN NEW STARTS FUNDING FOR ELIGIBLE METRO TRANSIT PROJECTS**

#### Proposed Activities:

Work with our Congressional Delegation, transportation leaders in the House and Senate and the U.S. Department of Transportation to ensure the continuation of the

federal Capital Investment Grant program (CIG). Congress has voted to fully fund the program and included instruction to continue to advance new transit projects. Metro has and will continue to partner with the Administration to approve a Full Funding Grant Agreement in 2019 for Westside Purple Line Extension (Section 3). The CIG program is vital in assisting Metro to build new high capacity transit projects throughout the region. Metro currently receives funding through this program for the Regional Connector, Westside Purple Line Extension (Section 1) and Westside Purple Line Extension (Section 2). Over the last six years, Metro has secured over \$3 billion through Full Funding Grant Agreements issued by the U.S. Department of Transportation.

**GOAL #3: WORK WITH THE WHITE HOUSE AND CONGRESS TO INITIATE A WHITE HOUSE TASK FORCE FOR THE 2028 OLYMPICS AND PARALYMPIC SUMMER GAMES TO ENSURE STRONG FEDERAL SUPPORT FOR KEY HIGHWAY AND TRANSIT PROJECTS ACROSS LOS ANGELES COUNTY**

Proposed Activities:

Seek the creation of a White House Task Force on the 2028 Olympic and Paralympic Summer Games. Most recently, such a task force was successfully assembled prior to the 2002 Olympic Winter Games held in Salt Lake City, Utah where the federal government provided ample funding (approximately \$1 billion) for highway and transit projects.

**GOAL #4: CONTINUE TO WORK TO BRING A PERMANENT CENTER OF TRANSPORTATION EXCELLENCE INDUSTRIAL PARK TO LOS ANGELES COUNTY**

Proposed Activities:

Work to encourage federal support for our CEO's goal of creating a Center of Transportation Excellence within Los Angeles County – which would result in having a rolling stock production facility in Los Angeles County. Our agency will, consistent with the relevant Los Angeles County Board of Supervisors resolutions, closely collaborate with Los Angeles County's CEO and their professional staff, in addition to other municipal leaders, in identifying viable locations, both short and long-term, for an industrial complex to potentially include rail and bus manufacturing/assembly plant in Los Angeles County. This complex may also include, but not be limited to, suppliers of rail and bus parts, a rail test track and a climate controlled facility for testing purposes.

**GOAL #5: CONTINUE TO SEEK TO RESTORE OBAMA-ERA REFORMS TO FEDERAL LOCAL HIRE RULES**

Proposed Activities:



Work with the Trump Administration, Congress and the stakeholder community to restore Obama-era Local Hire reforms. Included in this effort would be our agency making the case that local hire programs do not impact competition based on evidence from Metro's experience with the Local Hire Pilot Program. Our agency would work with key stakeholder groups to build support for a new federal Local Hire initiative and seek support for federal legislation to permanently allow local hiring practices on transportation projects using federal funds.

**GOAL #6: CONTINUE TO WORK WITH METROLINK TO SUPPORT FUNDING FOR STATE OF GOOD REPAIR AND CORE CAPACITY PROJECTS**

Proposed Activities:

Work to support Metrolink's board approved State of Good Repair and Core Capacity project list by ensuring federal funding applied to these important projects.

**GOAL #7: CONTINUE TO SEEK FUNDING FOR THE PROJECTS IN THE GOODS MOVEMENT ACTION PLAN**

Proposed Activities:

Continue to work with Ports of Long Beach and Los Angeles to seek funding for projects within the Goods Movement Action Plan .

**GOAL #8 SEEK RESTORATION OF TAX BENEFITS ELIMINATED BY THE PASSAGE OF H.R.1 – TAX CUTS AND JOBS ACT**

Proposed Activities:

Work with key local, regional and national stakeholders to restore the Advance Refunding Bonds, commuter tax benefit, and the alternative fuel tax credit provisions.

**GOAL #89: SECURE DISCRETIONARY GRANT FUNDING FROM MAJOR U.S. DOT GRANT PROGRAMS**

Proposed Activities:

Organize strategic advocacy plans in coordination with local and regional stakeholders as well as Los Angeles County's Congressional Delegation to demonstrate strong support for grant applications that Metro submits to the U.S. Department of Transportation. Specifically, the INFRA Grant Program, BUILD Grant Program, Bus and Bus Facilities, and LoNo Grant Program are large, discretionary grant programs that are priority programs for the agency.

**GOAL #9 10: ADDITIONAL PRIORITIES**

Proposed Activities:

1. Work to ensure that any legislation adopted by Congress and signed into law by the President concerning autonomous vehicles does not compromise safety by weakening state and local traffic laws.
2. Work with Metro's regional partners to advance career education and training programs that will ensure the needed workforce to operate and maintain our transit system is ready and available;
3. Work to advocate for all Metro discretionary grant applications which include funding for such programs as transit oriented communities, safety and innovation;
4. Work with the Administration to avoid negative impacts as a result of implementation of tariffs on steel and various rolling stock parts and materials;
5. Work closely with the Administration and USDOT on regulations and proposed rulemakings that impact Metro.
6. Work with USDOT – consistent with Board policy – to address congestion pricing opportunities with respect to potential funding and regulations.
7. Work with Congress to allow art and non-functional landscaping expenses related to transit projects to be eligible for federal funding.

**GOAL #10 11: SUPPORT LEGISLATIVE ACTIONS THAT WILL IMPACT METRO'S ABILITY TO IMPLEMENT VISION 2028, THE AGENCY'S FIVE-POINT PLAN AND THE '28 BY 2028' INITIATIVE**

The Metro Vision 2028 Plan is the agency-wide strategic plan that creates the foundation for transforming mobility in LA County over the next 10 years. Attachment C outlines Metro's Vision 2028 State and Federal Strategic Goals.

Metro's Five-Point Plan outlines how Metro's programs and initiatives aim to:

- Implement Mobility Innovation
- Capture the Hearts and Minds of the People
- Embrace Equity
- Foster Continuous Improvement
- Step into Leadership Voids

Proposed Activities:

Monitor legislation that would impact Metro's ability to implement the strategic goals outlined in Vision 2028;

Monitor legislation that would impact Metro's ability to implement the aspects of the Five-Point plan; and

Support legislation and initiatives that would increase Metro's ability to implement Vision 2028 and the Five-Point Plan.

**2018 STATE LEGISLATIVE PROGRAM**

**GOAL #1: ENSURE THE STATE CONTINUES TO SECURE, PROTECT, AND FULLY FUND THE MAJOR TRANSPORTATION PROGRAMS IN THE STATE WITH EXISTING COMMITMENTS**

Proposed Activities:

Protect Metro's key fund sources;

Secure proportionate share of state fund allocations under the various transportation funding programs created and expanded under the provisions of Senate Bill 1 for Los Angeles County;

Support and preserve key funding sources under Senate Bill 1;

Communicate the importance of stable transportation funding to improve mobility in Los Angeles County, foster economic development and create jobs;

Protect Public Transportation Account revenues which have been funded by the sales tax on diesel fuel;

Secure proportionate share of federal funds allocated via state mechanisms, such as CMAQ and alternative transportation programs; and

Oppose any legislation and/or statewide initiatives that would jeopardize funding or repeal key components of Senate Bill 1.

**GOAL #2: SUPPORT LEGISLATIVE INITIATIVES AIMED AT INCREASING FUNDING FOR LOS ANGELES COUNTY TRANSPORTATION PROJECTS AND INITIATIVES**

Proposed Activities:

Support transportation funding proposals and ensure that they are structured to support Metro's priority projects, initiatives and programs;

Work with statewide partners on any efforts to protect new transportation related fees or taxes;

Support legislation that authorizes, clarifies or expands the implementation of innovative funding mechanisms for regional transportation planning agencies and the County of Los Angeles;

Support legislation that protects Metro's authority to collect dedicated local sales tax revenues and clarifies the State's implementation of the Wayfair Decision;

Monitor the California Department of Tax and Fee Administration's efforts to implement the Wayfair Decision; and

Support legislation that would enhance opportunities for Opportunity Zones, Value Capture or related concepts and mechanisms to fund transportation infrastructure or promote Transit-Oriented Developments and Metro's Transit Oriented Communities strategy.

### **GOAL #3: WORK TO ENSURE IMPLEMENTATION OF METRO'S BOARD ADOPTED LONG RANGE TRANSPORTATION PLAN (LRTP)**

Proposed Activities:

Pursue strategies and funding opportunities to implement the various modal programs in the Board-adopted LRTP;

Work to secure additional funds through the various state funding programs including but not limited to, Local Partnership Program, Active Transportation Program, Solutions for Congested Corridors Program, State Highway Maintenance and Rehabilitation Program, Transit and Intercity Rail Capital Program, Low Carbon Transit Operations Program, State Transportation Improvement Program, State Highway Operations and Preservation Program, freight corridor programs and bond funds;

Support legislation that would better position Metro to receive funding through various state programs; and

Support legislation that facilitates and/or clarifies the use of public private partnerships and other innovative project delivery mechanisms for highway and transit projects.

### **GOAL #4: SUPPORT EFFORTS TO IMPROVE SAFETY ON THE REGION'S COMMUTER RAIL SYSTEM**

Proposed Activities:

Advocate for additional state funding to increase the safety of the commuter rail system in Los Angeles County and the entire Metrolink service area; and

Support additional funding for enhanced commuter rail safety, especially for automatic train stop/positive train control systems, grade separations and double tracking single track portions of Metrolink's service area.

**GOAL #5: MAXIMIZE OPPORTUNITIES FOR FUNDING LOS ANGELES COUNTY'S TRANSPORTATION PROJECTS AND PROGRAMS THROUGH IMPLEMENTATION OF THE STATE'S CAP AND TRADE PROGRAMS**

Proposed Activities:

Ensure Cap & Trade funds are allocated to transportation, that Los Angeles County receives a proportionate share; and

Advocate for increased and sustained funding for transit under the State's Cap & Trade program categories.

**GOAL #6: COORDINATE WITH OUR LOCAL AND STATE PARTNERS TO INCORPORATE THE REGION'S NEEDS IN EMERGING CLIMATE CHANGE AND SUSTAINABILITY PROGRAMS**

Proposed Activities:

Monitor continued implementation of AB 32 and SB 375 (including sustainable community strategies and related initiatives/ documents);

Work in partnership with the California Air Resources Board (CARB), California Transit Association (CTA), Southern California Air Quality Management District (SCAQMD) to support Metro's projects and programs;

Advocate the connection between transit operations funding, SB 375 and other state global warming policies, programs and initiatives;

Support initiatives that promote greenhouse gas emissions reduction strategies such as vehicle miles travelled reduction, active transportation, and operational efficiency best practices;

Support continued efforts to encourage smart growth and other connectivity and livability principles and their interaction with transit and highway investments while preserving authority of local agencies;

Support legislative efforts to include (programs affecting environmentally sensitive stakeholders and clean air programs) in our region, particularly with regards to regional transit planning, construction, and procurement efforts;

Support new initiatives that encourage the use of advanced, environmentally friendly and cost-effective strategies in the construction and retrofit of transit facilities including infrastructure related to renewable energy, low impact development, sustainable construction practices, and similar technologies;

Advocate for funding for Metro's first/last mile, bike and pedestrian projects under the State's Active Transportation and Local Planning Grants programs;

Monitor legislation and regulatory actions that would affect redevelopment, housing and regional planning efforts statewide and in Los Angeles County;

Support legislation that incorporates elements of Metro's transit-oriented communities strategies in regional housing planning and development; and

Support new and existing initiatives that complement the development and subsequent implementation of Metro's Zero-Emission Bus Strategic Plan.

**GOAL #7: ACTIVELY WORK WITH STATE, REGIONAL AND LOCAL TRANSPORTATION INTERESTS AND ENHANCE TRANSPORTATION AND INFRASTRUCTURE FUNDING AND PROGRAMS STATEWIDE**

Proposed Activities:

Work with Governor Newsom's Administration to preserve and increase flexibility in the use of transportation, development, and housing funds;

Identify and pursue opportunities for additional funding for Southern California transportation infrastructure and transit oriented development projects;

Support efforts to secure funding and/or obtain authority to generate additional funding for bus transit capital, operations, security needs, corridor projects, soundwalls, bike projects, Service Authority for Freeway Emergencies (SAFE) and other important transportation projects and programs;

Work with other agencies and the State to seek remedies to increase funding for Metro's Freeway Services Patrol (FSP) operations;

Support formula distribution of the State's FSP program funding that addresses Los Angeles County's population, congestion levels and service performance;

Oppose any efforts to modify Senate Bill 1(Beall, 2017) programs that would reduce funding for Los Angeles County;

Support any legislation or statewide ballot measure which seeks to constitutionally protect transportation revenues for transportation infrastructure only. We strongly support protections that prohibit using transportation dollars for other purposes;

Work cooperatively with other transit agencies throughout the State, including the CTA, to secure and increase funding for transportation services, projects and programs; and

Identify and pursue opportunities for funding and to enhance authority where necessary to improve security and safety for customers, employees and property.

**GOAL #8: SUPPORT LEGISLATIVE AND REGULATORY ACTIONS THAT ENHANCE AND PROTECT METRO'S ABILITY TO DELIVER INNOVATIVE TRANSPORTATION PROJECTS AND SERVICES IN LOS ANGELES COUNTY**

Proposed Activities:

Support efforts to clarify the oversight responsibilities of the PUC with respect to rail transit, transportation network companies and improve the administration of PUC regulations;

Oppose legislation that would seek to restructure the Metro Board of Directors;

Oppose legislation that would preempt collective bargaining, impose benefits in collective bargaining agreements or restrict the rights of local agencies in the collective bargaining process;

Preserve our authority in regional transportation funding decisions including those granted through SB 45;

Continue to advocate for California Environmental Quality Act (CEQA) reforms for and specified exemptions for transportation projects with continued collaboration of statewide stakeholders and organizations;

Monitor and work with implementation of pension reform (PEPRA) so that Metro is able to maintain a stable work force and ensure adequate succession planning;

Monitor regulations and legislation that would clarify the State's distribution of sales tax revenues to Los Angeles County and Metro;

Coordinate with regional partners and monitor the State's autonomous vehicle regulations and ensure that federal, state and local regulations are aligned;

Support efforts that encourage partnership and data-sharing between transportation network companies and regional transportation authorities;

Support efforts to enhance the use of electronic fare payment or smart card technology;

Explore legislation that would authorize the use of forward facing cameras on Metro's buses and in dedicated bus lanes;

Support efforts to expand the agency's authority to procure, install and operate three-position bike racks on Metro's buses;

Support legislation that would authorize and promote the use of technology to enhance safety, security and operations for our bus and rail operators; and



Support legislation and funding opportunities that support the Board approved Twenty-Eight by 2028 initiative.

**GOAL #9 OPPOSE ANY LEGISLATION THAT COULD NEGATIVELY IMPACT METRO'S ABILITY TO OPERATE THE EXPRESSLANES PROGRAM AND SUPOORT LEGISLATION THAT ALLOWS FOR FUTURE EXPRESSLANES EXPANSION.**

Proposed Activities:

Support legislation that:

1. Encourages development and utilization of regulations and technologies that would enhance the ability to verify vehicle occupancy and toll collection/payment.
2. Enhances Metro's ability to enforce the ExpressLanes Board adopted toll policy.
3. Amends or clarifies California vehicle code sections to authorize Metro to enforce occupancy requirements in the ExpressLanes;
4. Amends Streets and Highways codes that impact Metro's interoperability with other California toll agencies.
5. Supports and enables Metro's ability to expand Metro's ExpressLanes network upon Board approval.
6. Provides clarification of AB 194 regarding roles and responsibilities of Metro and Caltrans.
7. Supports and authorizes flexibility in how net toll-revenues are re-invested in support of an expanded corridor network of ExpressLanes in Los Angeles County.

Oppose legislation that would:

1. Negatively impact Metro's ability to manage ExpressLanes demand utilizing congestion pricing.
2. Negatively impact financial viability and local control of ExpressLanes revenues.
3. Limit Metro's ability to expand the ExpressLanes network.

**GOAL #10: SUPPORT EFFORTS TO ESTABLISH AND IMPLEMENT A COUNTYWIDE COMMUTER TAX BENEFIT ORDINANCE AND TRANSPORTATION DEMAND MANAGEMENT PROGRAM**

Proposed Activities:

Monitor legislation that would enable Los Angeles County to implement the nation's most aggressive commuter tax benefits program to reimburse and credit the cost of sustainable transportation options and that would strengthen Metro's ability to carry out a countywide TDM program.

Support legislation and explore funding opportunities that would allow for Metro to establish a robust and comprehensive Transportation Demand Management program;

Support CARB's efforts to implement the State of California's Parking Cash-Out law for worksites within Los Angeles County; and

Support legislation that would expand authority for Metro or other entities to establish Commuter Benefit Programs.

Explore legislative remedies to establish or expand Los Angeles County's existing Commuter Benefits Programs.

**GOAL #11: SUPPORT EFFORTS TO IMPLEMENT HIGH SPEED RAIL (HSR) IN LOS ANGELES COUNTY**

Metro supports the California High Speed Rail Project.

Metro is encouraged by the efforts to incorporate a blended corridor concept in its planning and to continue to evaluate and identify the need to connect the project to Los Angeles County.

We encourage the State to make specific commitments to funding the segment connecting to Los Angeles County and to maintain this segment as a high priority in future plans.

Metro supports the allocation of funding to elements of the blended corridor concept in Los Angeles County to support the ultimate completion of the High Speed Rail project.

Proposed Activities:

Advocate for the full allocation of funding to the Link Union Station project and other corridor enhancements in Los Angeles County which support the ultimate completion of the High Speed Rail project;

Ensure timely implementation of Proposition 1A including allocation of connectivity funds.

Support legislation that preserves “book-end” funding for early-action projects identified as vital to the delivery of the HSR project in Southern California.

Support efforts to ensure that NEPA assignment authority for highway and transit projects is preserved.

Support streamlining project approvals under Caltrans’ NEPA assignment authority.

**GOAL #12: SECURE APPROVAL OF KEY FREIGHT PROJECTS AT THE CALIFORNIA TRANSPORTATION COMMISSION**

Proposed Activities:

Support efforts to fund goods movement and freight projects through the CTC;

Advocate that Los Angeles County receive a proportionate share of funding through the State’s Trade Corridor Enhancement Program; and

Support regional and statewide efforts to secure and preserve funding for freight corridors; and

Support regional and statewide efforts to fund innovations in clean-freight technology.

**GOAL #13: SUPPORT LEGISLATIVE ACTIONS THAT WILL IMPACT METRO’S ABILITY TO IMPLEMENT VISION 2028, THE AGENCY’S FIVE-POINT PLAN AND THE ‘28 BY 2028’ INITIATIVE**

The Metro Vision 2028 Plan is the agency-wide strategic plan that creates the foundation for transforming mobility in LA County over the next 10 years. Attachment C outlines Metro’s Vision 2028 State and Federal Strategic Goals.

Metro’s Five-Point Plan outlines how Metro’s programs and initiatives aim to:

- Implement Mobility Innovation
- Capture the Hearts and Minds of the People
- Embrace Equity
- Foster Continuous Improvement
- Step into Leadership Voids

Proposed Activities:

Monitor legislation that would impact Metro’s ability to implement the strategic goals outlined in Vision 2028;

Monitor legislation that would impact Metro's ability to implement the aspects of the Five-Point plan; and

Support legislation and initiatives that would increase Metro's ability to implement Vision 2028 and the Five-Point Plan.

**GOAL #14: EXPLORE LEGISLATION THAT WOULD ENHANCE METRO'S ABILITY TO DELIVER ITS PROGRAMS AND SERVICES INCLUDING ADVANCING THE 28 BY 2028 INITIATIVE**

Proposed Activities:

Explore legislation to streamline and clarify electrical utility billing for Metro.

Explore legislation to update various provisions of Metro's statutes to conform those provisions to those of other agencies.

Explore legislation to clarify Metro's and re-authorize Caltrans' authority to utilize the public-private partnership model to deliver highway and transit projects.

Explore legislation to clarify provisions related to Metro's use of the Design-Build method of project delivery.

Explore legislation to authorize Metro to establish a congestion-pricing pilot on local streets within a specified area in Los Angeles County.

Explore legislation to authorize Metro to levy a fee or regulate Transportation Network Companies that operate within Los Angeles County.



Metro

Los Angeles County  
Metropolitan Transportation  
Authority  
One Gateway Plaza  
3rd Floor Board Room  
Los Angeles, CA

**Board Report**

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**File #:** 2018-0652, **File Type:** Motion / Motion Response

**Agenda Number:** 5.

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**AD HOC CONGESTION, HIGHWAY, AND ROADS COMMITTEE  
FEBRUARY 20, 2019**

**SUBJECT: CALTRANS ORAL REPORT IN RESPONSE TO THE ROAD MOVABLE BARRIERS  
SYSTEM MOTION**

**ACTION: RECEIVE ORAL REPORT**

**RECOMMENDATION**

RECEIVE oral report by Caltrans in response to the Road Movable Barriers System Motion from June 2018.

**ATTACHMENT**

Attachment A - Road Barriers Motion



**Board Report**

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**File #:** 2018-0424, **File Type:** Motion / Motion Response

**Agenda Number:** 61.

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**REGULAR BOARD MEETING  
JUNE 28, 2018**

**Motion by:**

**GARCETTI, DUPONT-WALKER, HAHN, GARCIA, FASANA AND BOWEN**

**Road Movable Barriers System**

**SUBJECT: MOTION BY GARCETTI, DUPONT-WALKER, HAHN, GARCIA,  
FASANA AND BOWEN**

**ROAD MOVABLE BARRIERS SYSTEM**

WE THEREFORE MOVE THAT the Board direct the CEO to report back on the following:

- A. An analysis of the feasibility to implement Road Movable Barriers System on Freeway systems in Los Angeles County where asymmetric traffic flow exists. The analysis shall include the following:
  - 1. Identifying the potential freeway corridor segments such as the I-405 between I-105/LAX to I-710, and others, that have unique directional traffic flows.
  - 2. Coordination with Caltrans to identify the associated capital costs such as bridge replacement.
  - 3. Coordination with Caltrans to identify the associated operation costs to implement Road Movable Barriers System to create reversible lanes during AM and PM peak hours;
- B. Identify and recommend funding sources to support a pilot demonstration program; and
- C. Report back on all the above during the October 2018 MTA Board cycle.



# ROAD MOVABLE BARRIERS SYSTEM Segment Analysis

Metro Board Action Item No. 61, June 28, 2018  
CEO to report on analysis of the feasibility to  
implement movable barrier system in Los Angeles  
County where asymmetric traffic flow exists.

NOVEMBER 2018



## **BOARD ACTION**

### **CEO report on analysis of the feasibility to implement Movable Barrier System in Los Angeles County where asymmetric traffic flow exists.**

- ▶ **1. Identifying the potential freeway corridor segments such as the I-405 between I-105/LAX to I-710, and others, that have unique directional traffic flows.**
- ▶ 2. Coordination with Caltrans to identify the associated capital costs such as bridge replacement.
- ▶ 3. Coordination with Caltrans to identify the associated operation costs to implement Road Movable Barriers System to create reversible lanes during AM and PM peak hours.

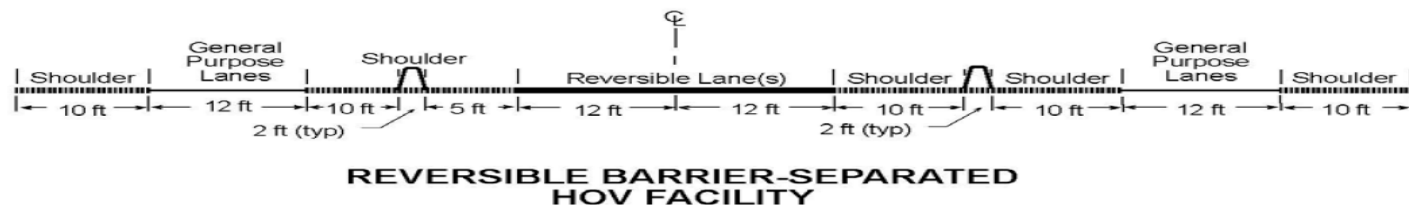


# REVERSIBLE HOV LANES MINIMUM REQUIREMENTS

From High-Occupancy Vehicle Guidelines for Planning, Design & Operations.  
January 2018.

- ▶ Minimum length for these facilities should be 2 miles
- ▶ This type of operation is feasible only if the existing and forecasted directional traffic split is 65% or more in one direction during the design life of the project
- ▶ Free of right-of-way and physical constraints, such as bridge columns, in retrofitting a reversible flow

**FIGURE 3.1**  
**TYPICAL CROSS SECTIONS**  
**BARRIER-SEPARATED HOV FACILITIES**  
NOT TO SCALE



HIGH-OCCUPANCY  
VEHICLE  
GUIDELINES

for Planning, Design  
and Operations

January 2018  
California State  
Transportation Agency

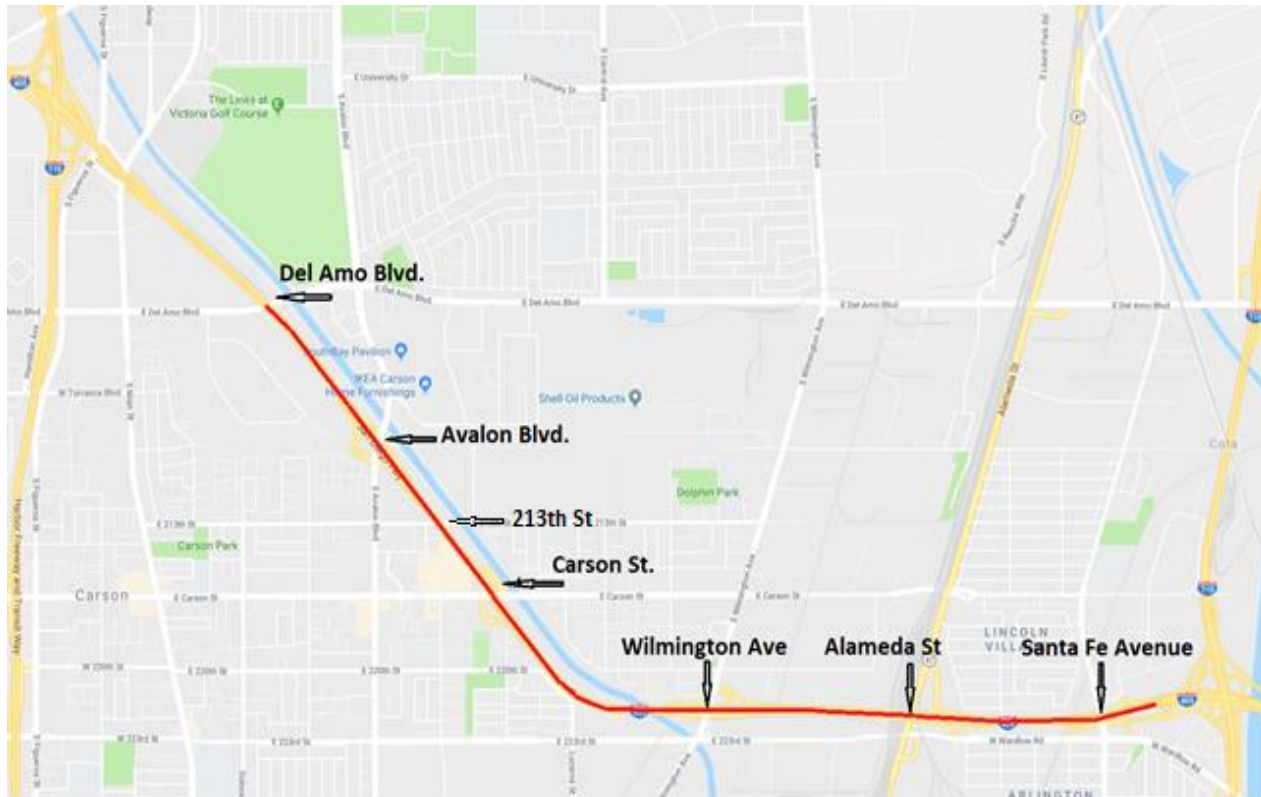


Prepared by:  
Department of Transportation  
Division of Traffic Operations  
web address: <http://onramp/hq/trafops/otr4p4/hov/hov.html>

High-Occupancy Vehicle Guidelines  
For Planning, Design and Operations

## SEGMENT LOCATION

ON ROUTE 405 BETWEEN I-710 (PM 7.8)  
AND DEL AMO BLVD. (PM 11.8)

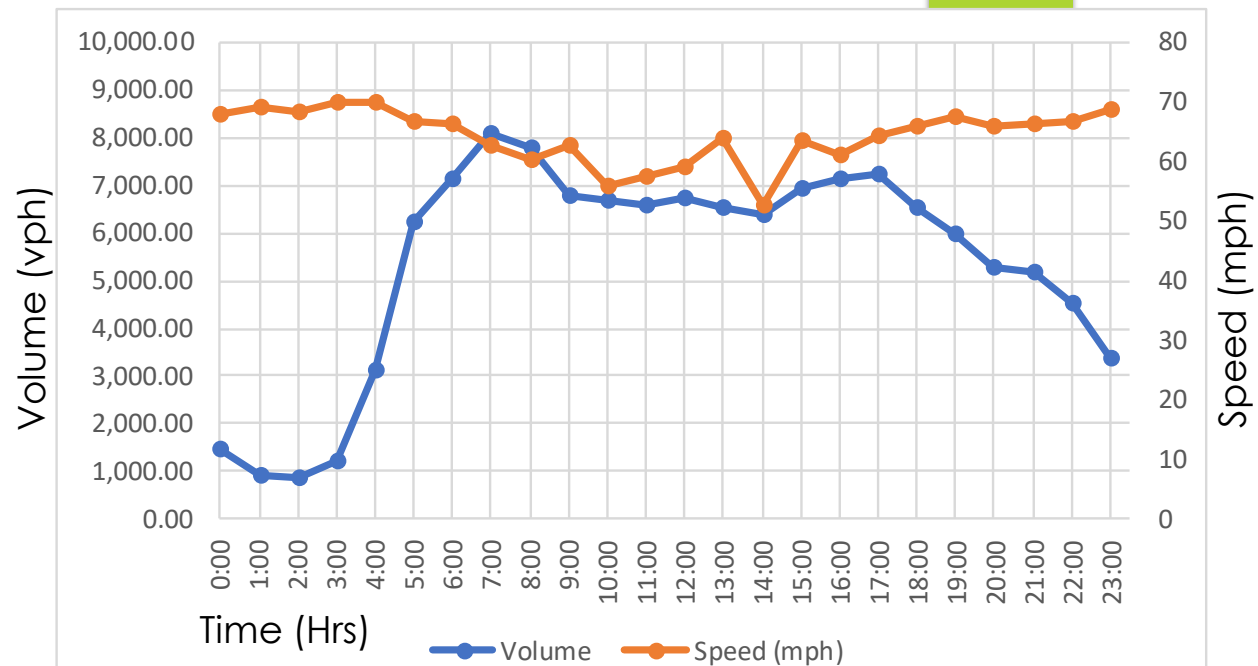


- I-405 is the most congested urban freeway in California, and the site of the top bottlenecks in Los Angeles County.
- There are no major physical constraints located in the median, making it physically feasible for movable barrier system, if 65/35 split tends to exist.
- This segment of I-405 is part of Metro Countywide Express Lanes Tier 1 Projects (5 to 10 Years).
- Caltrans PeMS data are used to measure flow, speed, and occupancy.

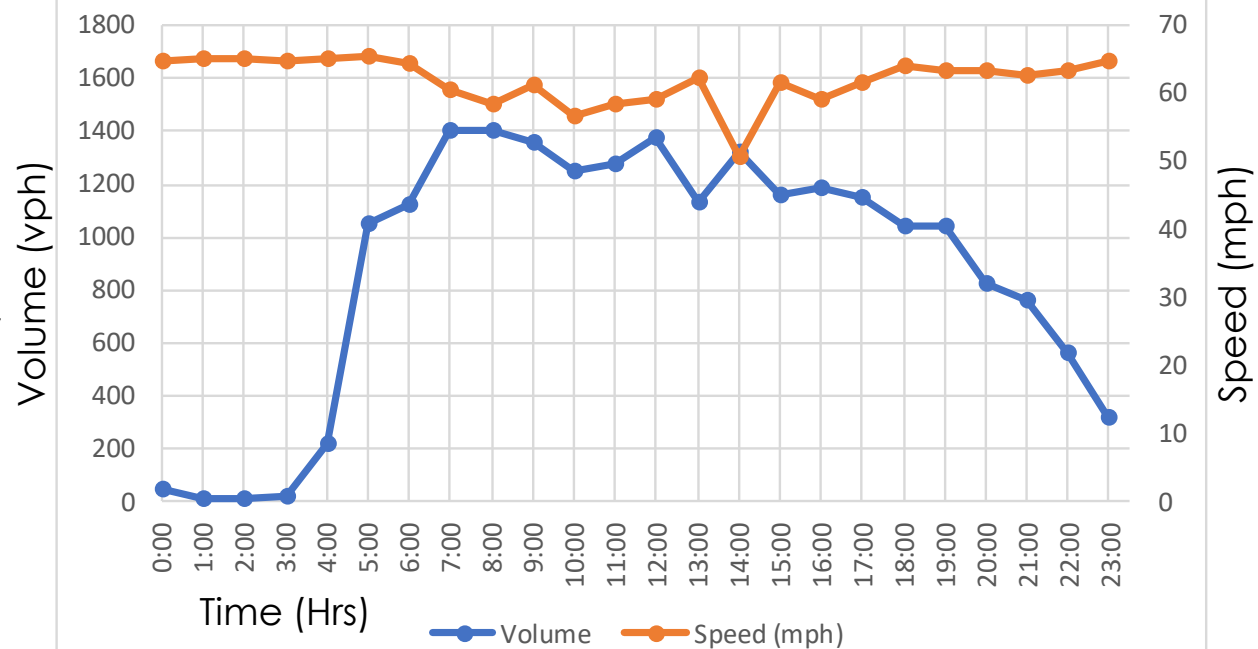
# DIRECTIONAL VOLUME AND SPEED COMPARISON I-405 NB

AT AVALON BLVD.

**GENERAL PURPOSE (4 LANES)**



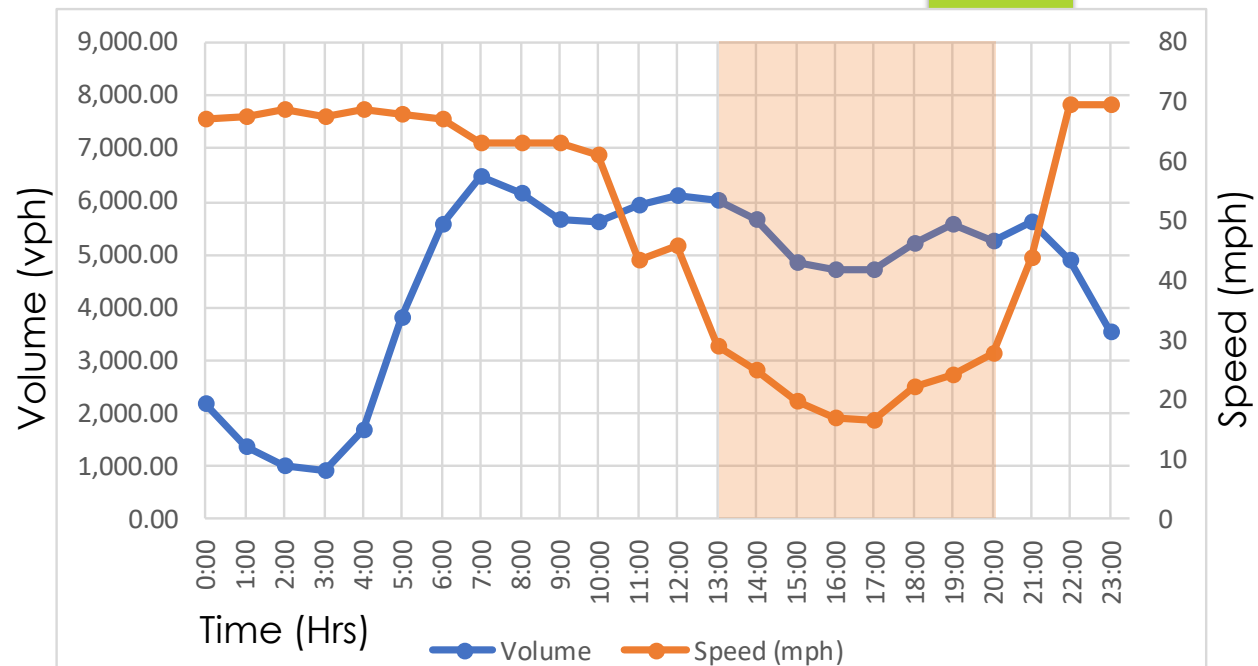
**HOV ONLY (1 LANE)**



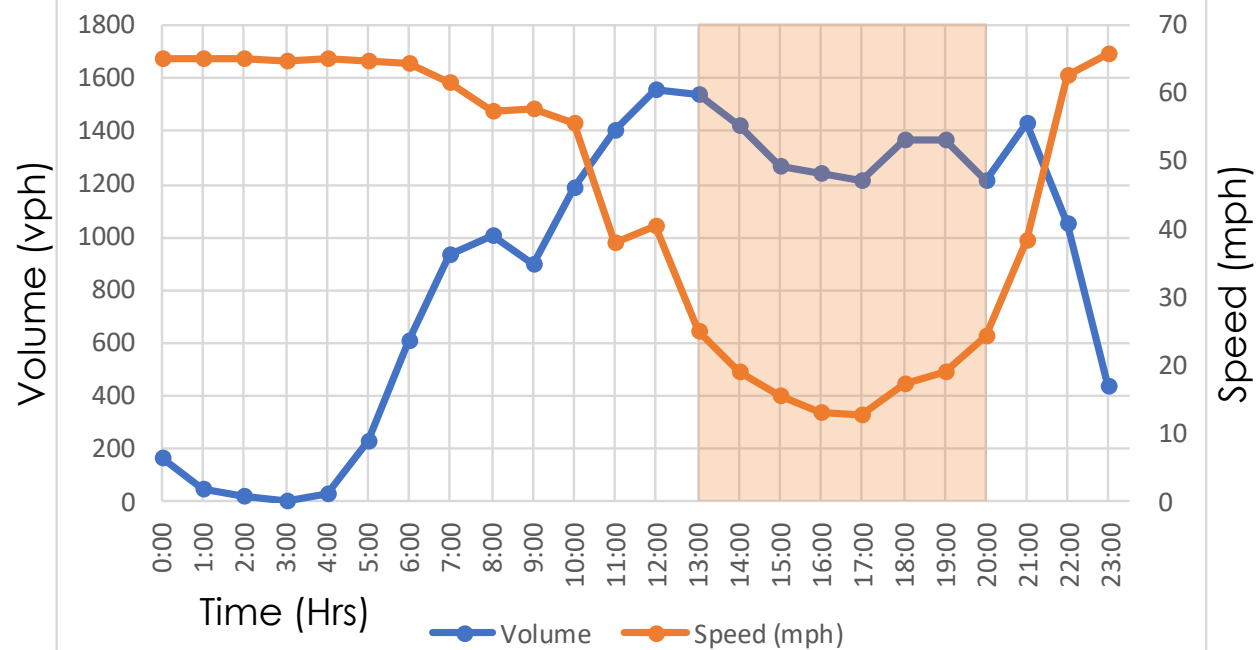
# DIRECTIONAL VOLUME AND SPEED COMPARISON I-405 SB

AT AVALON BLVD.

**GENERAL  
PURPOSE  
(4 LANES)**



**HOV ONLY  
(1 LANE)**



# DIRECTIONAL VOLUME SPLIT AT AVALON BLVD.

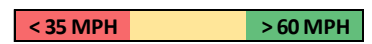
AVALON BLVD (PM 11.32) - DIRECTIONAL LANE CONFIGURATION: 4 GP & 1 HOV

Time	Directional Volume (vph)		Directional Volume (vph)		Directional Volume (vph)		Volume Split (%)						Average Speed (mph)			
	SB GP (4 lanes)	NB GP (4 lanes)	SB HOV (1 lane)	NB HOV (1 lane)	SB GP+HOV	NB GP+HOV	SB GP	NB GP	SB HOV	NB HOV	SB GP+HOV	NB GP+HOV	SB GP	NB GP	SB HOV	NB HOV
0:00	2192	1471	160	49	2352	1520	60%	40%	77%	23%	61%	39%	67	68	65	65
1:00	1364	903	50	11	1414	914	60%	40%	82%	18%	61%	39%	68	69	65	65
2:00	1023	851	16	7	1039	858	55%	45%	70%	30%	55%	45%	69	69	65	65
3:00	913	1223	1	19	914	1242	43%	57%	5%	95%	42%	58%	68	70	65	65
4:00	1664	3114	31	217	1695	3331	35%	65%	13%	88%	34%	66%	69	70	65	65
5:00	3796	6243	228	1047	4024	7290	38%	62%	18%	82%	36%	64%	68	67	65	66
6:00	5571	7128	610	1119	6181	8247	44%	56%	35%	65%	43%	57%	67	67	65	64
7:00	6454	8109	932	1402	7386	9511	44%	56%	40%	60%	44%	56%	63	63	62	61
8:00	6150	7815	1006	1401	7156	9216	44%	56%	42%	58%	44%	56%	63	61	58	59
9:00	5671	6817	898	1361	6569	8178	45%	55%	40%	60%	45%	55%	63	63	58	61
10:00	5633	6713	1187	1250	6820	7963	46%	54%	49%	51%	46%	54%	61	56	56	57
11:00	5920	6586	1407	1280	7327	7866	47%	53%	52%	48%	48%	52%	44	58	38	59
12:00	6095	6723	1560	1378	7655	8101	48%	52%	53%	47%	49%	51%	46	59	41	59
13:00	6006	6557	1542	1129	7548	7686	48%	52%	58%	42%	50%	50%	29	64	25	62
14:00	5673	6394	1424	1321	7097	7715	47%	53%	52%	48%	48%	52%	25	53	19	51
15:00	4833	6924	1266	1158	6099	8082	41%	59%	52%	48%	43%	57%	20	64	15	62
16:00	4710	7133	1237	1189	5947	8322	40%	60%	51%	49%	42%	58%	17	61	13	59
17:00	4716	7224	1214	1151	5930	8375	39%	61%	51%	49%	41%	59%	17	64	13	62
18:00	5221	6535	1364	1042	6585	7577	44%	56%	57%	43%	46%	54%	22	66	17	64
19:00	5549	6013	1365	1043	6914	7056	48%	52%	57%	43%	49%	51%	24	68	19	63
20:00	5273	5308	1216	822	6489	6130	50%	50%	60%	40%	51%	49%	28	66	25	63
21:00	5594	5194	1427	759	7021	5953	52%	48%	65%	35%	54%	46%	44	67	38	63
22:00	4875	4549	1051	559	5926	5108	52%	48%	65%	35%	54%	46%	70	67	63	63
23:00	3543	3399	434	316	3977	3715	51%	49%	58%	42%	52%	48%	70	69	66	65

LOWEST SPEED



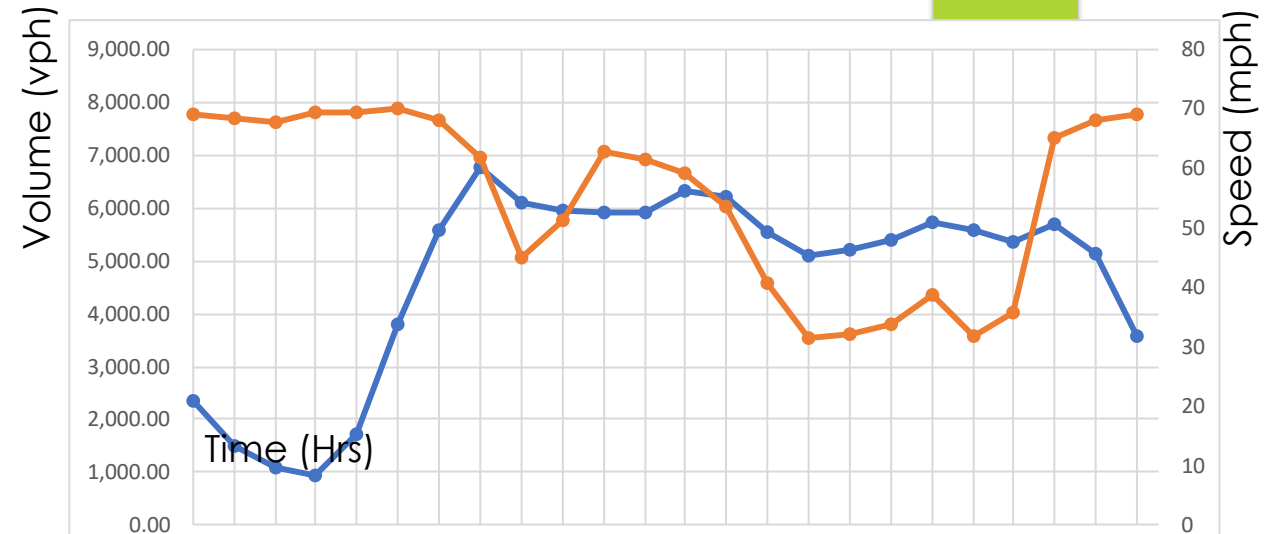
Cells in blue with >65% are when apparent volume split occurs.



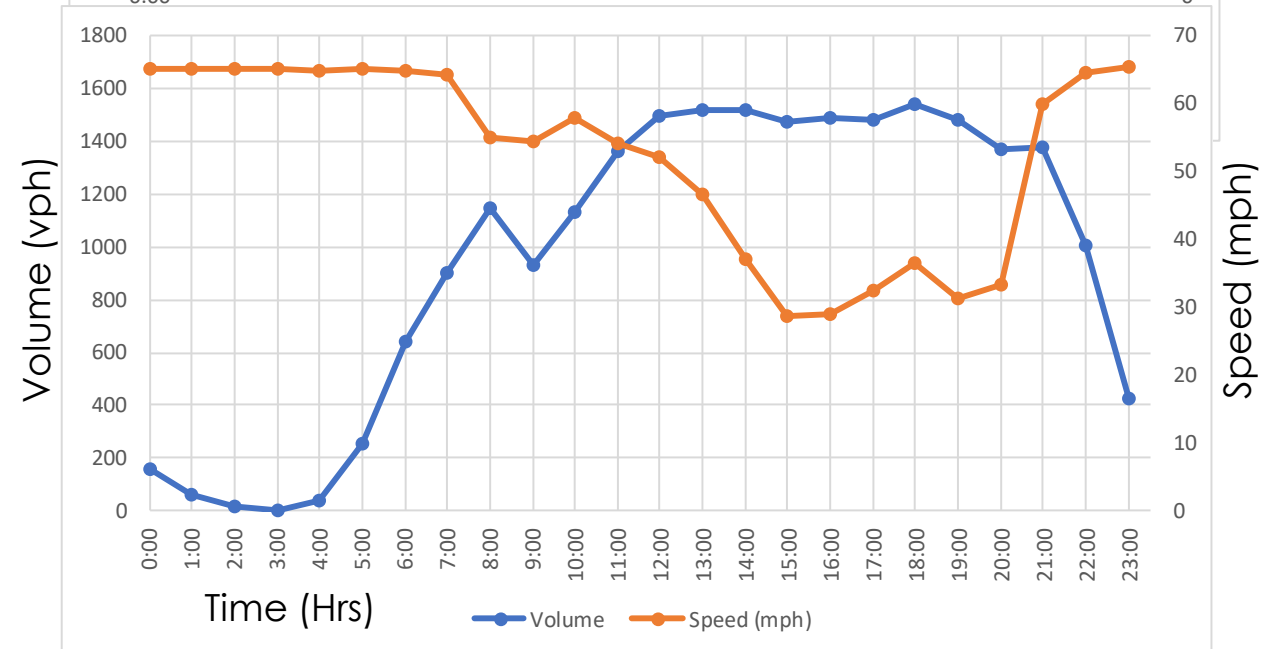
# DIRECTIONAL VOLUME AND SPEED COMPARISON I-405 NB

AT SANTA FE AVE.

**GENERAL PURPOSE (4 LANES)**



**HOV ONLY (1 LANE)**

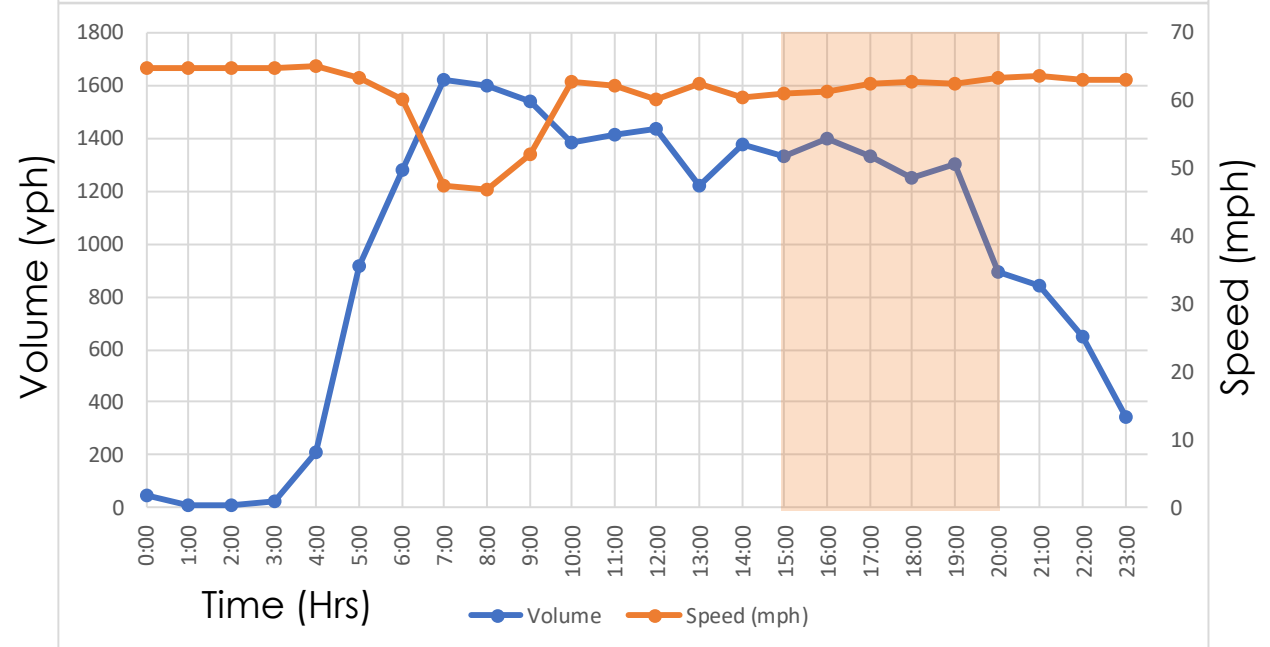
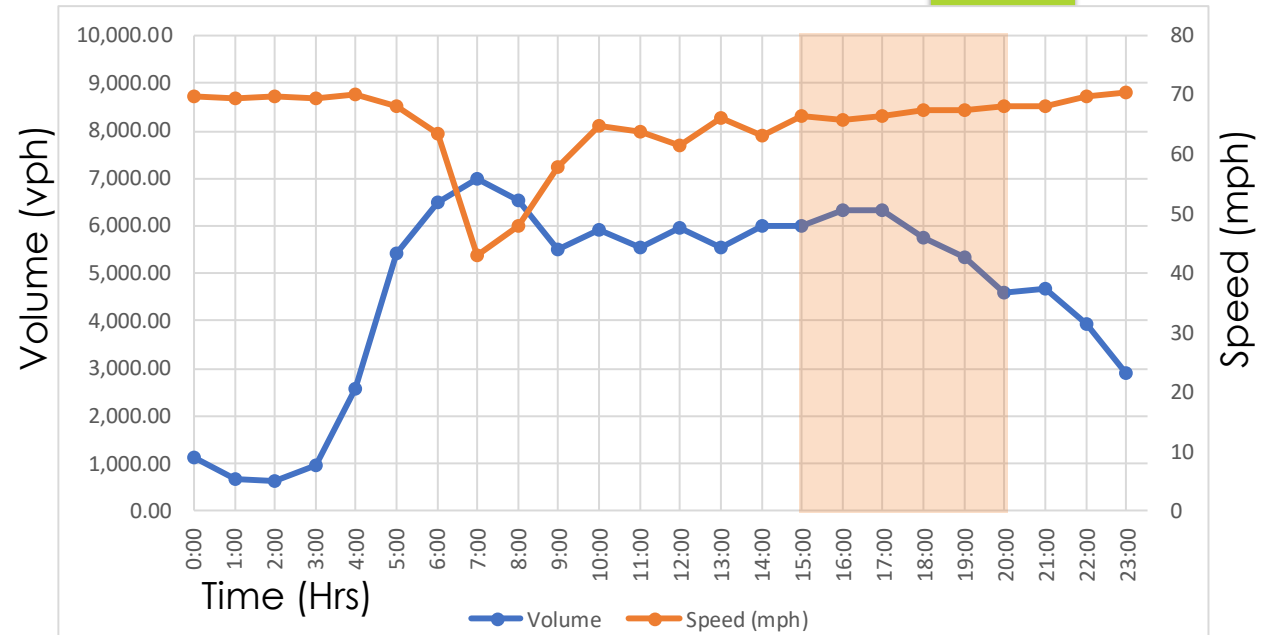


# DIRECTIONAL VOLUME AND SPEED COMPARISON I-405 SB

AT SANTA FE AVE.

**GENERAL PURPOSE (4 LANES)**

**HOV ONLY (1 LANE)**

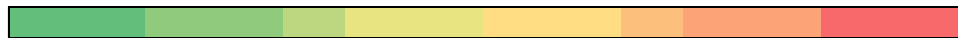


# DIRECTIONAL VOLUME SPLIT AT SANTA FE AVE.

SANTA FE AVE (PM 8.02) - DIRECTIONAL LANE CONFIGURATION: 4 GP & 1 HOV

Time	Directional Volume (vph)		Directional Volume (vph)		Directional Volume (vph)		Volume Split (%)						Average Speed (mph)			
	SB GP (4 lanes)	NB GP (4 lanes)	SB HOV (1 lane)	NB HOV (1 lane)	SB GP+HOV	NB GP+HOV	SB GP	NB GP	SB HOV	NB HOV	SB GP+HOV	NB GP+HOV	SB GP	NB GP	SB HOV	NB HOV
0:00	2344	1132	160	46	2504	1178	67%	33%	78%	22%	68%	32%	65	70	65	65
1:00	1478	652	59	11	1537	663	69%	31%	84%	16%	70%	30%	65	69	65	65
2:00	1094	630	13	6	1107	636	63%	37%	68%	32%	64%	36%	65	70	65	65
3:00	928	953	4	24	932	977	49%	51%	14%	86%	49%	51%	65	69	65	65
4:00	1729	2580	35	211	1764	2791	40%	60%	14%	86%	39%	61%	65	70	65	65
5:00	3798	5436	254	916	4052	6352	41%	59%	22%	78%	39%	61%	65	68	65	64
6:00	5593	6480	643	1283	6236	7763	46%	54%	33%	67%	45%	55%	65	64	65	60
7:00	6774	6992	905	1626	7679	8618	49%	51%	36%	64%	47%	53%	64	43	64	48
8:00	6120	6534	1145	1603	7265	8137	48%	52%	42%	58%	47%	53%	55	48	55	47
9:00	5969	5521	929	1540	6898	7061	52%	48%	38%	62%	49%	51%	54	58	54	52
10:00	5916	5935	1130	1384	7046	7319	50%	50%	45%	55%	49%	51%	58	65	58	63
11:00	5920	5545	1364	1415	7284	6960	52%	48%	49%	51%	51%	49%	54	64	54	62
12:00	6328	5967	1499	1435	7827	7402	51%	49%	51%	49%	51%	49%	52	61	52	60
13:00	6210	5549	1522	1222	7732	6771	53%	47%	55%	45%	53%	47%	47	66	47	63
14:00	5566	5979	1517	1377	7083	7356	48%	52%	52%	48%	49%	51%	37	63	37	61
15:00	5109	5999	1474	1333	6583	7332	46%	54%	53%	47%	47%	53%	29	67	29	61
16:00	5211	6319	1491	1402	6702	7721	45%	55%	52%	48%	46%	54%	29	66	29	61
17:00	5390	6345	1485	1332	6875	7677	46%	54%	53%	47%	47%	53%	33	67	33	62
18:00	5721	5748	1543	1251	7264	6999	50%	50%	55%	45%	51%	49%	37	68	37	63
19:00	5599	5324	1481	1300	7080	6624	51%	49%	53%	47%	52%	48%	31	68	31	63
20:00	5379	4580	1372	891	6751	5471	54%	46%	61%	39%	55%	45%	33	68	33	63
21:00	5694	4668	1377	844	7071	5512	55%	45%	62%	38%	56%	44%	60	68	60	64
22:00	5123	3937	1005	645	6128	4582	57%	43%	61%	39%	57%	43%	65	70	65	63
23:00	3567	2918	424	347	3991	3265	55%	45%	55%	45%	55%	45%	65	70	65	63

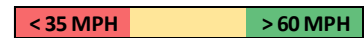
LOWEST SPEED



Lowest Volume

Highest Volume

Cells in red with >65% are when apparent volume split occurs.



< 35 MPH

> 60 MPH



# SUMMARY OF FINDINGS & CONCLUSION

- ▶ Noticeable asymmetric traffic flow patterns (approx. 65/35 split) were observed only during off-peak hours in segment of the I-405 between Del Amo Blvd. and I-710.
- ▶ **During those hours, speeds are moderately high and minimal congestion is present, thus implementing Movable Barrier System will not be a viable investment.**
- ▶ Upon evaluation of other routes, the following locations exhibit similar conditions and movable barrier **will not be a viable investment**:
  - ▶ **Route 60** from Crossroad Parkway to Barford POC (Approx. 3.9 miles): Approximately 50/50 volume percentage split throughout the day.
  - ▶ **I-10** from Rio Hondo to I-605 (Approx. 2.8 miles): 65/35 volume split only occurs when vehicles are traveling at free-flow speed.
  - ▶ **Route 14** from I-5 to Newhall Avenue (Approx. 4.2 miles): 65/35 volume split occurs when vehicles are traveling at free-flow speed during 7:00PM to 1:00AM.
- ▶ Detailed traffic modeling and analysis needed to further assess other scenarios & alternatives.



Board Report

File #: 2018-0562, File Type: Motion / Motion Response

Agenda Number: 8.

**AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE  
JANUARY 16, 2019**

**SUBJECT: I-10 EXPRESSLANES BUSWAY PILOT PROGRAM**

**ACTION: APPROVE RECOMMENDATION**

RECOMMENDATION

AUTHORIZE the development of an implementation plan for the I-10 ExpressLanes Pilot Program.

ISSUE

This report is in response to Director Fasana’s April 2018 Motion 43 amended by Director Solis (Attachment A), requesting that Metro staff work with Caltrans and other stakeholders to develop a pilot exclusively for the I-10 ExpressLanes that increases toll free occupancy requirements from HOV2/HOV3 to vanpools and transit, as a means of preserving the ExpressLanes as a fast, reliable travel option for transit users and all corridor travelers. The Motion requested that Metro Staff report back on:

1. Potential effects of implementing this pilot;
2. Key decision points and milestones for implementation; and
3. Solicitation of feedback and evaluation of potential impacts associated with this pilot, with focus on low-income commuters.

Please note that the Board Motion also mentioned outreach to SCAQMD, but in subsequent conversations with the Board Motion contributors’ staffs, this was determined to have been included in error.

BACKGROUND

*Historical Perspective*

The I-10 ExpressLanes facility was originally built as a busway, and was subsequently opened to HOV3+ traffic for a limited period during a bus strike in 1974. The busway was formally opened to HOV3+ in 1976 to further reduce congestion on the freeway corridor. The ExpressLanes adopted existing occupancy requirements of HOV3+ during peak periods and HOV2+ during the off-peak at the time of opening.

*Performance Challenges*

The success of the ExpressLanes has resulted in increases in volume year over year since program inception in 2013. A more detailed look at the data for the I-10 reveals that in fiscal year 2018, there were over 15.9 million trips on the I-10 ExpressLanes—a 4.7% increase over the previous year and a 58% increase since 2014. Concurrently, morning commute

---

speeds have decreased by 12.5% between 2013 and 2018. When traffic density increases to the point that speeds fall below 45mph, the system goes into HOV-Only mode and only HOVs are allowed to enter the ExpressLanes. From 2014 to 2017, HOV-Only time increased by 250% before falling by 14% in 2018.

While the 2018 ExpressLanes Operations Performance Report indicates that 41% of the users of the I-10 ExpressLanes were HOV3+, that data is based on self-declaration. However, based on independent mode-split measurements conducted by Metro in 2018 and the most recent Caltrans Managed Lanes Report, mode split on the I-10 ExpressLanes during peak periods (as measured east of I-710) is:

- Single Occupant Vehicles: 65%
- Carpools with 2 persons: 20%
- Carpools with 3 persons: 4%
- Carpools with more than 3 persons: Less than 1%
- Vanpools: 2%
- Buses: 4%
- Clean Air Vehicles (may include above vehicle types as well): 6%

This data confirm the fact that a sizable proportion of ExpressLanes users mis-represent vehicle occupancy during peak, resulting in increased congestion in the ExpressLanes and increased tolls for those who are accurately reflecting vehicle occupancy.

Travel time reliability for transit vehicles on the I-10 ExpressLanes has also diminished in recent years, impacting on-time performance. Metro operations have had to modify the Silver Line schedules by including additional travel time to maintain a schedule that meets passenger demand. Up to 19% of Foothill Transit buses on I-10 operate behind schedule (varies by month), with the Silver Streak buses delayed by an average of 10 minutes during the AM Peak Hour (8-9 AM).

#### *Enforcement Challenges*

There are also enforcement challenges associated with the current exemption of HOV2 and HOV3+ travelers from tolls. This has resulted in a proportion of users on the I-10 ExpressLanes mis-representing their occupancy levels with the intent of improperly obtaining toll-free passage. When travelers mis-represent their vehicle occupancies, it undermines public trust in the ExpressLanes and constrains the ability to effectively manage demand and congestion in the lanes, as discussed in greater detail in Attachment B. While current CHP enforcement and technological solutions under development can be used to discourage this behavior, both of these strategies have limitations.

This proposed pilot is expected to mitigate this source of toll leakage and to therefore enhance fairness/equity across all users, as a product of:

- fewer opportunities for occupancy mis-representation therefore preventing toll rates from being inflated by SOVs declaring as HOVs,
- greater ease of enforcement, and
- a diminished dependency on occupancy detection systems.

## **DISCUSSION**

### **Increasing the HOV threshold to the Original Requirement**

Increasing the HOV occupancy requirement will align with the original intent/spirit of the ExpressLanes/Busway, and will help to mitigate the overutilization of existing ExpressLanes, particularly where capacity is more constrained (e.g., the one-lane segments of the I-10 ExpressLanes). Managing demand by raising HOV minimum occupancy requirements is supported by Caltrans and permitted per Title 23 Section 166 of the U.S. Code as a congestion mitigation strategy.

In response to the motion, this section includes discussion of the following: (1) Potential mobility effects, (2) Low-income commuter surveys, and (3) Inclusion of HOV5+ vehicles for toll exemption.

The key decision points and necessary milestones for implementing this pilot are: (1) obtaining concurrence from Caltrans and FHWA, (2) collecting and analyzing data needs, and (3) developing a formal implementation plan.

In an effort to assess the preliminary impacts of the proposed pilot, staff performed a micro-simulation analysis, conducted a survey of low-income commuters and evaluated the viability of toll free passage for vanpools.

### **Potential Mobility Effects of Implementing this Pilot**

Using an integrated combination of simulation analysis, travel demand modeling, and dynamic toll modeling, the potential mobility impacts of this pilot program were evaluated. At this early stage, these should be interpreted as sketch-planning level results only. This operational impact analysis considered the AM Peak (6-9 AM) and PM Peak (4-7 PM) periods of a typical business day. Detailed analysis results are provided in Attachment B.

#### *ExpressLanes-Specific Mobility Outcomes*

- Increase in daily peak period person throughput by 600 persons (a 4% increase from current ExpressLanes throughput).
- Changes in average end-to-end travel times as follows:
  - Increase in Westbound AM Peak by 0.3 minutes.
  - Decrease in Westbound PM Peak by 0.1 minutes.
  - No change to Eastbound AM Peak
  - Increase in Eastbound PM Peak by 1.8 minutes due to queueing at the east end where the ExpressLanes merge back into the general-purpose lanes.
- Increase in average delay cost to ExpressLanes users of \$0.18 per person-trip. This is a result of some queueing at the end of the ExpressLanes where they merge back into the general purpose lanes.
- Transit impacts were found to be negligible with respect to average travel time performance. Because simulation models are not designed to directly capture reliability impacts, these could not be evaluated.

#### *General Purpose Lane Mobility Outcomes*

- Overall increase in average end-to-end travel times by four minutes. Currently corridor-wide travel times rise above their average levels by as much as 26 minutes from day to day during peak periods due to random variations in traffic. When focusing specifically on the PM Peak eastbound direction, the average projected travel time increase is 21 minutes.

#### *Corridor-wide Mobility Outcomes*

- Overall mobility benefit of approximately \$3.7 million per day in time/delay cost savings corridor-wide.
- Provision of a more long-term sustainable toll strategy that is less susceptible to congestion-especially congestion caused by vehicles that mis-represent occupancy.

#### *Interpretation*

This pilot could potentially achieve the stated goals of reducing ExpressLanes travel times for transit and is anticipated to increase person throughput. The new proposed toll policy also affords other tangible mobility benefits that, while outside the scope of the current analysis, are important to note qualitatively:

- Substantial improvement in travel time reliability when using the ExpressLanes, as the modification of criteria for toll-exempt trips would allow the toll system to manage congestion far more effectively. Travel time reliability is a measure of the predictability and consistency of travel times on the corridor. As travel time reliability improves, travelers benefit by not having to include as much schedule buffer in their travel plans.

- Faster response times for emergency vehicles and Freeway Service Patrol vehicles, which results in faster clearing of incidents and reduced delays.
- Minimizing opportunities for mis-representation of occupancies to avoid payment.

### **Low-income Commuter Surveys**

The 2018 ExpressLanes Customer Survey found the majority of respondents did not support changes to the current toll structure on the I-10 ExpressLanes, though 25% of survey respondents expressed interest in joining vanpools if that were required for toll-free travel. It should be noted that this survey was distributed to current customers only, and is not necessarily a representative sample of all corridor users.

At outreach events targeting low-income commuters along the corridor, feedback was collected from 479 participants regarding the changes being proposed under this pilot. The researchers attempted to target participation by various ethnic groups according to the racial distribution of the population around I-10. ExpressLanes users constituted 51% of the survey sample and completed an average of 3.8 trips per week on the I-10 ExpressLanes. The major findings were:

- Very few have ever used a vanpool on the I-10 ExpressLanes.
- Approximately 41% of current ExpressLanes users would continue to use the ExpressLanes alone or as a carpool while 23% would shift to general purpose lanes under the proposed policy.
- Approximately 56% of non-ExpressLanes users would continue to use the general purpose lanes while 18% would shift to the ExpressLanes under the proposed policy.

### **Inclusion of HOV5+ Vehicles for Toll Exemption**

Federally registered vanpool programs require that the vehicle itself be leased from the program by one of the occupants for reporting and tracking purposes, and that the vehicle have a minimum seating capacity of 7 persons (minimum occupancy requirements vary by program). This requirement can be a deterrent to participation. As a result, Metro ExpressLanes staff is recommending an alternative approach wherein toll-free travel is offered not only to registered vanpools, but also to any vehicles carrying enough passengers to have otherwise qualified as a vanpool based on occupancy.

Based on a review of other ExpressLanes facilities across the country which offer toll-free passage to vanpools, staff found that the majority of the surveyed facilities had a minimum vanpool occupancy requirement of 5 persons. Attachment B provides additional information regarding the treatment of Vanpools in other ExpressLanes facilities throughout the country. Therefore, staff recommends that the occupancy threshold for toll-free passage be set to 5 persons per vehicle.

### **Key Decision Points and Necessary Milestones for Implementing this Pilot**

This section outlines major milestones and key decision points associated with further advancing and implementing this policy, along with progress made in each of these areas to date.

#### *Obtain concurrence from Caltrans and FHWA*

Caltrans District 7 indicated support for an HOV5+ occupancy requirement for toll-exempt travel on the I-10 ExpressLanes from the outset. Metro and Caltrans worked collaboratively to submit a formal request from Caltrans seeking FHWA's concurrence regarding the proposed policy change. FHWA recently approved implementation of a pilot program with the condition of submittal of an Implementation Plan for their review prior to deployment. Additionally, FHWA requested inclusion of a before/after study as well as involvement in public outreach activities associated with the pilot.

#### *Additional Data and Analysis*

Additional data collection and analysis is needed to support the successful planning and implementation of this pilot. The anticipated timeframe for completing this milestone is Fall 2019. This would include:

1. a more detailed examination of the potential effects of this policy on transit operations;
2. additional market research regarding barriers to toll lane, transit, and vanpool usage among commuters, including

- economically disadvantaged stakeholders;
3. a more detailed examination of impacts of the policy on ExpressLanes usage by low-income customers; and
  4. a comprehensive assessment of the optimal method for incentivizing HOV5+ and vanpool formation, and for handling the associated toll exemptions through a third party provider.

#### *Develop a Formal Implementation Plan*

Results from the additional data collection and analysis activities will inform the development of a more robust, comprehensive implementation plan with additional specificity regarding the various aspects associated with deployment of this pilot project. The anticipated timeframe for completing this milestone is 12-15 months. The implementation Plan would be submitted for approval by FHWA. The plan would include:

- identifying any additional resources required for successful implementation including operational, public engagement/educational, and staffing.
- a detailed cost estimate and schedule,
- a strategy for third-party mobile app integration with the ExpressLanes Back Office System to confirm occupancy and designate toll-exempt trips,
- a comprehensive outreach and education plan, and
- a detailed framework for the Before/After Study.

#### IMPLEMENTATION OF STRATEGIC PLAN GOALS

The FY18 I-10 ExpressLanes Pilot Program aligns with Strategic Goal 1: Provide high quality mobility options that enable people to spend less time traveling. ExpressLanes provides drivers with the option of a more reliable trip while improving the overall operational efficiency of the freeway network.

#### FINANCIAL IMPACT

Funding for support activities including collaborating with other transit providers, conducting additional market research, further assessment of low-income customer impacts, performing additional investigation into optimal methods for handling vanpool/higher occupancy carpool toll-free passage as well as development of an implementation plan is anticipated to be \$1.4 million. Funds to initiate these efforts are available in the FY19 budget in cost center 2220. Because this is a multi-year program, the cost center manager and the Executive Officer of the Congestion Reduction department programs will be responsible for budgeting for future years.

#### Impact to Budget

The funding for this action will come from toll revenues generated from the Metro I-10 ExpressLanes operations. No other funds were considered for this activity.

#### ALTERNATIVES CONSIDERED

The Board could choose not to implement the pilot. This alternative is not recommended since, based on current analysis, the pilot can increase overall person throughput, assure travel time reliability for transit vehicles, and address current enforcement challenges related to scofflaws, revenue leakage and HOV only minutes.

#### NEXT STEPS

Upon Board approval, staff will continue development of the I-10 ExpressLanes Pilot Program through the following steps: 1) Begin data collection and establish Before/After Study criteria, 2) Utilize existing consultant resources to conduct market research inclusive of low income communities, 3) Prepare statement of work for development of the implementation plan including a public outreach/education and marketing research plan, staff resources, identification of necessary changes to the back office and roadside systems and signage, and development of program cost estimates; and 4) return to the Board as necessary regarding progress.

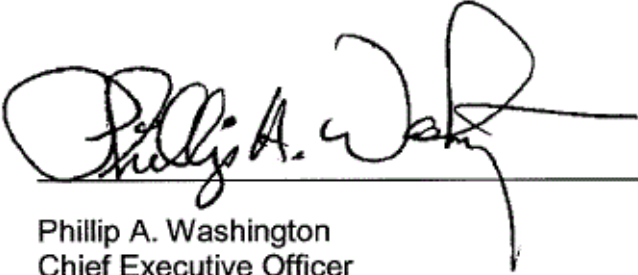
#### ATTACHMENTS

Attachment A - Motion 43

Attachment B - I-10 ExpressLanes/Busway Pilot Preliminary Assessment

Prepared by: Alice Tolar, Manager, Transportation Planning, Congestion Reduction, 213.418.3334  
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Phillip A. Washington  
Chief Executive Officer

**Board Report**

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**File #:** 2018-0195, **File Type:** Motion / Motion Response**Agenda Number:** 43.

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**REGULAR BOARD MEETING  
APRIL 26, 2018****Motion by:****Director Fasana****as amended by Solis****I-10 ExpressLane/Busway Pilot**

The I-10 El Monte Busway opened in 1973 as an exclusive busway with stations at El Monte, California State University at Los Angeles, and Los Angeles County USC Medical Center. The El Monte Bus Station, rebuilt and reopened in 2012, is the busiest bus terminal west of Chicago.

Construction of the busway resulted in substantial increases in bus service along the corridor. According to a study by FHWA conducted in 2002, "Executive Report Effects of Changing HOV Lane Occupancy Requirements: El Monte Busway Case Study", from 1973 to 1976, the number of buses using the lane in the morning peak-hour, peak-direction of travel increased from 21 to 64, with a corresponding increase in passengers from 766 to 3,044. Daily bus ridership levels increased from 1,000 to 14,500 passengers during the same period.

Three-person carpools were allowed to use the Busway for three months in 1974 during a strike by bus operators. The Busway was opened to 3+ carpools in 1976. At the time of conversion to an ExpressLane in 2013, the Busway operated at HOV 3+ during peak hours and HOV 2+ off-peak.

The I-10 Busway / HOV lane is being extended by Caltrans and Metro to the Los Angeles County Line, with an extension to Baldwin Park already open. San Bernardino County is beginning construction this year on an I-10 ExpressLane that would meet up with the Metro / Caltrans lane at the County line and extend to I-15 in 2022, and Redlands in 2026.

The Express Lane allows low occupancy vehicles to use the lanes with payment of a fee, which varies dynamically with traffic levels. To remain consistent with prior HOV 2+ and 3+ requirements, Metro developed a switchable Fastrak transponder for carpools. As ExpressLane acceptance among customers has grown, the busway has grown more congested and has degraded bus service in the corridor. As demand and price have increased, transponders are being switched to HOV 2+ or 3+ to avoid tolls.

The switchable transponder requires CHP to manually observe vehicles to determine if the number of



occupants is consistent with the setting on the transponder. Due to right of way constraints, enforcement of ExpressLane requirements is difficult on I-10, as limited room is available to pull-over and issue citations. CHP enforcement slows traffic in the ExpressLane.

Physical constraints within the right-of-way footprint also limit the ability to place thermal readers that may be able to detect vehicle occupants in the ExpressLane.

One alternative to CHP enforcement is to move to an automated approach where all cars are charged without regard to the number of occupants, through a “Pay-as-You-Use” model.

The Foothill Gold Line and Metrolink also provide east/west service through the San Gabriel Valley. The Gold Line, which will extend east to Montclair, currently is operating at capacity in some locations during peak hours according to the “Metro Rail Capacity Study” that is being presented to the System Safety, Security and Operations Committee in April 2018.

As Metro prepares to expand its ExpressLane network, piloting a new operating approach on I-10 will provide valuable insight on how best to maximize mobility on ExpressLanes.

Therefore, to keep buses moving and enable movement of more people efficiently within the I-10 ExpressLane,

**SUBJECT: MOTION BY FASANA AS AMENDED BY SOLIS  
I-10 EXPRESSLANE/BUSWAY PILOT**

APPROVE Motion by Fasana that:

- A. Metro staff work with Caltrans and other stakeholders to develop, within existing federal and state guidelines, a pilot exclusively for the I-10 ExpressLane / Busway that would define carpools as registered vanpools with all other vehicles (other than passenger buses) subject to fees through a “Pay-as-You-Use” model. The Zero Emission Vehicles using the corridor would be eligible for discounts in effect at the time the pilot commences; and
- B. Report back to the Metro Board within 180 days on potential effects, key decision points and milestones necessary to implement this pilot including community outreach with feedback and surveys as well as service analysis on impacts and exemptions for low income commuters. The proposed pilot program to be consulted with SCAQMD in relation to Air Quality Management Plan and its impact to sticker program for Electric Vehicle.



## **I-10 ExpressLanes/Busway Pilot Preliminary Assessment**

- **Vanpool Best Practices**
- **Initial Outreach Findings**
- **Operational Impact**

**October 2018**

**SUBJECT: MOTION BY FASANA AS AMENDED BY SOLIS**  
**I-10 EXPRESSLANE/BUSWAY PILOT**

APPROVE Motion by Fasana that:

- A. Metro staff work with Caltrans and other stakeholders to develop, within existing federal and state guidelines, a pilot exclusively for the I-10 ExpressLanes / Busway that would define carpools as registered vanpools with all other vehicles (other than passenger buses) subject to fees through a “Pay-as-You-Use” model. The Zero Emission Vehicles using the corridor would be eligible for discounts in effect at the time the pilot commences; and
- B. Report back to the Metro Board within 180 days on potential effects, key decision points and milestones necessary to implement this pilot including community outreach with feedback and surveys as well as service analysis on impacts and exemptions for low income commuters. *The proposed pilot program to be consulted with SCAQMD in relation to Air Quality Management Plan and its impact to sticker program for Electric Vehicle.\**

NOTE: \*The italicized portion of the Board Motion was subsequently determined to be related to a separate Motion pertaining to the Clean Air Vehicle policy and does not apply to this Motion.

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## 1. Executive Summary

The Board is considering a pilot program to allow registered vanpools and registered higher occupancy vehicles (more than 4 persons per vehicle) to travel in the Metro ExpressLanes free of charge upon meeting certain requirements, as a pilot on the I-10. This white paper examines the potential to remove toll-free options for high-occupancy vehicles with less than 5 occupants (HOV2+ or 3+) while continuing to allow toll-free access on the I-10 ExpressLanes to registered vanpools and some other form of higher occupancy vehicles (HOV5+).

This analysis examines express toll lane (ETL) facilities in several areas of the United States that offer some form of a toll exemption program for vanpools/carpools. While most agencies provide toll-free travel to registered vanpools, they vary in requirements.

Should the Board direct staff to remove the HOV toll-free policies, higher-occupancy vehicles may still be allowed to use the ETLs toll-free with a variety of implementation options, from the stringent federally-registered vanpool, to an Express HOV 5+ policy under which both vanpools and larger carpools would fall. The following are five alternatives to consider when implementing a pilot program, listed from least restrictive to most restrictive:

- **Alternative 1:** All 5+ occupancy vehicles are eligible to receive toll exemption.
- **Alternative 2:** Pay-By-Plate; all 5+ occupancy vehicles with HOV-specific decal are eligible to receive toll exemption. Tolling to be tiered (plate only / FasTrak / decal).
- **Alternative 3:** All 7+ occupancy vehicles are eligible to receive toll exemption.
- **Alternative 4:** All 5+ occupancy vehicles that maintain reporting requirements (to be determined by staff) are eligible to receive toll exemption.
- **Alternative 5:** Only LA Metro Vanpool Program-registered vanpools are eligible to receive toll exemption.

Based on this analysis, **Alternative 1 (all 5+ vehicles toll-exemption eligible)** is the recommended alternative. From a customer perspective, this option offers the highest ease of use, as those customers likely to use the program would probably already own a FasTrak transponder and account in good standing. Alternative 1 follows similar usage of those accounts and transponders to the existing condition, so customers will not have to become accustomed to new processes. Ease of use could be marketed to potentially new ExpressLanes HOV5+ Vehicle Pool as this alternative has the lowest barrier to entry for receiving toll exemption, it has the greatest potential to lower congestion in the ExpressLanes as more travelers may switch to this Express HOV 5+ mode of transport.

Due to its ease of use for the traveling public, this alternative has the highest potential to convert existing 2 and 3+ occupancy vehicles to 5+ occupancy vehicles, thereby reducing congestion for all expressway users.

The core benefit of the future toll scenario is the consistent availability of a faster and more reliable travel option to everyone on the corridor whenever it is needed. While this benefit comes at a travel time cost to the general-purpose lanes, the overall effect is a significant cost savings to the users of the

corridor in the form of improved trip performance and reliability for the trips with the highest value to travelers at all times. Additionally, Metro may employ several mitigation measures to offset any adverse impacts of this policy change, including investment of additional toll revenues, conducting marketing research, and implementing a comprehensive public outreach plan.

Public perception of any change to the toll policy may be a significant issue to existing customers or those considering the use of Metro ExpressLanes, as some customers may be expected to pay for a service they had come to expect, or understood to be free. Introducing a change to this policy will require extensive outreach to all customers of the ExpressLanes, including those that primarily travel on the I-110 corridor, to mitigate the risk of customer confusion when the new policy takes effect. In the 2018 Metro ExpressLanes Customer Survey, the majority of respondents did not support changes to the current toll structure on the I-10 ExpressLanes, though 25% of survey respondents expressed interest in joining vanpools if that were required for toll-free travel. Additionally, based on the surveys conducted, ExpressLanes staff also anticipates a need for focused outreach to low-income segments of the population.

The most significant projected benefits of this pilot are an increase in person throughput on the ExpressLanes by 600 persons daily during the peak periods, and a net economic savings of \$3.7 million daily to the users of the corridor in the form of improved trip performance and reliability for the trips with the highest value to travelers at all times. Travel times in the ExpressLanes are also expected to increase by an average of 30 seconds due to queueing at the eastbound end where the ExpressLanes merge back into the general purpose lanes. The pilot is expected to also result in an average increase in toll rates by \$0.20/mile during the peak periods, and an average increase in end-to-end travel times in the general purpose lanes by 6 minutes (with more pronounced increases in travel time for the eastbound direction in the PM Peak).

This white paper provides additional detail regarding each of the alternatives and applicable industry standards. The overall white paper is structured as follows:

- Background and Current Policies
- Vanpool Programs in Los Angeles and Other Regions
- Public Outreach
- Operational Issues and Solutions
- Options Analysis
- Recommended Alternative
- Impact Analysis
- Conclusion
- Sources

## 2. Background and Current Policies

This section provides historical context for the white paper, describing the background of the Metro ExpressLanes and the current tolling policies and issues.

### Background of the Metro ExpressLanes

The I-10 High Occupancy Vehicle (HOV) lanes system began operation as the El Monte Busway in 1973. A bus operators job strike in 1974 led to allowing vehicles with a minimum of three occupants to use the Busway for a three-month period. Soon thereafter, a policy was established to allow HOVs with three or more occupants (HOV3+) to use the facility in perpetuity along with buses.

The Metro ExpressLanes Program in Los Angeles County began in 2008, when the U.S. Department of Transportation (U.S. DOT) awarded the Metro-CalTrans partnership, a \$210.5 million grant to showcase a system of Express Lanes along the I-110 (Harbor Freeway) and the I-10 (San Bernardino Freeway) corridors. The enabling projects were implemented in 2012 and 2013 respectively, where the (then) HOV lanes were transformed to HOT lanes.

Since its implementation, the Metro ExpressLanes Pilot Program on I-110 and I-10 has yielded a number of operational and mobility benefits. The strategy has provided congestion reduction benefits to SOVs while improving trip reliability for carpoolers and bus riders traveling the Express Lanes. Due to the success of the Metro ExpressLanes Pilot Program, California State Senate Bill 1298 was signed into law in September 2014, granting Metro the authority to conduct, administer, and operate the I-110/I-10 Express Lanes Program indefinitely. HOT lanes allow carpoolers, vanpoolers and eligible clean air vehicles to use the facility at no (or reduced) charge while SOVs are afforded the option to travel the facility by paying a variable toll, thus avoiding traffic congestion that often occur in General Purpose (GP) lanes.

### Current Tolling Policies and Issues

Metro currently implements congestion pricing to keep ExpressLanes traffic moving at 45 mph, on average. If average speeds fall below that threshold, the lanes may be switched to “HOV Only” access, prohibiting use of the lanes by toll-paying single-occupant vehicles (SOVs) until speeds improve.

**I-10 ExpressLanes:** These lanes are operational all day every day. Where not physically separated, the I-10 ExpressLanes are separated from the general-purpose lanes by double solid white lines, for which crossing the lines can result in a citation. A FasTrak or FasTrak Flex transponder (for HOVs) is required for use of the ExpressLanes; without a transponder, the registered owner of the vehicle will receive a notice of violation which carries an additional administrative fee. Two-person carpools (HOV 2) with a FasTrak Flex set to 2 are toll-exempt, except during the peak traffic hours of 5am to 9am and 4pm to 7pm Monday through Friday. Three-plus person carpools (HOV 3+) with a FasTrak Flex set to 3+ are toll exempt at all times (both registered- and non-registered vanpools travel toll-free at all times under this category). Solo drivers pay the posted toll at time of entry.

**I-110 ExpressLanes:** These lanes are operational all day every day. Where not grade-separated, the I-110 ExpressLanes are separated from the general purpose lanes by double solid white lines, for which crossing can result in a citation. A FasTrak or FasTrak Flex transponder (for HOVs) is required for use of the ExpressLanes; without a transponder, the registered owner of the vehicle will receive a notice of violation, carrying an additional administrative fee. Carpools (HOV 2+) with a FasTrak Flex set to 2 or 3+ are toll exempt at all times (both registered- and non-registered vanpools travel toll-free at all times under the 3+ category). Solo drivers pay the posted toll at time of entry.



### 3. Vanpool Programs in Los Angeles and Other Regions

The Metro Vanpool Program is a Federally-registered program which offers leased vans through the Enterprise Rideshare and CalVans programs. Any vanpool of three or more people is eligible to travel the ExpressLanes free of charge with a FasTrak Flex set to the 3+ position. Metro Vanpools of five or more regular riders may receive subsidies of up to \$400 (not to exceed 50% of lease costs) per eligible vanpool. Subsidy eligibility applies if the following conditions are met:

- Vanpool operates at least 30 miles round-trip and three days each week
- Vanpool vehicle must be designed to seat a minimum of 7 occupants
- Vanpools must begin service with at least 70% of vehicle seats occupied
- Vanpool agreement holder agrees to all terms and conditions of the Metro Vanpool Program.
- Vehicle lease fare is less than or equal to maximum lease authorized.
- Vanpools must end at a work site located within Los Angeles County
- Vehicle selected is less than four years old and/or 200,000 miles
- Vanpool vehicles or passengers receiving financial subsidy and/or incentives from any public funding source, private transit, private shuttles, day care/primary school trips, charter trips, owner-operated vanpools vehicle feeder services, and private vanpools are not eligible to enroll in the Metro Vanpool Program.

The Metro Vanpool Program is largely in line with what other public agencies provide in terms of Federally-registered vanpool programs. Some less formal vanpool programs such as those offered through employers may have higher rider occupancy requirements.

This section provides an overview of the Federal and local regulations related to vanpools, as well as an assessment of how many vanpool programs may potentially travel on the Metro ExpressLanes for commuter trips. In addition, this section provides a description of which express lanes facilities offer toll exemptions to vanpools.

#### Definitions of Vanpool Programs

The federal government has a distinct definition of a vanpool, which is required to be met by public agencies receiving funds to sponsor vanpools. Metro's Vanpool Program is considered Federally registered; as such, any changes to the ExpressLanes program to incorporate vanpools must also meet the Federal definitions, described below.

**Metro Vanpool:** For purposes of this white paper, this term refers to vanpools enrolled in Metro's existing Federally-registered vanpool program, which meets the definition of "Vanpool" below.

**Vanpool<sup>3</sup> (as defined in the Federal Transit Administration National Transit Database Glossary:** A transit mode comprised of vans, small buses and other vehicles operating as a ridesharing arrangement, providing transportation to a group of individuals traveling directly between their homes and a regular destination within the same geographical area. The vehicles shall have a minimum seating capacity of seven persons, including the driver. For inclusion in the National Transit Database (NTD), it

is considered mass transit service if it meets the requirements for public mass transportation and is publicly sponsored. Public mass transportation for vanpool programs must:

- Be open to the public and that any vans that are restricted a priori to particular employers in the public ride-matching service of the vanpool are excluded from the NTD report;
- Be actively engaged in advertising the vanpool service to the public and in matching interested members of the public to vans with available seats;
- Whether operated by a public or private entity, be operated in compliance with the Americans with Disabilities Act of 1990 and implementing regulations at 49 CFR 37.31; and
- Have a record-keeping system in place to meet all NTD Reporting Requirements, consistent with other modes, including collecting and reporting full-allocated operating and capital costs for the service.

Publicly sponsored service is:

- Directly-operated by a public entity;
- Operated by a public entity via a contract for purchased transportation service with a private provider; or
- Operated by a private entity as a grant recipient or sub-recipient from a public entity; or
- Operated by an independent private entity with approval from a public entity that certifies that the vanpool program is helping meet the overall transportation needs of the local urbanized area.

This is referred to as “Federally-registered” throughout this white paper and is a requirement for consideration of federal transit funds.

**Casual Vanpool:** While there is no standard definition of casual vanpool, for purposes of this white paper, the term shall describe vanpools established through a group of individuals with similar commuting patterns, without federal or state guidelines, and no reporting requirements. For the purpose of some express lane discounts, this could also include large families. The practice of spontaneous carpool “slugging” fits within this definition, though it typically applies to carpools looking to use a two- or three- person occupied vehicle to utilize HOV/HOT lanes.

**Private Vanpool:** While there is no standard definition of private vanpool, for purposes of this white paper, the term shall describe vanpools operating under an employer’s vanpool definition and guidelines. The employer may provide incentives to use the vanpool. Vehicles may be leased or owned by the employer, or by the employee, dependent upon the how the employer has set up its program.

**State/Local Vanpool:** While there is no standard definition of state/local vanpool, for purposes of this white paper, the term shall describe vanpools operating under a state or local governmental agency’s definition of vanpool. The agency sets the rules and guidelines for participation and may offer incentives to use the vanpool. Vehicles may be leased or owned, depending upon the agency, and are simply registered with the agency. Dependent upon the agency’s policies, there may be reporting requirements of vanpools.

**Vanpool Service<sup>4</sup> (as defined in the Federal Transit Administration NTD Glossary):** Transit service

operating as a ride sharing arrangement, providing transportation to a group of individuals traveling directly between their homes and a regular destination within the same geographical area. The vehicles shall have a minimum seating capacity of seven persons, including the driver. Vanpools must also be open to the public and that availability must be made known. This service does not include ridesharing coordination.

**Vanpool Vehicle<sup>5</sup> (as defined in the Federal Transit Administration Van Pool Policy FAQs):**

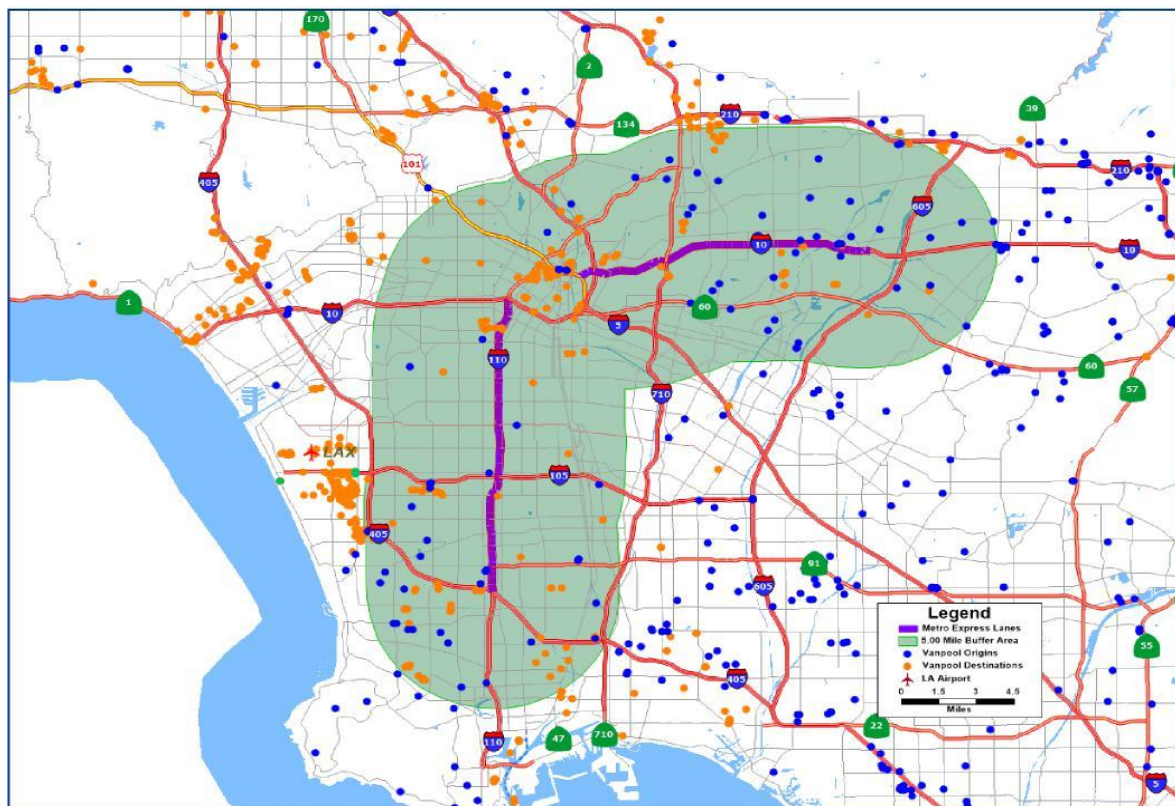
Commuter highway vehicle and vanpool vehicle are vehicles with seating capacity for at least six adults (not including the driver); and at least 80% of the mileage use can be reasonably expected to be for the purposes of transporting commuters in connection with travel between their residences and their places of employment.

**Vanpool Vehicle<sup>6</sup> (as defined in the California Vehicle Code, Division 1):** A “vanpool vehicle” is any motor vehicle, other than a motor-truck or truck tractor, designed for carrying more than 10 but not more than 15 persons including the driver, which is maintained and used primarily for the nonprofit work-related transportation of adults for the purposes of ridesharing.

### **Current Registered Vanpools in the Metro ExpressLanes**

As of June 1, 2018, there were 1,291 registered Metro Vanpool Program vanpools (requiring 7 or more persons). Among them, roughly 89 vanpools start their daily commute within a five-mile buffer area of Metro ExpressLanes (I-110 and I-10), as shown in Figure 1.

Figure 1: Current Metro Vanpool Origins and Destinations



There are about 313 vanpools which end their commute within the five-mile buffer area and 14 vanpools that have both their origin and destination within the buffer area. Therefore, there are a total of 388 vanpools that would potentially use the ExpressLanes on their commute routes, which is approximately 30% of all registered vanpools.

Adjacent to the five-mile buffer area of the ExpressLanes, there are a few locations that seem to attract significant vanpool demand. One is the LA International Airport/El Segundo area, which contains about 316 vanpool destinations, and another is the Santa Monica/Beverly Hills area, which has about 138 vanpool destinations. These 454 vanpools are also potential users of the ExpressLanes.

Based on this preliminary analysis, there are a total of approximately 842 vanpools which could potentially travel on the Metro ExpressLanes for commuter trips (defined as being two trips per weekday). That equates to 65% of all vanpools enrolled with the Metro Vanpool Program.

*Note: this was a high-level GIS analysis performed. As such, these numbers may underrepresent vanpools using the ExpressLanes since they may begin or end their trips outside of the five-mile buffer established for this exercise. Also, this analysis did not take into consideration other registered vanpool program participants.*

## **Other Express Lane Facilities Which Offer Toll Exemptions to Vanpools**

Several other agencies across the U.S. have incorporated vanpools into their tolling policies. Table 1 provides an overview of existing ETL facilities that allow either registered or unregistered vanpools to travel toll-free.



Table 1: Existing ETL Facilities Offering Toll Exemption to Vanpools

Express Lane Facility	Location		Registering Agency	Registration Level Required to Achieve Exemption	Occupancy Declaration		Minimum Occupancy	Occupancy Enforcement
	Region	State			Type	Methodology		
I-10 & I-110 ExpressLanes <sup>7</sup>	Los Angeles	CA	Registration not required for toll exemption	-	Active	FasTrak <sup>®</sup> Flex set at 3+	3 (exempt under HOV 3+ policy)	Law enforcement observation
State-owned Toll Bridges <sup>8</sup>	San Francisco	CA	<a href="http://511.org">511.org</a>	Federal		Registration with 511.org, FasTrak <sup>®</sup> Flex set at 3+ and use of designated carpool lanes	11	Law enforcement observation
I-405 Express Lanes <sup>9</sup>	Seattle	WA	Washington Department of Transportation (WSDOT)	Federal	Active	Flex Pass set to HOV	5	Law enforcement observation
SR-167 HOT Lanes <sup>10</sup>	Seattle	WA	WSDOT	Federal	Passive or Active	Qualified number of passengers in vehicle or set Flex Pass to HOV if present	5	Law enforcement observation
SR-520 Bridge <sup>11</sup>	Seattle	WA	WSDOT	Federal	Passive	Qualified number of passengers in vehicle	5	Law enforcement observation
MoPac Express Lanes <sup>12</sup>	Austin	TX	Capital Metro	Federal	Passive	TxTag registered to vanpool vehicle	5	Law enforcement observation
I-75 South Metro Express Lanes <sup>13</sup>	Atlanta	GA	State Road and Tollway Authority (SRTA)	Federal	Passive	Peach Pass registered to vanpool vehicle	5	Law enforcement observation
I-85 Express Lanes <sup>14</sup>	Atlanta	GA	SRTA	Federal	Active	Peach Pass registered to vanpool vehicle and pre-travel HOV declaration via Peach Pass GO! app or website	5	Law enforcement observation w/ assistance from automatic license plate readers
I-95 Express Lanes <sup>15</sup>	Miami	FL	South Florida Vanpool	Federal	Passive	95 Express decal on windshield of registered vehicle (must shield SunPass transponder if present)	6	Law enforcement observation
I-95 & I-495 Express Lanes <sup>16</sup>	Northern Virginia	VA	Registration not required for toll exemption	-	Active	E-ZPass Flex set to HOV	3 (exempt under HOV 3+ policy)	Law enforcement observation
I-66 Express Lanes <sup>17</sup>	Arlington	VA	Registration not required for toll exemption	-	Active	E-ZPass Flex set to HOV	2 (exempt under HOV 2+ policy)	Law enforcement observation

As shown in Table 1, these toll facility operators have very similar policies regarding toll exemptions for vanpools. The primary difference may be the level of registration required to claim a toll exemption; the majority of operators require enrollment through some vanpool program, most of which are Federally-registered. Our existing ExpressLanes policy is considerably more inclusive; allowing all HOV 3+ vehicles with the FasTrak Flex set to 3+ a toll exemption.

One standout among the policies is the use of a decal indicating HOV status on the 95 Express Lanes near Miami. Vanpools and HOV 3+ carpools wishing to obtain a toll exemption must register the South Florida Commuter Solutions (SFCS) organization to receive a special decal indicating HOV status. The sticker must be placed in the windshield of the vehicle and the user must shield any SunPass transponder to avoid being charged a toll. The transaction is then processed as an image-based transaction, the review process for which will indicate the presence of an HOV decal, and thus, a non-tolled transaction. The methods through which SCFS has chosen to verify enrollees may be much more labor-intensive than the Board wishes to pursue, but could be alleviated through implementation of any of the ridesharing smartphone apps discussed later in this white paper:

- Users call SFCS to initiate enrollment process
- Call center collects information
  - Address of each participant (must be unique to each user)
  - Employers, work hours, origin and destination, and timing for each user
- Call center then contacts employer for each user to verify this information
- Call center verifies routing to ensure it is reasonable
- Call center issues decal and registers the license plate with SunPass<sup>18</sup>

Many ETL operators offer some sort of HOV toll-exemption policy (typically HOV 3+) under which vehicles of five or more occupants would qualify for toll-free travel, if not under an expressly stated vanpool policy. These policies would include vanpools along the entire spectrum of registration requirements.

Table 2 below provides an overview of vanpool programs which operate in the previous ETLs.

Table 2: Vanpool Programs Near ExpressLanes Facilities

Vanpool Program	Location		Registering Agency	Lease or Own Vehicles	Vanpool Registration Level	Minimum Occupancy	Approximate No. of Vanpools in Program	Relevant Express Lanes
	Region	State						
Metro Vanpool Program <sup>19</sup>	Los Angeles	CA	LA Metro	Lease	Federal	5	1,291	I-10 & I-110 ExpressLanes
OCTA Vanpool Program <sup>20</sup>	Orange County	CA	Orange County Transportation Authority	Lease	Federal	5	530	91 Express Lanes
SANDAG Vanpool Program <sup>21</sup>	San Diego	CA	San Diego Association of Governments	Lease	Federal	7	540	I-15 Express Lanes
King County Commuter Van Program <sup>22</sup>	Seattle	WA	King County Metro Transit	Lease	Federal	5	2,400	SR-167 HOT Lanes & I-405 Express Lanes
CapMetro Rideshare Program <sup>23</sup>	Austin	TX	Capital Metropolitan Transportation Authority	Lease	Federal	5	200	MoPac Express Lanes
DART Vanpool <sup>24</sup>	Dallas	TX	Dallas Area Rapid Transit	Lease	Federal	6	200	LBJ Express, North Tarrant Express, DFW Connector, I-30 Express Lanes, I-35E Express Lanes, SH-114 Express Lanes, 635 East HOV/Express Lanes
METRO STAR Vanpool <sup>25</sup>	Houston	TX	Metropolitan Transit Authority of Harris County	Lease	Federal	5	400	US 290 Northwest, US 59 North, US 59 South, I-45 North, I-45 South, I-10 Katy Managed Lanes
SRTA Vanpool <sup>26</sup>	Atlanta	GA	State Road and Tollway Authority	Lease	Federal	5	-	I-75 South Metro Express Lanes & I-85 Express Lanes
South Florida Vanpool Program <sup>27</sup>	Miami	FL	South Florida Vanpool Program (Miami-Dade County Metropolitan Planning Organization)	Lease	Federal	6	250	I-95 Express Lanes





Vanpool Program	Location		Registering Agency	Lease or Own Vehicles	Vanpool Registration Level	Minimum Occupancy	Approximate No. of Vanpools in Program	Relevant Express Lanes
	Region	State						
Vanpool Alliance Vanpool Program <sup>28</sup>	Northern VA	VA	Vanpool Alliance (public/private partnership)	Lease or Own	State	7	-	I-95 & I-495 Express Lanes
UC Los Angeles <sup>29</sup>	Los Angeles	CA	UCLA	Lease or Own	State	7	150	I-10 & I-110 ExpressLanes
UC Davis - GoVanpool <sup>30</sup>	Davis	CA	UC Davis	Own	State	7	2	None in the area
Stanford University <sup>31</sup>	Stanford	CA	Stanford University	Own	Private (employees/students only)	5	20	State-owned Toll Bridges in Bay Area
State of California <sup>32</sup>	Statewide	CA	State of California	Lease or Own	State	7	-	I-10 & I-110 ExpressLanes; 91 Express Lanes, state-owned toll bridges, I-15 Express Lanes
City of Los Angeles Vanpool Program <sup>33</sup>	Los Angeles	CA	City of Los Angeles	Lease	Local	8	110	I-10 & I-110 ExpressLanes
Emory University <sup>34</sup>	Atlanta	GA	Emory University	Lease	Private (employees/students only)	7	11	I-75 South Metro Express Lanes & I-85 Express Lanes

## 4. Public Outreach

In the 2018 ExpressLanes Customer Survey, the majority of respondents did not support changes to the current toll structure on the I-10 ExpressLanes, though 25% of survey respondents expressed interest in joining vanpools if that were required for toll-free travel. It should be noted that this survey was distributed to current customers only, and is not necessarily a representative sample of all corridor users.

To address the Solis Amendment regarding community outreach to low-income commuters, 510 persons were approached at two outreach events in El Monte and Pomona as well as the Cal State LA Station/bus stop, USC hospital, Union Station and retail and grocery centers along the I-10 corridor in July 2018 to collect their opinions and feedback. Surveys were made available in English, Spanish, and Mandarin. The survey included screening questions to focus on those respondents that traveled on the I-10 ExpressLanes at least once a month and had an income that qualifies for the Low Income Assistance Program (i.e., an income that does not exceed twice the federal poverty level). The investigators attempted to target participation by various ethnic groups according to the racial distribution of the population around I-10. The collected responses included 61% from Latinos/Hispanics, 17% from African Americans, 11% from Caucasians, 8% from Asians, and 3% from other races. The findings from this low-income outreach effort are summarized below, with a total of 479 surveys completed altogether:

- Very few have ever used a vanpool on the I-10 ExpressLanes,
- Approximately 30% would continue to pay to drive alone or carpool in the ExpressLanes under the proposed policy,
- Approximately 40% would shift to the general purpose lanes under the proposed policy,
- Caucasians were the most likely to switch to vanpools under the conditions of the proposed pilot.
- African Americans, Latinos/Hispanics, and Asians were the most likely racial groups to switch to transit under the conditions of the proposed pilot.

### *Educational Outreach*

Outreach will be a critical step toward a successful implementation of this proposed pilot. Adoption of a new policy will require a proactive and aggressive regional campaign to educate existing and new customers. For as long as the I-10 ExpressLanes have been in existence, the toll policy has granted exemption for both HOV3+ vehicles all day and HOV2s vehicles during off-peak periods. Introducing a change to this policy will require extensive outreach to all customers of the ExpressLanes, including those that primarily travel on the I-110 corridor, to mitigate the risk of customer confusion when the new policy takes effect.

Based on the surveys conducted in July 2018, ExpressLanes staff also anticipates a need for focused outreach to low-income segments of the population regarding the following topics:

- 1) The benefits of using transit on the ExpressLanes
- 2) Ongoing education and outreach regarding the Low Income Assistance Plan
- 3) Information about participation in vanpools.

### *Additional Data Needs*

One important aspect of any feasibility analysis is the identification of additional data needs that still remain. For this proposed pilot, these needs include the following:

- Collaborate with transit providers regarding the potential effects of this policy on their operations as well as any needed modifications.
- Conduct additional market research regarding the barriers to toll lane use among low-income stakeholders, barriers to transit use among certain races, and barriers to carpooling among certain races.
- Assess the impact of this policy on ExpressLanes usage by low-income customers through focus groups and surveys to further inform any necessary policy improvements.
- Perform additional investigation into the optimal method for incentivizing vanpool utilization on the

corridor, and for handling vanpool toll exemptions.

## 5. Operational Issues and Solutions

Implementing this complex change in toll policy requires an analysis of all possible operational impacts. In addition to considering the impact to vanpools, the Board should consider the following issues which may impact the Metro ExpressLanes program:

- Public Perception
- Use of Transponders
- Occupancy Enforcement
- Equity Among All Travelers

This section provides a description of each of these operational issues and potential solutions to address these issues.

### Public Perception

Public perception of any change to the toll policy may be a significant issue to existing customers, as some customers may be expected to pay for a service they had come to expect as free. To counter this perception, the pilot would likely include a public education campaign months before implementation and continuing for some time after the rollout of the revised policy to inform the public of what they can expect with the operation of the ExpressLanes and how it benefits both tolled- and non-tolled users.

Agencies have found that extensive public outreach is helpful in maintaining efficient and legal use of express lanes. For instance:

1. **Georgia:** Before converting I-85 HOV lanes to HOT lanes in Georgia, SRTA held more than 120 public outreach, community meetings or events regarding the project. Additionally, they held multiple media briefings, including some special sessions for area traffic reporters to help spread the word about the upcoming changes to the HOV lanes. This public education push did not end upon conversion of the lanes; rather SRTA kept up a public inquiry task force and implemented an online comments section on their website to ensure the public's voices were being heard. Twelve months after the conversion to HOT lanes, the customer satisfaction rating was at 88%; evidence that the considerable public outreach program was effective.<sup>35</sup> (education – success story)
2. **Minnesota:** When the Minnesota Department of Transportation (MnDOT) decided to implement a value-pricing strategy on I-394 west of Minneapolis, they found that having local political champions and concise public communications were key to initial customer acceptance of the project. The vocal support of local politicians made the project more palatable to their constituents, and clear communications on the benefits to both transit-and non-transit users helped gain additional public acceptance of the project.<sup>36</sup> (MnDOT education)

Upon implementation of the revised toll policy, staff will consider a grace period of several weeks during which occupancy violators may have violation fees reduced or eliminated.

## Use of Transponders

As shown in Table 1, different agencies employ different techniques to address the use of the transponders for registered and/or non-registered vanpools. For instance:

- A regular (non-switchable) transponder can be used in conjunction with an HOV declaration app or website, as discussed later in the Occupancy Enforcement section. In this case, a vanpool/carpool vehicle is provided a transponder, and the occupants would be responsible for logging into the system and declaring HOV status ahead of any trip on the ExpressLanes.
- A switchable transponder is another solution for occupancy declaration, and the option which we currently use. In the case of our proposed shift to registered vanpools receiving a toll exemption, just a single HOV or vanpool switch option would be required of the transponder, as HOV options would be reduced to the single vanpool option. The current transponder could still be used, however, with toll algorithms revised to accept both the 2 and 3+ settings as the same category, as the HOV 2 policy would be eliminated.
- The issuance of a special decal (similar to the 95 Express decal in South Florida, discussed previously in the *Vanpool Programs in Los Angeles and Other Regions* section) to vanpools/carpools could simplify the implementation of a toll policy revision. A decal leaves the tolling agency only to verify enrollment and enforce occupancy requirements through the back office. This does not require any other FasTrak or FasTrak Flex transponder to be obscured to avoid charges when using the decal to obtain a toll exemption.
- Image-based pay-by-plate (PBP) tolling is another option by which we could allow registered vanpools a toll exemption, nullifying the need for a transponder. This would require the vanpool vehicle's license plate be registered with us so that toll charges are not applied. All other vehicles would be charged as applicable and invoiced at the vehicle's Department of Motor Vehicles-registered address.

## Occupancy Enforcement

An ongoing concern for any HOV toll exemption or discount policy is the enforcement of the number of occupants in vehicles claiming HOV status. As tolls rise, the impetus for occupancy violators to use the lanes as an exempt vehicle without meeting occupancy requirements increases, thereby, increasing the risk of traffic flow degradation as well as introducing a revenue risk where vehicles other than HOVs are tolled.

A 2015 study performed for the Utah Department of Transportation, examining performance issues on HOV lanes, found occupancy violation rates of 12-15% in the SR-167 HOT lanes in Washington, and roughly 28% in the I-66 Express Lanes in northern Virginia. By comparison, recent independent occupancy validations undertaken by a consultant team showed that the I-10 ExpressLanes experienced occupancy violation rates ranging from 28-38%, while the I-110

ExpressLanes experienced rates of 19-37% .

Metro staff have also investigated the various means by which an HOV using an express lane can indicate to the lane operator their HOV status for purposes of receiving a discounted toll rate on the facility. At present there are two basic means of doing so: Passive and Active.

- The “**passive**” means is by the simple procedure of fulfilling the requirements of the facility operator’s minimum occupancy requirement, generally two persons in a vehicle (HOV 2) or three or more persons in a vehicle (HOV 3+) and driving on the facility.
- The “**active**” means may be either by having the minimum required number of people and a transponder in the vehicle or, having the minimum required number of people in the vehicle and giving advance notification to the facility operator either by pre-registering or using a smartphone app.

In some cases, either the “passive” or “active” method can be used by the driver if the facility operator utilizes both functionalities.

Travelers who commit to using an Express HOV 5+ method of travel may sometimes face the issue of not having enough passengers to meet occupancy requirements due to a co-traveler’s absence. To best maintain an equitable and efficient system, the toll operator should implement an either/or policy to address this issue. Simply put, vehicles that typically meet the occupancy requirement, but may not on a given day due to a passenger absence, should not be allowed the toll exemption on those days. This could be addressed with any of the occupancy enforcement methods described below. This differs from Federally-registered vanpool programs such as the Metro Vanpool Program, which typically require a 70% to 80% occupancy rate over a 30-day period, allowing for some vacancies while still obtaining the toll exemption.

The following subsections describe various ways Metro may enforce occupancy requirements.

### *Enforcement Method #1: Visual Enforcement*

Visual enforcement is the primary route of enforcement for most agencies, through either human confirmation at physical HOV lane declaration points, or via the toll system notifying officials of vehicle tag status in tandem with human confirmation of that status. Contracts are often held with state police for occupancy and traffic enforcement, while some agencies use their own traffic enforcement division for these tasks.

### *Enforcement Method #2: Automated Passenger Detection Systems*

As visual technology advances, several automated passenger detection systems have come to market. This section describes the outcomes achieved by systems that have been tested by LACMTA, Caltrans, and New York MTA B&T.

**LACMTA:** Metro performed a test demonstration of an Automated Occupancy Detection System by Xerox (now Conduent) in October 2015. The test captured 14,093 vehicles over a 24-hour period, and was successful at properly identifying SOVs 94.1% of the time, for usable

images. When combined with supplemental manual image review, the researchers concluded that an accuracy of 99.9% might be achievable. As a result of this test, the Metro Board of Directors approved an extended Proof of Concept deployment of the Conduent Occupancy Detection System at high-risk locations along the I-10 and I-110 ExpressLanes in January 2018. Design of the system was completed and approved in September 2018, and full deployment is anticipated for completion in early 2019.

**Caltrans:** The California Department of Transportation made a pilot run of Conduent’s Vehicle Passenger Detection System (VPDS) along northbound Interstate 5 in early 2015. Results came in at roughly 95% accuracy for the VPDS versus roughly 36% for human detection accuracy.

**New York:** Metropolitan Transportation Authority Bridges and Tunnels (MTA B&T) recently converted to All Electronic Tolling (AET) on the Verrazano Narrows Bridge (VNB) in New York City. As part of the conversion of the toll collection system to AET, an occupancy detection system (ODS) developed by Conduent was put into place to verify eligibility for the Staten Island Resident Carpool Discount. This system not only detects and verifies vehicle occupancy but is an integral part of the toll collection infrastructure. As the VNB AET system is integrated, it is required to match each transaction from each element of the system (i.e., occupancy and toll collection). There have been reported problems with the interface between the ODS and toll collector, but this should not discourage their use.

**The Metropolitan Transportation Commission (MTC):** The Metropolitan Transportation Commission (MTC) recently conducted a three-month pilot to assess how accurate automated Vehicle Occupancy Detection (VOD) camera systems are at determining vehicle occupancy. The MTC’s goal is to improve HOV lane performance to increase person-throughput. In July 2017, the MTC’s Operations Committee approved a pre-qualified bench of VOD system vendors for the purposes of testing technologies in the Bay Area. Vendors included: Conduent, Transcore, and Indra. Vendors piloted their existing systems on I-880 with results which indicated that overall system accuracy rates, as determined and reported by the vendors, ranged between 78% and 88% consistent with what was determined independently through a manual image review of 440 images per vendor (77% to 89%). The MTC considers the system accuracy rate to be low and suggests that the technology is not ready for use in issuing automated warnings or citations in a full-scale deployment on Bay Area. Concerns regarding open access to express and HOV lanes and the need for a robust network of VOD equipment (one or more per mile, coupled with capital cost for system development and integration, on-site equipment/infrastructure, power and communications, the annual operation could be significant..

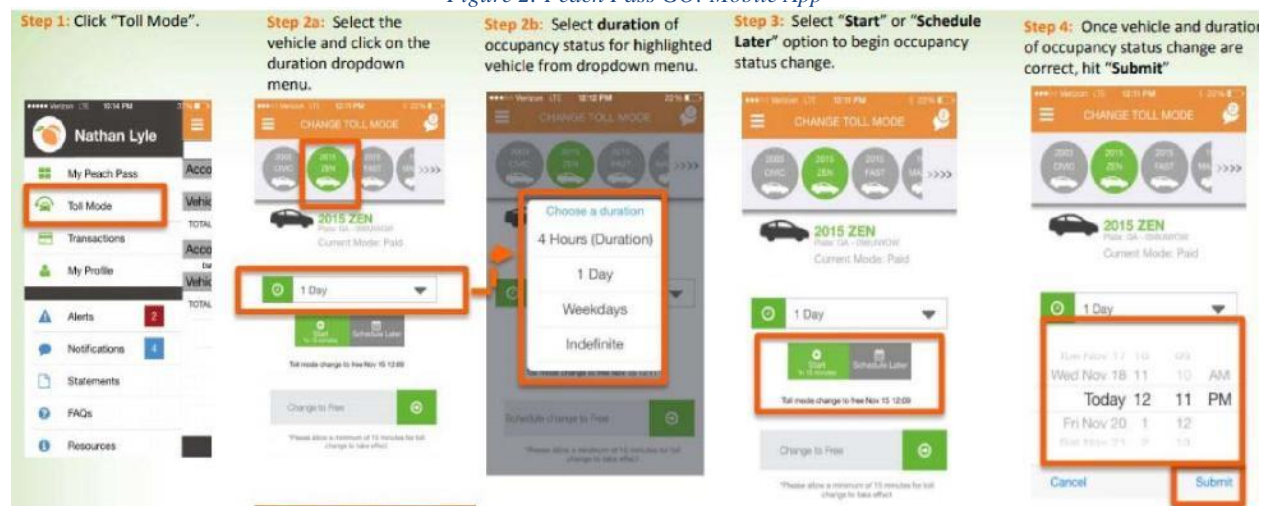
Additionally, MTC is considering a new pilot whereby smartphone app-based occupancy verification systems are being tested. The systems pair and count individual smartphones in the vehicle providing a verified count of passengers that can be used to determine whether vehicles meet the lane occupancy requirement. Theoretically, MTC reports, data from the systems could be paired with toll tags or license plate camera data to charge those that mis-represent occupancy a toll in express lanes or issue an automated citation. Challenges include agencies agreeing on how to proceed and enforcement roles, California privacy laws, and funding.

### Enforcement Method #3: Mobile Phone App Occupancy Declaration

Several agencies have developed mobile-device apps or websites through which HOV travelers must declare their status before travelling on ETLs. These are typically used in conjunction with non-switchable toll transponders but could be explored as an option with switchable transponders as well. The private sector has likewise come up with solutions for HOV occupancy declaration and verification. The following are a few examples of mobile phone app occupancy detection systems:

- **Georgia (Peach Pass GO!):** Travelers must register with the app or associated website and input the correct setting (Toll/Non-Toll(HOV) 15 minutes prior to travel in express lanes to receive HOV discounts. Similar features relevant to our proposed vanpool/carpool toll policy could be modified and added to the Go Metro app, or could be developed as a stand-alone app.

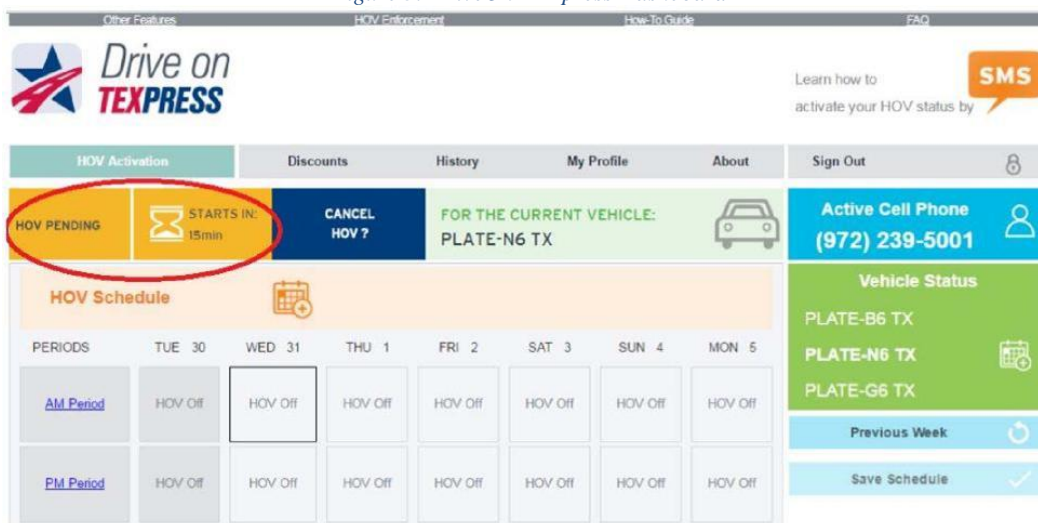
Figure 2: Peach Pass GO! Mobile App



Source: <http://www.peachpass.com>

- Texas (DriveOn TEXpress):** Travelers must register with the app or associated website and input the correct setting (Toll/HOV) 15 minutes prior to travel in TEXpress lanes to receive HOV discounts. Vanpools travel toll-free as HOV 2+ under the TEXpress lanes toll policy, and therefore vanpools would need to activate their HOV status via the app or associated website prior to travel. Similar features relevant to the proposed vanpool/carpool toll policy could be modified and added to the Go Metro app, or could be developed as a stand-alone app.

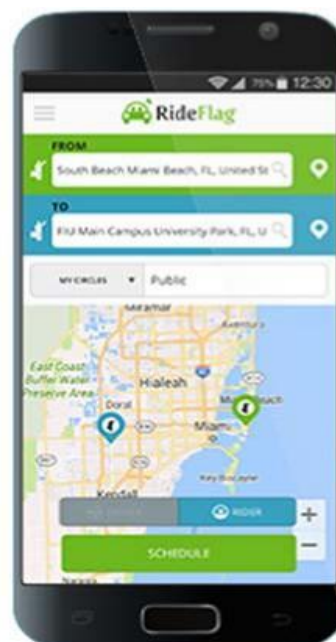
Figure 3: DriveOn TEXpress Dashboard



Source: <http://www.texpresslanes.com>

- RideFlag:** RideFlag is a dynamic carpooling mobile app, allowing registered drivers and riders to connect for future- or trips-in-progress. RideFlag has developed an occupancy verification system which can communicate with toll agencies to declare HOV status while eliminating the need for active transponder management by the HOV occupants. The RideFlag system contains and shares vehicle and occupant registration information with the toll agency. All occupants of an HOV must have the app open during a trip to verify occupancy. Such a system could be used on our ExpressLanes to verify vehicle occupancy.
- Carma Share<sup>37</sup>:** Carma has patented Verified Ride occupancy-verification software which monitors the continuous coordinated proximity of an in-car device to an occupant device. Carma uses this approach to automatically verify vehicle occupancy using

Figure 4: RideFlag Mobile App



Source: <http://www.rideflag.com>



smartphones and beacons for enabling high-occupancy toll discounts. Toll agencies may partner with Carma to use the software to verify occupancy in HOV lanes. The Carma Share application could be used turnkey in conjunction with our proposed toll policy revision in verifying occupancy for vehicles.

These technological solutions may be seen to have a prohibitively high initial cost when implemented solely for use in a pilot study. The manufacturers of these technologies may be willing to loan or reduce the cost of their property when used as part of a pilot program, hopeful that the client will appreciate the technology and convert to a full sale.

Significantly increasing the occurrence of visual enforcement along the ExpressLanes by the California Highway Patrol (CHP) could be used as a lower-cost solution relative to the higher initial cost of the technological solutions. Given the relatively small number of Express HOV 5+ vehicles to be verified, it could be much less intensive to implement from an agency side, and less confusing & invasive for the traveling public. This option might make more sense during a pilot study; however, the Board should be willing to accept the costs associated with sustained increased visual enforcement by the CHP should it be enacted long-term.

## Equity Among All Travelers

It has been shown that express lanes in general improve traveling conditions for all users, not just those using the express lanes.<sup>38</sup> Likewise, the proposed toll policy revision would not affect any one cohort of traveler more than another, and in fact, could provide more value to all travelers. A vanpool/carpool program could result in a decrease of numbers of vehicles on the corridor, as some HOV 2 and 3+ travelers would seek to upgrade to a vanpool/carpool to take advantage of the toll exemption. Other equity concerns include:

- Bias against children is a non-issue, as they may be counted toward the occupancy of a vanpool/carpool programs if they occupy their own seat.
- Low-income individuals are afforded the opportunity to save money on their commute by ridesharing, especially when available subsidies are factored in. When not ridesharing, these individuals still benefit from decreased congestion because of those who do. We currently have a Low-Income Assistance Plan in place.
- Individuals without smart phones could enroll in a vanpool/carpool program manually; however, there is potential for bias if the occupancy verification system is mobile app-based, as those individuals could have trouble verifying their presence in a vanpool/carpool. A possible solution to this could be an app that allows for multiple logins on one device (though this opens the possibility of abuse).

## 6. Options Analysis

Should the Board direct staff to remove the HOV toll-free policies, higher-occupancy vehicles may still be allowed to use the ETLs toll-free with a variety of implementation options, from the stringent federally-registered vanpool, to an Express HOV 5+ policy under which both vanpools and larger carpools would fall. The following are five alternatives to consider when implementing a pilot program, listed from least restrictive to most restrictive:

- **Alternative 1:** All 5+ occupancy vehicles are eligible to receive toll exemption.
- **Alternative 2:** Pay-By-Plate; all 5+ occupancy vehicles with HOV-specific decal are eligible to receive toll exemption. Tolling to be tiered (plate only / FasTrak / decal).
- **Alternative 3:** All 7+ occupancy vehicles are eligible to receive toll exemption.
- **Alternative 4:** All 5+ occupancy vehicles that maintain reporting requirements (to be determined by staff) are eligible to receive toll exemption.
- **Alternative 5:** Only LA Metro Vanpool Program-registered vanpools are eligible to receive toll exemption.

The following subsections provide additional detail about each option, including associated impacts.

### **Alternative 1: All 5+ occupancy vehicles are eligible to receive toll exemption.**

This alternative would allow for any carpools of five or greater occupancy to receive the toll exemption with HOV 5+ declaration via a mobile app or website. There would be no other HOV discount. A FasTrak account and transponder would be required of all vehicles using the ExpressLanes, just as it is now. Assuming the use of the current iteration of FasTrak transponder, the lane system would be configured as such that any transponders set at the 2 or 3+ setting would be indicating five or greater occupancy. This setup is very similar to the current system, with the revision of the definitions of the 2 and 3+ settings. An occupancy declaration app could be used with this Alternative.

**Alternative 1 has the highest ease of use for the participants; as such, it is assumed this could cause the greatest migration to vehicles with five or more occupants.** This alternative would have moderate impacts on the back office, as those tags declaring five-plus occupancy would need to be read as valid in the lane, and toll-exempt in the back office, while those with less than five occupants would be read as valid in the lane and tolled in the back. Additionally, should an occupancy declaration app be used, back office with that app will be required. As this alternative does not necessitate a formal agreement among HOV occupants, but is stricter in its definition of HOV, casual HOVs are implicitly encouraged. Again, contrary to how many subsidized vanpool programs operate with their 30-day-average-ridership, an HOV 5+ option would require those seeking toll exemption to have the required minimum of five occupants for every trip.

*Associated Impacts: Increased temporary call center and walk-in center staffing might be required. This temporary staffing would be necessary, especially at the announcement of the policy change and then again at the implementation of the 5+ program. It is anticipated that a*

*sliding staffing scale for ramp-up and implementation would be needed to address potential spikes in customer contacts. Approximately five added temporary FTEs may be required on the phones and an added temporary full-time employee (FTE) at the walk-in center. Additionally, training would be required for all Customer Service Center (CSC) staff on the new policy, with scripting for handling customer complaints regarding the changes in current pricing resulting from the 5+ policy. An added temporary FTE may also be required to handle increases in service requests for customers choosing to un-enroll from the ExpressLanes FasTrak program. A set of new mailings, emails, outreach communications and roadside messaging should be considered as part of a comprehensive Communications Plan to notify the motoring public of the policy changes. Use of website messaging should be developed and implemented at both the public non-secured web pages, as well as the secured customer portion of the website. Lastly, modifications to the lane systems, algorithms and back office systems would likely be required to accommodate the 5+ policy.*

*There could also be long-term customer service staffing impacts related to occupancy-violation processing and customer complaint resolutions associated with the increase in price modifications from the new enforcement systems.*

**Alternative 2: Pay-By-Plate; all 5+ occupancy vehicles with HOV-specific decal are eligible to receive toll exemption. Tolling to be tiered (plate only / FasTrak / decal).**

Alternative 2 utilizes a Pay-By-Plate (PBP) and HOV decal system, negating the requirement for vehicles to have a transponder to use the ExpressLanes. This is similar to the HOV decal program in use for the 95 Express in Florida. Toll exemption would be achieved through 5+ occupancy declaration and the display of an HOV decal obtained through an opt-in process with Metro. This alternative assumes the use of an occupancy declaration app for those travelers desiring the exemption. A tiered tolling system could be utilized with this alternative, charging PBP users the highest rates while giving FasTrak account holders a discount from that rate, and allowing HOV decal users a toll exemption as appropriate. HOV decal users would be charged the appropriate market rate for travel made while not meeting the 5+ occupancy requirement. FasTrak settings could be used much like they are now, but with the 2 or 3+ settings indicating 5+ occupancy; non 5+ occupancy vehicles could use the 1 setting to obtain the discounted toll rate. This alternative provides for very high ease-of-use to the customer; as such, improvements in ExpressLanes congestion may not be realized, as more non-FasTrak users may opt to use those lanes. As this alternative does not necessitate a formal agreement among occupants, the occurrence of casual carpooling could be increased as a result of this alternative's implementation. Since this alternative uses a stricter definition of HOV with the additional inclusion of the HOV-indicating decal, casual HOVs are implicitly encouraged, though perhaps not to the extent as seen with Alternative 1.

***Associated Impacts:** Increased temporary call center and walk-in center staffing might be required. This temporary staffing would be necessary, especially at the announcement of the policy change and then again at the implementation of the program. It is anticipated that a sliding staffing scale for ramp-up and implementation would be needed to address potential*

*spikes in customer contacts. Approximately five added temporary FTEs may be required on the phones and an added temporary FTE at the walk-in center. Additionally, training would be required for all CSC staff on the new policy, with scripting for handling customer complaints regarding the changes in current pricing resulting from the new PBP policy. An added temporary FTE may also be required to handle increases in service requests for customers choosing to unenroll from the ExpressLanes FasTrak program and opt into the PBP process. A set of new mailings, emails, outreach communications and roadside messaging should be considered as part of a comprehensive Communications Plan to notify the motoring public of the policy changes. Use of website messaging should be developed and implemented at both the public non-secured web pages, as well as the secured customer portion of the website. Modifications to the lane systems, algorithms and back office systems would likely be required to accommodate the new policy.*

*This alternative would have moderate impacts on the back office, as those vehicles declaring 5+ occupancy would need visual confirmation of a decal, and toll algorithms would need to be adjusted removing PBP customers from the toll violators list, until such time that those transactions go unpaid. As an occupancy declaration app or website will likely be used, back office integration with that app/website will be required. The biggest impact to the lane system would be the introduction of the image-based systems to not only identify the license plate, but also the HOV decal.*

*There could also be long-term customer service staffing impacts related to occupancy-violation processing, the HOV decal declaration identification and customer complaint resolutions associated with the increase in price modifications from the new enforcement systems.*

### **Alternative 3: All 7+ occupancy vehicles are eligible to receive toll exemption.**

Alternative 3 would allow registered and non-registered vanpools of 7+ occupancy to receive the toll exemption with HOV 7+ declaration via a mobile app or website. There would be no other HOV discount. A FasTrak account and transponder would be required of all vehicles, just as it is now. In this case, the lane system would be configured as such that any transponders set at the 2 or 3+ setting would be indicating seven or greater occupancy; allowing for the current style of transponder to be used going forward. This setup is very similar to the current system, with the revision of the definitions of the 2 and 3+ settings. An occupancy verification system is essential as part of this alternative. This option is more restrictive than Alternative 1, while still being easy to obtain for those willing to switch to a vehicle carrying 7+ passengers. This alternative would have moderate impacts on the back office, as those tags declaring 7+ occupancy would need to be read as valid in the lane, and toll-exempt in the back office, while those with less than seven occupants would be read as valid in the lane and tolled in the back office. Additionally, should an occupancy declaration app or website be used, back office integration with that app/website will be required. The biggest impact to the lane system would be the changes to the algorithm and its interface with the back office and information signs on the road. Similar to Alternative 1, this alternative implicitly encourages casual HOVs, but with its higher occupancy requirement will likely see lower casual vanpool numbers than that will Alternative 1.

***Associated Impacts:** Increased temporary call center and walk-in center staffing might be required. This temporary staffing would be necessary, especially at the announcement of the policy change and then again at the implementation of the 7+ program. It is anticipated that a sliding staffing scale for ramp-up and implementation would be needed to address potential spikes in customer contacts. Approximately five added temporary FTEs may be required on the phones and an added temporary FTE at the walk-in center. Additionally, training would be required for all CSC staff on the new policy, with scripting for handling customer complaints regarding the changes in current pricing resulting from the 7+ policy. An added temporary FTE may also be required to handle increases in service requests for customers choosing to withdraw from the ExpressLanes FasTrak program. A set of new mailings, emails, outreach communications and roadside messaging should be considered as part of a comprehensive Communications Plan to notify the motoring public of the policy changes. Use of website messaging should be developed and implemented at both the public non-secured web pages, as well as the secured customer portion of the website. Lastly, modifications to the lane systems, algorithms and back office systems would likely be required to accommodate the 7+ policy.*

*There could also be long-term customer service staffing impacts related to occupancy-violation processing and customer complaint resolutions associated with the increase in price modifications from the new enforcement systems.*

#### **Alternative 4: All 5+ occupancy vehicles that maintain reporting requirements (to be determined by staff) are eligible to receive toll exemption.**

This alternative would allow registered and non-registered vanpools or carpools of 5+ occupancy to receive the toll exemption with HOV 5+ declaration via a mobile app or website, and while meeting reporting requirements established by the Board. There would be no other HOV discount. Such reporting metrics could be the same or very similar to those required of current vanpools registered through the Metro Vanpool Program and would help staff to monitor the program. A FasTrak account and transponder would be required of all vehicles, just as it is now. In this case, the lane system would be configured as such that any transponders set at the 2 or 3+ setting would be indicating five or greater occupancy; allowing for the current style of transponder to be used going forward. This setup is very similar to the current system, with the revision of the definitions of the 2 and 3+ settings and the introduction of reporting requirements. As with Alternative 3, an occupancy verification system is an essential part of this alternative. This option is similar to, while being more restrictive than the previous Alternative 3. The ease of use for occupants might initially seem low, but would become routine after time. This alternative would have moderate impacts on the back office, as those tags declaring 5+five-plus occupancy would need to be read as valid in the lane, and toll-exempt in the back office, while those with less than five occupants would be read as valid in the lane and tolled in the back office. Additionally, should an occupancy declaration app/website be used, back office integration with that app will be required. The biggest impact to the lane system would be the changes to the algorithm and its interface with the lanes, back office and roadside signs. It is assumed that this alternative, with its introduction of reporting requirements to staff, would likely not see as great an increase in casual HOVs largely due to the fact that these reporting requirements may be seen as too laborious or intrusive to potential HOV occupants.

***Associated Impacts:** Increased temporary call center and walk-in center staffing might be required. This temporary staffing would be necessary, especially at the announcement of the policy change and then again at the implementation of the 5+ program with reporting elements. It is anticipated that a sliding staffing scale for ramp-up and implementation would be needed to address potential spikes in customer contacts. Approximately five added temporary FTEs may be required on the phones and an added temporary FTE at the walk-in center. Additionally, training would be required for all CSC staff on the new policy, with scripting for handling customer complaints regarding the changes in current pricing resulting from the 5+ and reporting requirement policy. An added temporary FTE may also be required to handle increases in service requests for customers choosing to unenroll from the ExpressLanes FasTrak program. A set of new mailings, emails, outreach communications and roadside messaging should be considered as part of a comprehensive Communications Plan to notify the motoring public of the policy changes. Use of website messaging should be developed and implemented at both the public non-secured web pages, as well as the secured customer portion of the website. Lastly, algorithms and back office systems would likely be required to accommodate the 5+ and reporting policy.*

*There could also be long-term customer service staffing impacts related to occupancy-violation processing and customer complaint resolutions associated with the increase in pricing modifications from the new enforcement systems. There may also be minor customer service impacts resulting from the reporting elements of this alternative.*

### **Alternative 5: Only LA Metro Vanpool Program-registered vanpools are eligible to receive toll exemption.**

Alternative 5 would allow for only Metro Vanpool Program-registered vanpools of 7+ occupancy to receive the toll exemption. Vanpools from other programs would not be eligible for the toll exemption. There would be no other HOV discount. This would require all vanpools to adhere to the current Metro Vanpool Program eligibility requirements. A FasTrak account and transponder would be required of all vehicles, just as it is now. In this case, the lane system would be configured as such that any transponders set at the 2 or 3+ setting would be indicative of a Metro Vanpool, allowing for the current style of transponder to be used going forward. This setup is very similar to the current system, with the revision of the definitions of the 2 and 3+ settings. An occupancy verification system would be an essential part of this alternative. This is the most restrictive of the alternatives presented but would be the easiest for us to enforce. The ease of use for occupants might initially seem low but would become routine after time for those enrolled. This alternative would have moderate impacts on the back office, as those tags declaring registered vanpool status would need to be read as valid in the lane, and toll-exempt in the back office, while those non-vanpool vehicles would be read as valid in the lane and tolled in the back office. Additionally, should an occupancy declaration app/website be used, back office integration will be required. The biggest impact to the lane system would be the changes to the algorithm and its interface with the lanes, back office and roadside signs. The potential for the casual vanpool significantly declines with this option, as occupants must be enrolled through the Metro Vanpool Program.

***Associated Impacts:** Increased temporary call center and walk-in center staffing might be required. This temporary staffing would be necessary, especially at the announcement of the policy change and then again at the implementation of the 7+ program with eligibility elements. It is anticipated that a sliding staffing scale for ramp-up and implementation would be needed to address potential spikes in customer contacts. Approximately five added temporary FTEs may be required on the phones and an added temporary FTE at the walk-in center. Additionally, training would be required for all CSC staff on the new policy, with scripting for handling customer complaints regarding the changes in current pricing resulting from the 7+ and eligibility requirement policy. An added temporary FTE may also be required to handle increases in service requests for customers choosing to un-enroll from the ExpressLanes FasTrak program. A set of new mailings, emails, outreach communications and roadside messaging should be considered as part of a comprehensive Communications Plan to notify the motoring public of the policy changes. Use of website messaging should be developed and implemented at both the public non-secured web pages, as well as the secured customer portion of the website. Lastly, algorithms and back office systems would likely be required to accommodate the 7+ and eligibility policy.*

*There could also be long-term customer service staffing impacts related to occupancy-violation processing and customer complaint resolutions associated with the increase in pricing modifications from the new enforcement systems. There may also be minor customer service impacts resulting from the eligibility elements of this alternative.*

### **Additional Occupancy and Transponder Considerations**

Regardless of which alternative is selected, staff would like to consider implementing an automatic in-lane vehicle occupancy detection system as part of the pilot program to enforce occupancy requirements and provide the ability to invoice and charge fees to those not abiding by those requirements. Implementing an ODS as part of the enforcement plan for any of the alternatives would be an added benefit and increase the ability to monitor occupancy, thereby decreasing violations.

It should be noted that ODS costs would not be unique to any of the previously mentioned alternatives 1 through 5. Changes to the lane systems, algorithms and back office systems required for the implementation of permanent roadside ODS technology is understood to be significant and would require further consideration as to the cost and benefits associated with placement of the equipment along ExpressLanes corridors.

Likewise, all alternatives have assumed the use of mobile HOV declaration apps or websites and ODS, but the use of apps like RideFlag or Carma could be explored as occupancy declaration and verification options.

While all alternatives are laid out assuming the use of the existing style of FasTrak transponders, Metro may also discuss alternatives with the industry to introduce simple “On/Off” switchable transponders which could be used to indicate compliance. These new transponders would be issued to accounts seeking toll exemptions, while all existing

transponders would be read as tolled, regardless of their switch position.

## Summary

Table 3 below presents an overview of existing policy as well as the five alternatives and their relative impacts to customers and staff. All variables for an alternative were evaluated in relation to the same variables in other alternatives; rank terms such as “highest” and “lowest” are not necessarily indicative of a number value as an in-depth quantitative analysis has not yet been conducted. Regardless of which alternative is selected, a limited-term pilot program could evaluate the effectiveness of any toll policy revision that the Board considers.





Figure 5: Overview of Five Alternatives and Impacts

Alternative	Summary	Customers		LA Metro – Occupancy Violations		LA Metro - Implementation		
		Ease to Attain Toll Exemption	Expected Vanpool/ Carpool Participation Rate	Ease to Enforce Occupancy Requirements	Occupancy Violator Rates	Cost to Implement	Back Office Process Impacts	Lane System Impacts
<p><b>Existing Status Quo-</b> HOV 2 and HOV 3+ toll exemption policies are in place.</p> <p>Transponder: FasTrak Flex set at 2 or 3+</p>	<p>Any HOV 2 or 3+ vehicle with FasTrak Flex set to 2 and 3+ receives toll exemption (with exception of HOV 2 on I-10 during peak hours). No other HOV discounts or exemptions. FasTrak account required of all ExpressLanes users.</p>	<p><b>High</b> (no change)</p>	<p><b>1.5% of all traffic</b> (Vanpool, on average)</p>	<p><b>Low</b> (Assumes ODS)</p>	<p><b>High</b> (I-10: 28-38% I-110: 19-37% Note: these estimates are without ODS)</p>	<p><b>Low</b> (Current contract plus costs for ODS)</p>	<p><b>Low</b> (Current operation, plus ODS Business Rules and SOPs)</p>	<p><b>Low</b> (Current plans to introduce ODS)</p>
<p><b>Alternative 1 -</b> All 5+ occupancy vehicles are eligible to receive toll exemption.</p> <p>Transponder: FasTrak Flex set at 2 or 3+</p>	<p>Any 5+ occupancy vehicle with FasTrak Flex set to 2 or 3+ is eligible for the toll exemption. Similar to existing policy, only adjusted to revise the definition of HOV to mean five or more occupants. FasTrak accounts required of all ExpressLanes users.</p>	<p><b>Moderate</b> (considerable change to individual travel habits)</p>	<p><b>Highest</b> (HOV 5+ would still make up very small percent of all traffic)</p>	<p><b>Low</b> (Assumes ODS)</p>	<p><b>Lower</b> (Assumes ODS)</p>	<p><b>Low to Moderate</b> (Adds temp staffing, comm. plan rollout, system and website mods)</p>	<p><b>Low to Moderate</b> (Increased customer confusion and associated complaints)</p>	<p><b>Moderate</b> (Assumes ODS, and algorithm associated system mods)</p>
<p><b>Alternative 2 –</b> Pay-By-Plate; all 5+ occupancy vehicles with HOV-specific decal are eligible to receive toll exemption. Tolling to be tiered (plate only / FasTrak / decal).</p> <p>Transponder: Optional FasTrak Flex set at 2 or 3+</p>	<p>Any 5+ occupancy vehicle that has applied for and installed a decal indicating its HOV status is eligible to receive toll exemption. Tolls will be highest for PBP customers, while FasTrak users will receive a discount from the higher rate. FasTrak not required of ExpressLanes users.</p>	<p><b>Moderate</b> (considerable change to individual travel habits)</p>	<p><b>High</b> (HOV 5+ would still make up very small percent of all traffic)</p>	<p><b>Moderate</b> (Assumes ODS; decal system and PBP adds complexity)</p>	<p><b>Low to Moderate</b> (Assumes ODS, decal system and PBP adds complexity)</p>	<p><b>Moderate to High</b> (Costs from Alt 1 plus added PBP costs and decal system costs)</p>	<p><b>High</b> (Issues from Alt 1 plus added issues from PBP and decal read errors, also system mods)</p>	<p><b>Moderate</b> (Similar to Alt 1)</p>



Alternative	Summary	Customers		LA Metro – Occupancy Violations		LA Metro - Implementation		
		Ease to Attain Toll Exemption	Expected Vanpool/ Carpool Participation Rate	Ease to Enforce Occupancy Requirements	Occupancy Violator Rates	Cost to Implement	Back Office Process Impacts	Lane System Impacts
<p><b>Alternative 3</b> - All 7+ occupancy vehicles are eligible to receive toll exemption.</p> <p>Transponder: FasTrak Flex set at 2 or 3+</p>	<p>Any 7+ occupancy vehicle with FasTrak Flex set to 2 or 3+ is eligible for the toll exemption. Similar to existing policy, only adjusted to revise the definition of HOV to mean seven or more occupants.</p> <p>FasTrak accounts required of all ExpressLanes users.</p>	<p><b>Low</b> (significant change to individual travel habits)</p>	<p><b>Low</b> (HOV 7+ would likely make up a smaller percentage of all traffic)</p>	<p><b>Low</b> (Assumes ODS)</p>	<p><b>Lower</b> (Assumes ODS)</p>	<p><b>Low to Moderate</b> (Costs from Alt 1)</p>	<p><b>Low to Moderate</b> (similar to Alt 1)</p>	<p><b>Moderate</b> (Similar to Alt 1)</p>
<p><b>Alternative 4</b> - All 5+ occupancy vehicles that maintain reporting requirements (to be determined by staff) are eligible to receive toll exemption.</p> <p>Transponder: FasTrak Flex set at 2 or 3+</p>	<p>Any 5+ occupancy vehicle with FasTrak Flex set to 2 or 3+ is eligible for the toll exemption; however, to receive that exemption they must report statistics to staff on a monthly basis (ridership, mileage, origin and destination, etc.).</p> <p>FasTrak accounts required of all ExpressLanes users.</p>	<p><b>Lower</b> (significant change to individual travel habits)</p>	<p><b>Low</b> (HOV 5+ would likely make up a smaller percentage of all traffic)</p>	<p><b>Moderate</b> (Assumes ODS with added registration issues)</p>	<p><b>Lower</b> (Assumes ODS)</p>	<p><b>Moderate</b> (Similar to Alt 1, with added registration issues)</p>	<p><b>Moderate</b> (Similar to Alt 1, with added registration issues)</p>	<p><b>Moderate</b> (similar to Alt 1)</p>
<p><b>Alternative 5</b> – Only LA Metro Vanpool Program-registered vanpools are eligible to receive toll exemption.</p> <p>Transponder: FasTrak Flex set at 2 or 3+</p>	<p>Only those customers registered through LA Metro's Vanpool Program and with FasTrak Flex set to 2 or 3+ would be eligible to receive toll exemption.</p> <p>FasTrak accounts required of all ExpressLanes users.</p>	<p><b>Lowest</b> (radical change to individual travel habits)</p>	<p><b>Lowest</b> (Metro Vanpools would likely make up a much smaller percentage of all traffic)</p>	<p><b>Moderate to High</b> (Assumes ODS with added registration issues and Metro exclusivity)</p>	<p><b>Lowest</b> (assumes ODS)</p>	<p><b>Moderate to High</b> (Assumes ODS with added registration issues and Metro exclusivity)</p>	<p><b>Moderate to High</b> (Assumes ODS with added registration issues and Metro exclusivity)</p>	<p><b>Moderate</b> (similar to Alt 1)</p>

## 7. Recommended Alternative

Based on this analysis, **Alternative 1 (all 5+ vehicles toll-exemption eligible)** is the recommended alternative. From a customer perspective, this option offers the highest ease of use, as those customers likely to use the program would probably already own a FasTrak transponder and account in good standing. Alternative 1 follows similar usage of those accounts and transponders to the existing condition, so customers will not have to become accustomed to new processes. Customers wishing to receive a toll exemption would need to become accustomed to the habitual use of the occupancy declaration app or website. Ease of use could be marketed to potentially new ExpressLanes HOV5+ Vehicle Pool participants through an ongoing and aggressive education and outreach plan. As this alternative has the lowest barrier to entry for receiving toll exemption, it has the greatest potential to lower congestion in the ExpressLanes as more travelers may switch to this Express HOV 5+ mode of transport.

Metro could see the greatest impact at the lowest cost with Alternative 1. The ease to implement this alternative is relatively low as the necessary infrastructure is in place, though some revision of software would be required. Back office revisions would be required to allow those vehicles meeting the requirements to receive the toll exemption and staff would need to be trained on the new policies, which are not radically different from existing. The cost to implement this alternative is relatively lower than some of the others with the primary costs outside the occupancy verification system being those associated with public education on the proposed program and cost to train staff. Due to its ease of use for the traveling public, this alternative has the highest potential to convert existing 2 and 3+ occupancy vehicles to 5+ occupancy vehicles, thereby reducing congestion for all expressway users. With that said, it should be assumed that some of those 2 and 3+ users will continue using their current mode of travel while splitting the tolls among the occupants.

Automated in-lane vehicle occupancy detection systems (ODS) are a potential solution to occupancy violations, with positive outcomes from a few pilot programs that were studied. These occupancy detection systems could be a significant contributor to increased HOV usage, as those former occupancy violators may move to higher-occupancy vehicles to avoid tolls. Without the occupancy detection system, and with reliance upon existing occupancy enforcement methods, the Board can expect to experience similar occupancy violation rates as it does now. Once occupancy violators experience being caught for every violation as a result of ODS implementation, occupancy violations would likely be kept to an absolute minimum.

A pilot program using an occupancy detection system is in the initial stages on the I-110 ExpressLanes. Upon completion of the pilot program with ODS, further study and analysis of the I-110 pilot program should be undertaken to determine any operational or enforcement benefits that may be gained with the installation of an occupancy detection system on the I-10.

## 8. Impact Analysis

### Summary Results from Simulation and Economic Analysis

To evaluate the potential anticipated outcomes associated with a policy change for the I-10 ExpressLanes wherein all vehicle types except vanpools and passenger buses are subject to tolls (noting that clean air vehicles would continue to qualify for a toll discount), a micro-simulation model was constructed of the entire I-10 ExpressLanes corridor, calibrated to current traffic/toll data, and analyzed under a future policy scenario as described.

To provide early results as rapidly as possible, the analysis team identified and implemented several assumptions and constraints which were determined to be reasonable by experts in the areas of toll modeling, demand modeling, and traffic simulation modeling. Consequently, as with any findings produced during the sketch-planning stages of project evaluations, these results and outcomes must be considered only preliminary and approximate in nature. For example, this simulation focused only on the AM Peak (6–9 AM) and PM Peak (4–7 PM) periods of a typical business day only; therefore, the results presented here are based upon analysis of these critical travel periods only.

### ExpressLanes Outcomes

Preliminary results from our accelerated analysis methodology suggest the following outcomes for the ExpressLanes:

- **Throughput:** An increase in ExpressLanes person throughput by 600 persons per day, corresponding to an increase of 4%.
- **Travel time:** An average increase in end-to-end travel times by an estimated 51 seconds. The travel time increase was mostly caused by queueing in the eastbound direction during the PM Peak at the east end of the ExpressLanes, where traffic merges back into the general purpose lanes. This could be mitigated by extending the ExpressLanes farther along I-10 in the future.
- **Transit performance:** The simplified modeling approach did not afford sufficient analytical fidelity to obtain insight into transit-specific performance outcomes. In the preliminary analysis results, transit performance remained effectively unchanged between the present and future scenarios.
- **Toll Rates:** An increase in average per-mile toll rates by \$0.20/mile. Part of the increase is a result of the fact that current toll rates are subject to a toll cap (which artificially suppresses the average per-mile rate to levels that are lower than necessary to effectively control congestion in the ExpressLanes), whereas toll rates in the future scenario were unconstrained. This increase in average toll rate is also influenced by the fact that in the future scenario, the ExpressLanes provide a more substantial travel time savings compared to the general purpose lanes, which drives up demand for the ExpressLanes and results in higher toll rates to ensure the lanes continue to flow freely.

## General Purpose Lanes Outcomes

Preliminary results from our accelerated analysis methodology suggest the following outcomes for the general purpose lanes:

- **Travel Times:** An overall average increase in vehicle trip times of four minutes. Some eastbound travel times in the PM Peak period exhibited more pronounced growth than other directions and times of day, with an average PM Peak travel time increase of 21 minutes. This could be mitigated by extending the ExpressLanes farther along I-10 in the future, as the majority of this added travel time is the result of ExpressLanes traffic merging back into the freeway general-purpose lanes at the current terminus of the lanes at I-605 (a pre-existing bottleneck location in the Eastbound direction). For context, the corridor-wide travel times currently fluctuate above their average levels by as much as 26 minutes from day to day during peak periods due to stochastic effects.<sup>38</sup>

## Corridor-Wide Outcomes

Preliminary results from our accelerated analysis methodology suggest the following outcomes for the complete corridor:

- **Fuel Consumption:** An additional daily consumption of 3,300 gallons of gasoline. This could be offset through investment of toll revenues into programs that improve air quality, such as conversion of Freeway Service Patrol vehicles to clean propulsion technologies, or provision of additional incentives for transit riders. For context, California motorists consume approximately 40,000,000 gallons of gasoline per day.<sup>39</sup>
- **Emissions:** An additional emissions cost of \$1,200 per day for the corridor. This could be offset through investment of toll revenues into programs that improve air quality, such as investment in freeway landscaping improvements to increase tree densities along the corridor. For context, Los Angeles motorists produce approximately \$1,761,643 in emissions costs per day.<sup>40</sup>

## Supplemental Economic Analysis

For additional insight into the impacts of this alternative tolling strategy, a supplemental sketch-planning economic analysis (based on demand and toll models only) was also performed to assess the value of the estimated changes in travel times between the current and future scenarios. It showed that the true mobility cost of congestion on the corridor would decline substantially under the new proposed toll policy, from \$9.2 million initially to \$5.5 million in the future scenario, for an overall daily economic savings across all corridor users of \$3.7 million.

## Interpretation

The core benefit of the future toll scenario is the consistent availability of a faster and more reliable travel option to everyone on the corridor whenever it is needed. While this benefit comes at a travel time cost to the general-purpose lanes, the overall effect is a significant cost

savings to the users of the corridor in the form of improved trip performance and reliability for the trips with the highest value to travelers at all times. The new proposed toll policy also affords other tangible benefits that, while outside the scope of the current analysis, are worth noting:

- Substantial improvement in travel time reliability for high-priority trips through increased availability of the ExpressLanes as a fast and predictable alternative to the highly variable conditions in the general purpose lanes. This translates into less of a need for travelers to budget additional buffer time in their trips to ensure they arrive on time to their most important events.
- Faster response times for emergency vehicles and Freeway Service Patrol vehicles, which results in faster clearing of incidents and reduced delays to all roadway users.
- Simplified enforcement of toll policies to reduce leakage, thereby increasing fairness and reducing the need for enforcement stops that cause disruptions to smooth traffic flow.

Additionally, several mitigation measures can be employed to offset any adverse impacts of this policy change, including investment of additional toll revenues in:

- Transit improvements and incentives, such as more frequent service, fare subsidies/discounts, or enhanced onboard amenities.
- Improved incident management strategies on the corridor to address traffic delays caused by incidents and to improve travel time reliability in the general purpose lanes.
- Corridor infrastructure that targets the external impacts of traffic including emissions, noise, and road surface degradation.

## 9. Conclusion

Overall, Alternative 1 (all 5+ vehicles toll-exemption eligible) offers the highest ease of use, in addition to the greatest impact at the lowest cost. As this alternative has the lowest barrier to entry for receiving toll exemption, it has the greatest potential to lower congestion in the ExpressLanes as more travelers may switch to this Express HOV 5+ mode of transport resulting in a faster and more reliable travel option.

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<http://www.whh.oit.umn.edu/centers/slp/transportation/congestionpricing/pdf/ValuePricingOutreachEducation-Buckeye-Munnich.pdf>
- <sup>37</sup> Carma – Mobile Technology for Toll Road Discounts website. <https://www.gocarma.com/toll-road-discounts>
- <sup>38</sup> Florida Department of Transportation – Palmetto Express FAQs website.  
<http://www.palmettoexpresslanes.com/faqs/misconceptions> Based on weekday PeMS data for October 2017 and March 2018.  
<https://www.boe.ca.gov/news/pdf/ep213.pdf>
- <sup>39</sup> <https://www.boe.ca.gov/news/pdf/ep213.pdf>
- <sup>40</sup> [https://www.jacionline.org/article/S0091-6749\(14\)01364-5/pdf](https://www.jacionline.org/article/S0091-6749(14)01364-5/pdf)
- <sup>41</sup> More info about the October 2015 test is online here: <http://onlinepubs.trb.org/onlinepubs/Conferences/2016/ML/S6-McCune.pdf>. More info about the upcoming proof of concept is in Board Report 2017-0717.



**METRO EXPRESSLANES  
MOTION RESPONSE #43  
I-10 EXPRESSLANES PILOT PROGRAM**

**Board of Directors – Ad Hoc Congestion, Highway and Roads Committee  
January 16, 2019**



# Board Motion and Response

**Director Fasana's motion, amended by Director Solis, requests development of an I-10 ExpressLanes Pilot that increases the toll-free occupancy requirements from HOV2+/HOV3+ to vanpools and transit vehicles only, as a means of preserving the ExpressLanes as a fast, reliable travel option for transit users and all corridor travelers.**

- This is Metro staff's report back on:
  - Potential effects of implementing this pilot
  - Key decision points and milestones for implementation
  - Solicitation of feedback and evaluation of potential impacts associated with this pilot, with focus on low-income commuters
- Recommended Action: Authorize the development of an implementation plan for the I-10 ExpressLanes Pilot Program

# Summary of Item 8

In the **I-10 ExpressLanes**, the following vehicles travel toll-free:

## CURRENT

**HOV 3+**

DURING PEAK PERIODS

**HOV 2+**

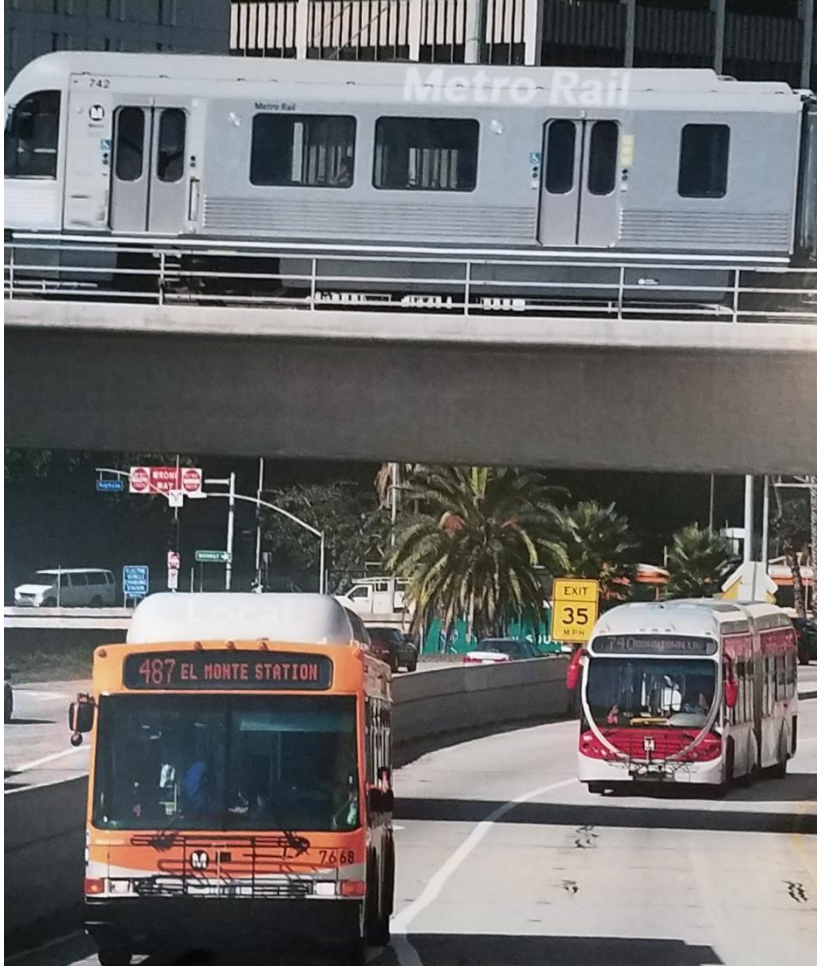
DURING OFF-PEAK PERIODS

## PROPOSED

**HOV 5+**

AT ALL TIMES

# Historical Context



- 1973:** Facility initially opens as a busway.
- 1974:** HOV3+ vehicles temporarily allowed in busway during a 3-month transit strike.
- 1976:** HOV3+ vehicles allowed to use busway during peak periods.
- 1981:** HOV3+ vehicles allowed to use busway at all times.
- 2000:** HOV2 vehicles allowed to use busway during non-peak periods.
- 2013:** Busway converted to ExpressLanes.

# I-10 ExpressLanes Performance Challenges

58%

increase in  
ExpressLanes trips

from 10,093,413 in FY14  
to 15,924,317 in FY18

201%

increase in  
HOV-Only minutes

from 1,101 in FY14  
to 3,314 in FY18

12.5%

decrease in AM Peak  
ExpressLanes speeds

from 60.8 mph in FY14  
to 53.2 mph in FY18

- Additional I-10 travel time has been added to the Metro Silver Line schedule to keep buses on time.
- Up to 19% of Foothill Transit Silver Streak buses operate behind schedule.
- Significant proportion of traffic mis-representing vehicle occupancy to improperly obtain toll-free travel.



**Metro**

# Potential Effects of Implementing Pilot

- Overall mobility benefit of approximately **\$3.7 million per day** in time/delay cost savings corridor-wide.
- Increase in ExpressLanes person-throughput by **600 persons/day** (a 4% increase for ExpressLanes throughput)
- Increase in end-to-end travel times in the general-purpose lanes by **4 minutes** on average.
- Increase in congestion of the eastbound I-10 ExpressLanes at I-605 due to forced merging into the general-purpose lanes.
- Improvements in transit travel time reliability, based on qualitative evaluation by subject area experts.
- Provision of a more long-term sustainable toll strategy that is less susceptible to congestion—especially congestion caused by vehicles that mis-represent occupancy.

# Impacts to Low-Income Commuters

Survey findings from 479 low-income commuters on I-10

- Very few (3%) have ever used a vanpool on the I-10 ExpressLanes.
- Approximately 50% currently use the I-10 ExpressLanes.
- Under the proposed pilot, respondents indicated they would do the following:

	Would use the ExpressLanes			Would use the General Purpose Lanes
	As SOV/HOV	As transit	As vanpool	
<b>Current ExpressLanes Users</b>	41%	13%	21%	23%
<b>Current General Purpose Lane Users</b>	18%	5%	17%	56%

\*Rows will not sum to 100% due to some respondents indicating “another form of transportation” which could include active transportation.

# Vanpool Program

- Federally registered vanpool programs require participants to lease vehicles with seating capacity of at least 7 persons. This is a potentially significant barrier to participation.
- To facilitate vanpool participation, staff recommends that the occupancy threshold for toll-free passage be set to 5 persons per vehicle.
- Staff will explore strategies to further incentivize vanpooling for commuters.





# Timeframe Considerations



Integration will be required with the **new Back Office System**, expected to come online by early 2020.



**Comprehensive outreach** strategy to all customers and corridor users requires substantial time to complete.



Significant lead time required to engage a **third-party contractor** to verify vanpools & handle toll exemptions.



**Before-and-after study** requires a considerable data collection period before go-live.

# Key Decision Points and Milestones



## Obtained concurrence from Caltrans and FHWA

- As a condition of concurrence, FHWA requires a before-and-after study and significant public outreach.



## Collect and analyze additional data on

- Effects on transit operations
- Barriers to ExpressLanes, transit, and vanpool usage
- More detailed assessment of low-income impacts



## Develop a formal implementation plan and return to the Board with recommendations in 12–15 months.

- Optimal method of verifying vanpools and handling toll exemptions through integration with ExpressLanes Back Office



- Determine cost associated with implementation

**Metro**

**\$1.4 M**  
total anticipated  
cost

**Board Report**

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**File #:** 2018-0703, **File Type:** Motion / Motion Response

**Agenda Number:** 10.

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**AD HOC CONGESTION, HIGHWAY AND ROADS COMMITTEE  
JANUARY 16, 2019**

**SUBJECT: I-10 AND I-110 METRO EXPRESSLANES “PAY-AS-YOU-USE” MODEL**

**ACTION: APPROVE RECOMMENDATION**

**RECOMMENDATION**

APPROVING a one-year pilot of the “Pay-as-You-Use” model.

**ISSUE**

At the April 26, 2018 Board meeting, Motion 42 by Director Hahn amended by Director Dupont-Walker (see Attachment A) was approved directing staff to report back on:

- The current performance of the ExpressLanes
- A comparison of the Metro ExpressLanes system to other major congestion-pricing toll systems in the country, with emphasis on those that exhibit demographic similarities to Metro’s ExpressLanes; and
- The viability of Metro ExpressLanes implementing a “Pay-as-You-Use” model eliminating the requirement of a transponder.

**BACKGROUND**

The Metro ExpressLanes program is designed to provide users with a safe, reliable, predictable trip. To facilitate traffic management, revenue collection, and enforcement of the ExpressLanes, a requirement that all vehicles have a properly mounted FasTrak Flex transponder was included in the current Toll Policy.

Those who travel the ExpressLanes without a transponder are sent a notice of toll evasion inclusive of the toll and an initial \$25 penalty. If they select to open an account, the \$25 penalty is waived and they are charged the toll only. If they do not open an account and fail to make payment within a month, an additional \$30 penalty accrues. Metro ExpressLanes penalty process and fees are consistent with other express lanes operators in California. On average, 47% of violations are paid on the first notice, 20% are paid on the second notice, and 31% are paid on the DMV Hold, with 1.5% not paid.

This motion is requesting staff to revisit this policy.

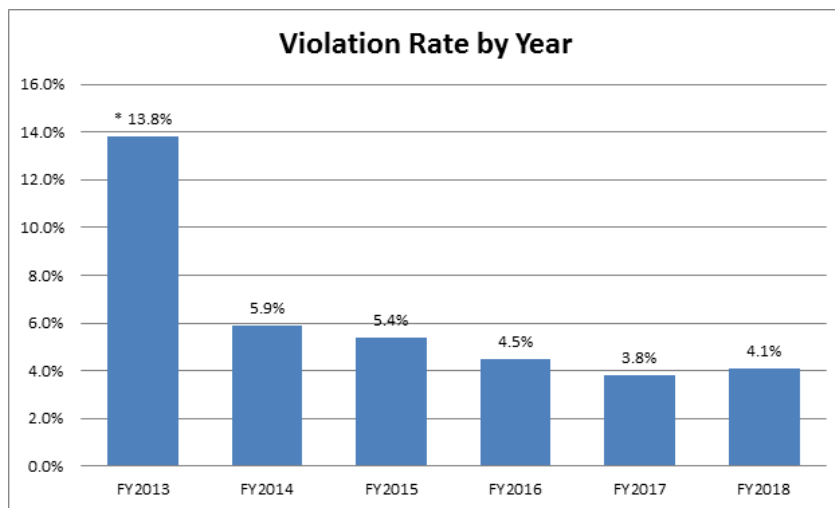
**DISCUSSION**

Current Performance of the Metro ExpressLanes

In FY 2018, ExpressLanes users took over 42 million vehicle trips on the I-10 and I-110 ExpressLanes; reflecting a 2% increase from FY17 and bringing the 5 year total to over 195 million vehicle trips. Metro ExpressLanes has issued 872,966 FasTrak transponders from inception through FY18, with over 150,000 transponders issued in FY18, a 21% increase from FY17. Approximately 44% of users on both corridors were SOV for FY18, but I-10 had 41% HOV3+ compared to 23% HOV3+ on the I-110. The number of HOV only minutes decreased for both corridors: approximately 6% on I-110 and 14% on I-10.

ExpressLanes users were able to save an average of 13 minutes during the AM commute and 7 minutes in the PM compared to the general purpose Lanes. In FY18 HOV2/3+ increased to 56% from 53% in FY17.

4.1% of all ExpressLanes trips are violation trips made by those without a FasTrak account. Overall, this percentage has decreased as the program has matured as indicated in the chart below.



\* FY13 violation rate is for the first 7 months.

The annual customer survey based on 81,748 responses indicated that 89% of Metro ExpressLanes users are satisfied with their speed of travel while 90% are satisfied with time saved relative to toll paid. Respondents were very aware (93.37%) of the FasTrak requirements. 58.50% of our survey respondents knew about the HOV requirements. 57.51% knew that the FasTrak Flex was the switchable transponder. The 2018 Metro ExpressLanes Performance report is included as Attachment B.

Comparison of the Metro ExpressLanes System to Other Major Congestion-Pricing Toll Systems in the Country

Throughout the US, there are various toll roads and express lanes which operate under different

objectives, business rules, and pricing mechanisms.

- **Toll roads** are built to provide highway capacity to address congestion and to provide motorists with an option for relatively congestion free travel when needed most. With toll roads, motorists are given the option to pay a toll to access these lanes on a given trip regardless of vehicle occupancy. Tolls can vary by time of day or based on actual traffic conditions and are collected electronically via a transponder, license plate readers, or at toll booths. The following are a list of toll roads in Southern California.
  - SR 73 (The Toll Roads)
  - SR 133 (The Toll Roads)
  - SR 241 (The Toll Roads)
  - SR 261 (The Toll Roads)
  - SR 125 (SANDAG)
- **Express lanes** optimize lane utilization by selling the extra capacity not being used by carpools and transit vehicles to lower occupancy vehicles. Express lanes are specifically designated highway lanes that typically allow drivers to choose to pay a toll to use the lanes with other users such as carpools, motorcycles, buses, and vanpools that travel free. The benefits of express lanes are that they offer more choices to solo drivers and encourage carpooling. Express lanes often rely on dynamic pricing which helps manage the flow of traffic in which tolls are continually adjusted according to traffic conditions. The tolls are higher when there is more traffic in the express lane, and lower when the traffic is lighter. The following are a list of express lanes in Southern California.
  - I-10 (Metro)
  - I-110 (Metro)
  - I-15 (San Diego)
  - SR-91 (OCTA)
  - SR-91 (RCTC)

### Demographics Comparisons

Based on an analysis of demographic data associated with each of the 13 major metropolitan regions in the country that have express lanes, the most similar regions to Los Angeles with respect to race and income distributions are listed below in descending order of similarity.

Race Distribution:

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Rank	City, State	“Pay-as-You-Use” Offered	HOV Discount Offered for “Pay-as-You-Use”	Surcharge of Fee for “Pay-as-You-Use”
1	Seattle, WA	Yes	No	\$2
2	Minneapolis and St. Paul, MN	No	N/A	N/A
3	Austin, TX	Yes	No	\$1

Income Distribution:

Rank	City, State	“Pay-as-You-Use” Offered	HOV Discount Offered for “Pay-as-You-Use”	Surcharge of Fee for “Pay-as-You-Use”
1	Houston, TX	No	N/A	N/A
2	Denver, CO	Yes	No	\$5-10
3	Baltimore, MD	No	N/A	N/A

Altogether, these six regions contain a total of 18 express lanes. Additional details regarding the data sources, methodology, and findings are available in Attachment C: Demographic Analysis of Express Lane Regions.

Operational Comparison With Other Systems

Metro staff compiled operational data across all express lane facilities in the United States and across all toll road facilities in California to characterize industry practice. The summary chart is presented in Attachment D: Comparison Chart.

Of the 43 express lane facilities in the United States, 14 or 33% offer “Pay-as-You-Use” options to those who pay the full toll with none providing an HOV or any other discount for “Pay-as-You-Use” access. Furthermore, every facility that allows “Pay-as-You-Use” access imposes a surcharge or fee ranging between \$1 and \$10 for that option. While 36 of the 43 facilities or 84% offer some form of toll discount to HOVs, every one of these facilities requires that the user be an account holder with a transponder to be eligible to receive the discount.

When further focusing specifically on the 18 express lane facilities in the six regions that were found to be most similar to Metro ExpressLanes with respect to demographic characteristics, similar trends are revealed. Specifically, 7 out of 18 facilities (39%) offer a “Pay-as-You-Use” option. Of these 7 facilities, none offer an HOV discount to “Pay-as-You-Use” drivers, and all impose a surcharge or fee for “Pay-as-You-Use” access (\$1 to \$10). For account holders, 15 out of 18 facilities (83%) offer some form of discount to HOVs.

For further comparison and insight, of the 13 toll facilities in California, 6 or 46% offer a “Pay-as-You-

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Use” option with none offering an HOV discount to “Pay-as-You-Use” drivers, and all impose a surcharge or fee for “Pay-as-You-Use” access. While 8 of the 13 (or 62%) of the facilities offer some form of toll discount to HOVs, they also require either that the HOVs be existing account holders, or require that the HOVs pay at staffed toll booths.

Note also that out of all the 55 express lanes and toll road agencies surveyed, Metro ExpressLanes was found to be the only agency to offer a Low-Income Assistance Plan to accommodate the specific needs of disadvantaged segments of the population. Furthermore, the Metro ExpressLanes Low Income Assistance Plan relies on account-based designations for qualifying members, and would be infeasible to implement through a plate-based tolling approach for non-account holders.

### Viability of “Pay-as-You-Use” Model

#### Current System Requirements

The Metro ExpressLanes issuance of switchable transponders allows customers an easy means by which to declare the number of people in the vehicle enabling HOV/carpools to use the ExpressLanes toll free. These declarations are enforced through a combination of California Highway Patrol (CHP), a FasTrak transponder, and an automated license plate camera system.

#### “Pay-as-You-Use” Model

The “Pay-as-You-Use” model would allow drivers to use the Metro ExpressLanes without a FasTrak transponder. Tolls would be assessed based on license plates. The registered owner of the vehicle on file with the Department of Motor Vehicles would be responsible for the toll payments. Customers would receive an invoice for their Metro ExpressLanes trip and would have the option to pay on the website, over the phone or at a customer service center. Any unpaid invoices would incur penalties for delinquency. With the “Pay-as-You-Use” model, customers would not be able to access other express lane or FasTrak facilities throughout the State unless the facility supports this model.

The table below captures the potential structure of a “Pay-as-You-Use” model if implemented at Metro:

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	FasTrak Flex Account	“Pay-as-You-Use” Model
<b>Transponder Required</b>	Yes	No
<b>Can drive throughout California FasTrak corridors</b>	Yes	No
<b>Option to pay with credit card</b>	Yes	Yes
<b>Option to pay cash</b>	Yes	Yes
<b>Account maintenance fee</b>	Yes, \$1 a month	No
<b>Additional surcharge for each Metro ExpressLanes trip</b>	No	Yes

Program Limitations with “Pay-as-You-Use” model

Under the proposed scenario, “Pay-as-You-Use” customers would be charged the toll and an applicable surcharge. The use of a mobile application was evaluated and found to be infeasible as a method for offering HOV discounts to “Pay-as-You-Use” customers for the following reasons:

1. A mobile app would require user authentication to access the system, and this would require that the user be an existing account holder.
2. Roadside CHP enforcement of occupancy declaration would not be possible, as the system would not be able to read a given vehicle’s license plate quickly enough to identify it in real time (for CHP enforcement purposes) as it drove by.

Some agencies allow for drivers to pay online up to 4 or 5 days after they drive the lanes by entering license plate information. Generally, these agencies operate a full toll road or a bridge and rely on time of day pricing or set toll rates. Express lanes facilities typically do not have this option as the toll rates are calculated dynamically based on distance traveled requiring data from multiple gantries to be compiled into one trip that is then charged to a customer.

With transponder-based transactions, the trips can be calculated and posted to a customer account within the next day. However, with plate based express lane transactions it can take between 5-10 days to post a trip with the toll amount. This is due to the need for DMV determination of vehicle ownership as well as the manual image review process in which people view and key in license plates each time a plate is not readable by the automated system. Without this information, the system will not know how much and whom to charge.

Staff is not recommending the option of mobile app or pay within 5 days for the “Pay-as-You-Use” model, consistent with all other express lanes that utilize this model.

ExpressLanes Usage Considerations



To evaluate the potential operational impacts of the proposed “Pay-as-You-Use” model on the ExpressLanes, staff conducted a literature review of other agencies’ experiences with similar types of transitions. For additional insight, staff also performed its own original research and analysis of the impacts of such a policy change on the TCA Toll Roads when a “Pay-as-You-Use” model was implemented in early 2014. The results gathered from both the literature review and from the independent analysis were inconclusive with respect to the effects of a “Pay-as-You-Use” pricing model on trip volumes due to limited availability of past studies/data, and the presence of several variables that could not be controlled for in the data sets that did exist.

In the case of the TCA Toll Roads, for example, the implementation of its “Pay-as-You-Use” pricing model coincided with the decommissioning of all cash booths and the economic recession, which made it impossible to isolate the effect of the “Pay-as-You-Use” pricing strategy using the operational data that was available. Staff performed a preliminary internal qualitative assessment of the potential impacts associated with this policy change and anticipates an increase in ExpressLanes volume as a result of employing a “Pay-as-You-Use” model due to the removal of a potential barrier to entry for non-customers, although the magnitude of this increase cannot be estimated from the available data. Consequently, staff is recommending analysis of the results of the pilot to more accurately determine impacts.

### Financial Considerations

The “Pay-as-You-Use” model may introduce some revenue leakage with a variety of causes. Industry standards have shown that transitioning to this model may increase revenue leakage because transaction volume increases while the rate of non-payment stays the same. Transponder based transactions hold an advantage over license plate based in processing costs and efficiency. It is estimated that license plate based tolling costs 3 times more to process when adding mailing costs, image/trip processing, revenue leakage, and customer service time.

Based on these factors, tolling operators who offer “Pay-as-You-Use” model charge an additional fee.

The “Pay-as-You-Use” model may lead to a reduction in violations fees or may lead to increased usage of the corridors and income from tolls plus fees. The pilot would enable evaluation of this potential impact on the I-10 and I-110 project.

### 2018 Customer Survey

To supplement efforts to develop a response to the Board motion, staff included a question related to the “Pay-as-You-Use” model in the 2018 customer survey. Please note that the survey was limited to current account holders. Approximately 45% of the respondents indicated that they would not be interested in a program that would allow use of ExpressLanes without transponders at a \$1 to \$2 surcharge. 66% and 77% of respondents indicated that they would not be interested in using the ExpressLanes without a transponder with a surcharge of \$3 to \$4 and \$5 to \$7 respectively. The expectation is that the customers who were surveyed would remain as customers and continue to use transponders as they were mostly not in favor of this model. However, this model does not

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directly impact customers but is intended to enable those who are not registered customers with transponders to use the ExpressLanes without incurring a penalty.

### Findings

The following summarizes the findings of the “Pay-as-You-Use” model.

1. This method allows customers to use the ExpressLanes without any advance interaction with the toll agency addressing the needs of visitors and infrequent users;
2. From a system perspective, the pay as you use model can be integrated into the current and new back office systems;
3. There is a potential increase in ExpressLanes volumes as a result of employing this model;
4. All users regardless of the number of occupants will have to pay a toll at all times (CAVs and HOVs) consistent with all other express lanes operators;
5. The Low-Income Assistance Plan can only be applied to account holders;
6. Billing process will not be as fast and efficient for “Pay-as-You-Use” as that for account holders;
7. An additional surcharge will be added to each transaction to supplement the additional staffing expense due to manual image review and transaction/mailling processing. All “Pay-as-You-Use” operators charge this surcharge;
8. The “Pay-as-You-Use” model will require changes to the existing signage and a regional outreach campaign;
9. This model may lead to revenue leakage or may lead to increased usage of the corridors and income from tolls plus fees which will be determined as part of the pilot.

### Pilot of the “Pay-as-You-Use” Model

Given the potential and challenges of implementing this model and the inconclusive findings regarding impacts on congestion and revenue, staff recommends implementation of a one year limited pilot to enable assessment of the impacts with minimal changes to the system, signage, and marketing until after an evaluation is completed. Staff anticipates program impacts as summarized in the findings listed above. The pilot is expected to go-live within 9 months of board approval.

The pilot of this model will include the following:

#### **Process Changes**

The first notice will be issued to the registered owner of the vehicle with an option to pay the toll and a \$4 surcharge within 20 days and a \$25 penalty if paid between the 20th and 30th day. If the amount due is not paid within 30 days, an additional notice including an additional \$30 penalty will be sent. If an additional 60 days has passed without payment, a DMV registration hold will be placed on the vehicle. The analysis for the \$4 surcharge can be found in Attachment E.

Additionally, the following steps will be implemented prior to deployment.

- CHP will be notified that drivers without transponder should not be pulled over and cited.
- Limited campaign educating users that they can use the lanes without transponders.

### **System & Customer Service Changes**

- The website will be modified to provide new information regarding the changes to this model.
- Transaction processing, and notice procedures will be updated to reflect the process above.
- Modifications will be made to customer communications, account statements, and other correspondence documents.
- Changes to the signage on the corridor will be completed by covering over the “ONLY” portion of the “FASTRAK ONLY” sign.

To accelerate implementation of the pilot and evaluate the results of this policy prior to full implementation, the following will be postponed.

- Regional education campaign to inform commuters about this policy change;
- New signage and upgrades to existing signage.

Following the 12 month pilot, a before and after evaluation will be developed to determine the impacts associated with this policy change and whether full implementation is warranted.

### Required Operational Changes for Full Deployment after Pilot Evaluation

This model would require system and process modifications. There would be impacts to the back office system, roadside, and customer service procedures.

- **Back office system changes include:**
  - The website and Interactive Voice Response (IVR) telephone systems require modifications to provide new information and call trees regarding the changes to this model.
  - Transaction processing, violation notice procedures, and invoice generation will need to be modified.
- **Customer service changes include:**
  - Modifications would have to be made to customer communications, account statements, and other correspondence documents.
  - A regional education campaign to inform commuters about this policy change must be

undertaken.

- **Roadside changes include:**

- Changes to lane enforcement routines and procedures would need to be communicated to CHP.
- At the lane level, roadside signs would require new messages to communicate the new pricing model and requirements to motorists. For example, all FasTrak Only signs will need to be replaced. New signs need to be installed to communicate that motorists can use the lanes under the “Pay-as-You-Use” model. These new signs are not part of the standard Federal Manual on Uniform Traffic Control Devices for Streets and Highways signage, which will require approval from Caltrans and potentially from Federal Highway Administration which could take up to eighteen months.

The rough order of magnitude cost impact associated with full deployment is estimated at approximately \$6.6 million.

### **FINANCIAL IMPACT**

Funding for implementation of the pilot is anticipated to be approximately \$750,000 and is available in the FY19 budget in cost center 2220. Because this is a multi-year program, the cost center manager and the Executive Officer of the Congestion Reduction Department Programs will be responsible for budgeting for future years.

#### **Impact to Budget**

The funding for this action will come from toll revenues generated from the Metro ExpressLanes operations. No other funds were considered for this activity. This funding is not eligible for bus/rail operating and capital expenses.

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

The Response to this Motion aligns with Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. ExpressLanes provide drivers with the option of a more reliable trip while improving the overall operational efficiency of the freeway network.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to move forward with this recommendation. If no action is taken, the current noticing structure will remain. This alternative is not recommended since piloting the “Pay-as-You-Use” model will enable us to evaluate this alternative payment method.

### **NEXT STEPS**

If the Board directs staff to implement a “Pay-as-You-Use” model, a detailed plan, cost estimate,

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necessary resources, and schedule will be developed for the pilot; staff will return to the Board as necessary regarding progress toward implementation.

Staff will continue to monitor the performance of the corridor and will address alternative payment models as part of a larger Metro ExpressLanes policy review as necessary unless otherwise directed by the Board

## **ATTACHMENTS**

Attachment A - Board Motion 42

Attachment B - FY18 Performance Report

Attachment C - Demographic Analysis of Express Lane Regions

Attachment D - Comparison Chart

Attachment E - Surcharge Assumptions and Costs

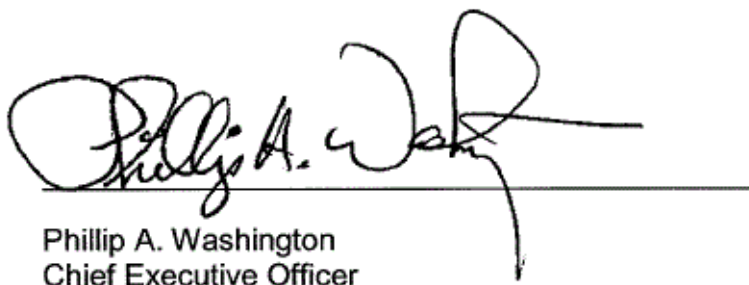
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Phillip A. Washington  
Chief Executive Officer



## Board Report

**File #:** 2018-0194, **File Type:** Motion / Motion Response

**Agenda Number:** 42.

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**REGULAR BOARD MEETING  
APRIL 26, 2018**

**Motion by:**

**HAHN as amended by DUPONT-WALKER**

Metro ExpressLanes officially began with a US Department of Transportation Grant in April 2008, which would convert existing High Occupancy Vehicle (HOV) lanes into dynamically-priced high-occupancy toll (HOT) lanes. This initial congestion pricing pilot project was specifically designed to reduce congestion along two of the Los Angeles region's most impacted freeways: the I-110 and I-10. Metro ensures the ExpressLanes maintain traffic flow, prevent them from being overloaded, and maintain a federally mandated minimum speed of 45 miles per hour.

Many of Metro's goals - expanding the rail and bus network, investing in active transportation, and connecting us throughout the Los Angeles region, aim to achieve some level of reduced congestion and fewer vehicle miles traveled. Metro is now looking at expanding the ExpressLanes to the I-105 Freeway.

I believe that Metro should continue to review the Express Lanes program and ensure it continues to meet its commitment to ease freeway congestion and improve the quality of life for Los Angeles County residents. Metro should also study toll systems in other large jurisdictions, giving priority to those with similar demographics; and explore ways that the Express Lanes can be made available to more drivers.

**SUBJECT: MOTION BY HAHN AS AMENDED BY DUPONT-WALKER  
FEASIBILITY STUDY ON EXPRESSLANES**

APPROVE Motion by Hahn as amended by Dupont-Walker that the CEO report back in 180 days to the Board on:

- A. The current performance of the ExpressLanes;
- B. A comparison of the Metro ExpressLanes system to other major congestion-pricing toll systems in the country; and
- C. The viability of Metro ExpressLanes implementing a "Pay-as-You-Use" model for all drivers.

# METRO EXPRESSLANES

Operations Performance Report

FISCAL YEAR 2018  
(ENDING JUNE 30, 2018)



Metro®

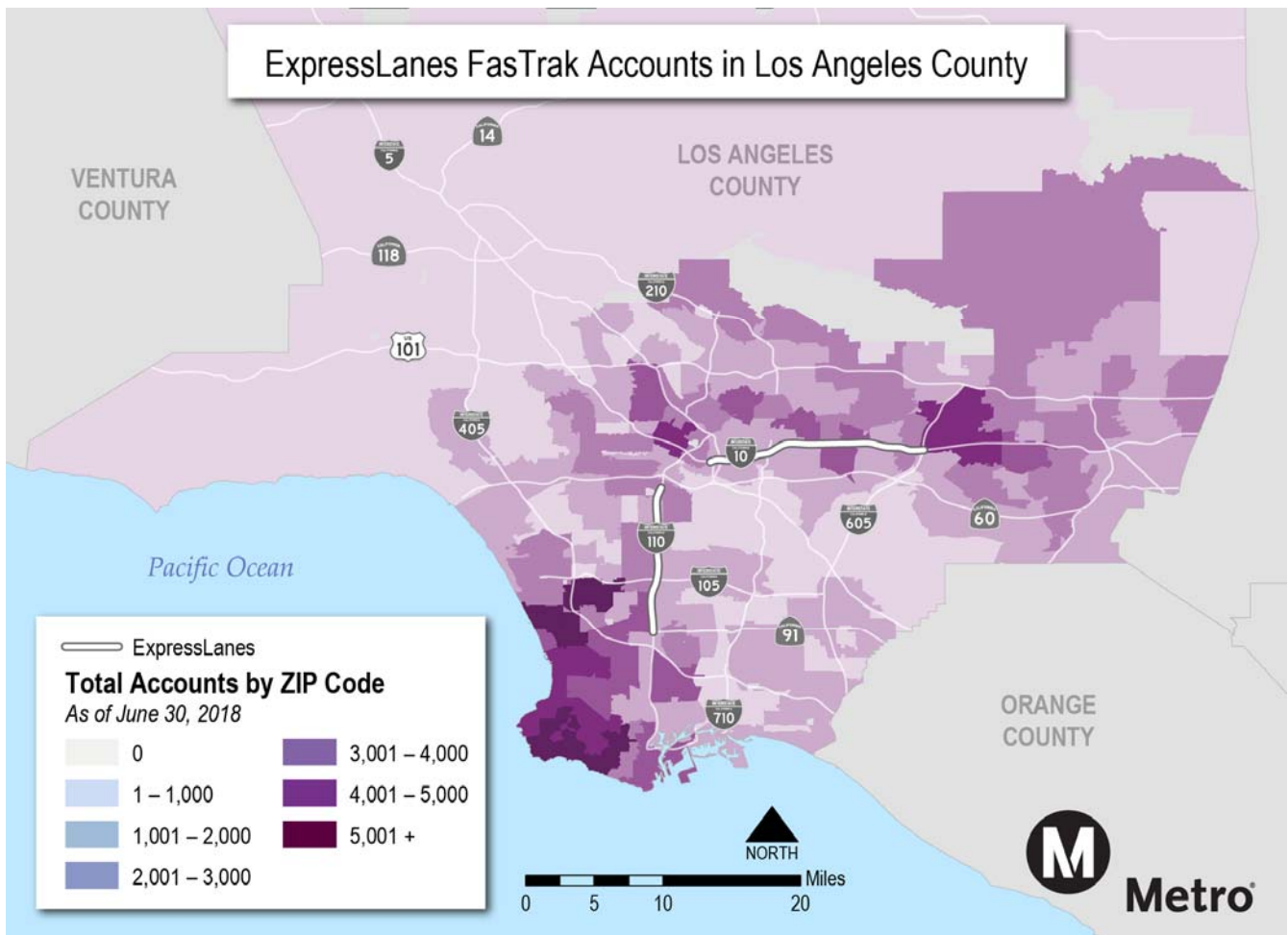


## Program Highlights

### Operational Totals through June 30, 2018

<b>TOTAL VEHICLE TRIPS</b>		<b>195,331,723</b>
	I-110 TRIPS: 125,407,606	I-10 TRIPS: 69,924,117
<b>TOTAL ACCOUNTS OPENED</b>		<b>702,500</b>
	LOW-INCOME ASSISTANCE PLAN ACCOUNTS	17,049
	TAP REWARDS REGISTERED ACCOUNTS	18,384
<b>TOTAL TRANSPONDERS ISSUED</b>		<b>872,966</b>

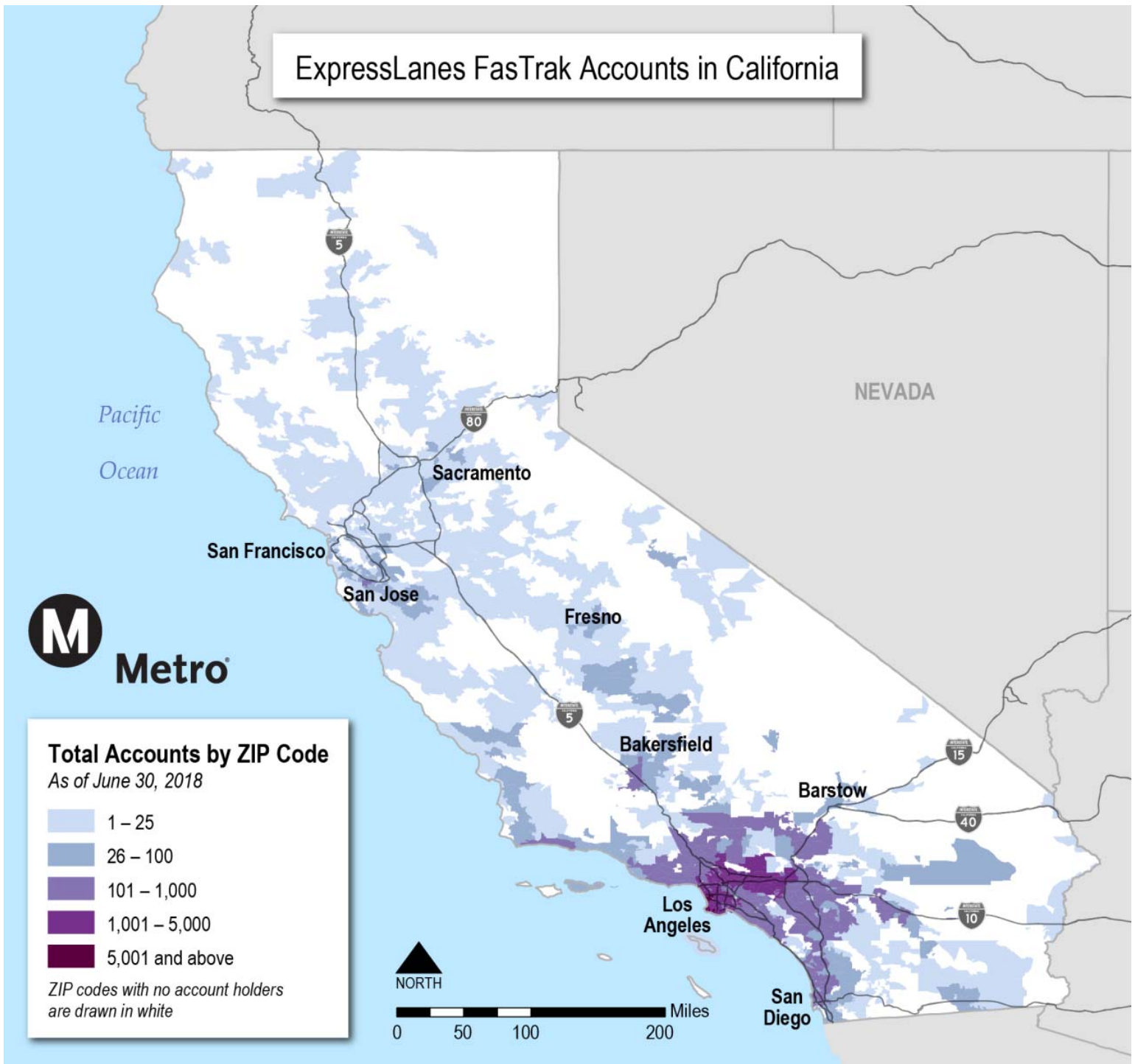
## ExpressLanes Customers in Los Angeles County







## ExpressLanes Customers in California

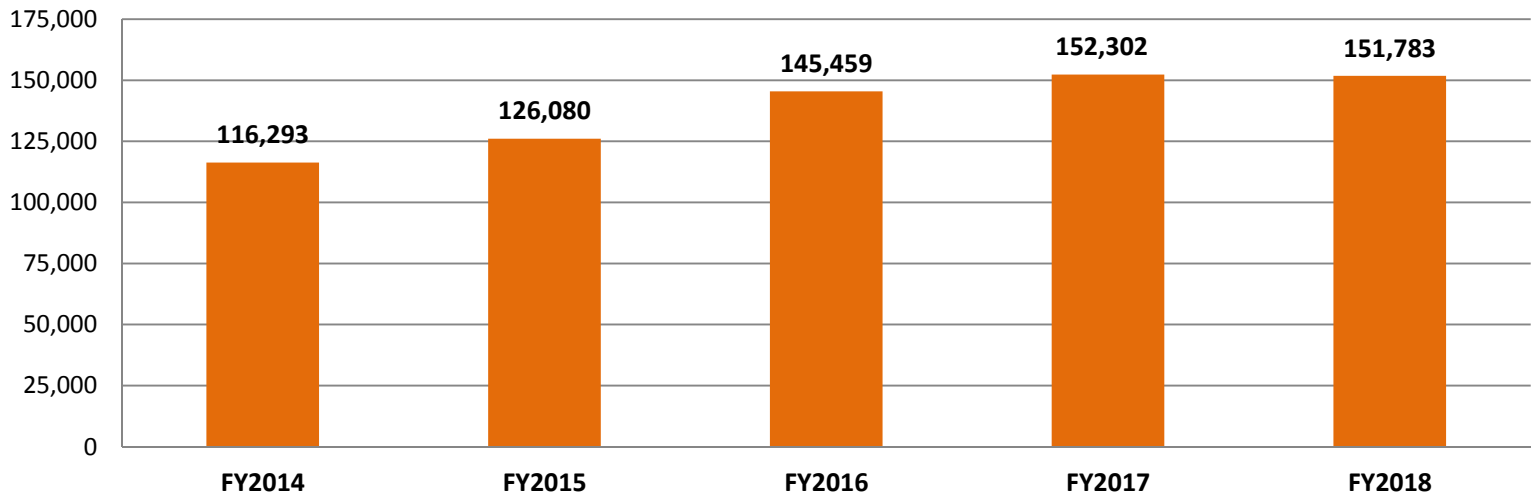




## FasTrak® Transponder Adoption

The demand for Metro ExpressLanes FasTrak® transponders continues to grow. A total of 872,966 transponders have been issued through June 30, 2018 and a total of 702,500 accounts have been opened. In 2018, transponder adoption was at the second highest level in the 5 full years of operations.

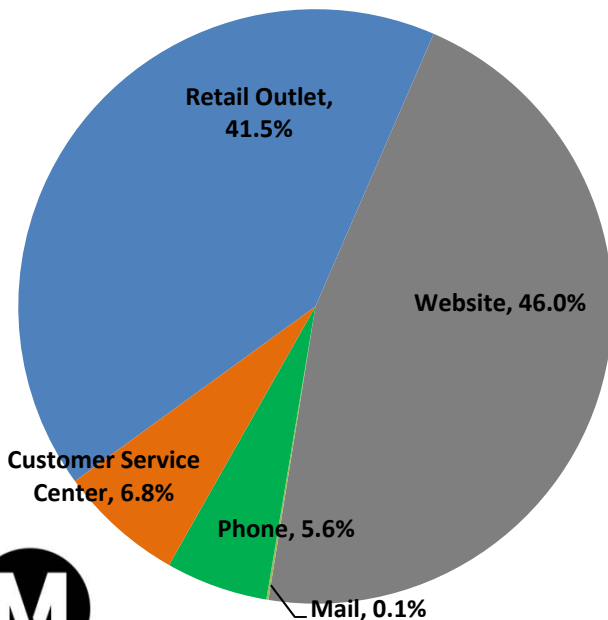
### Newly Issued FasTrak® Transponders



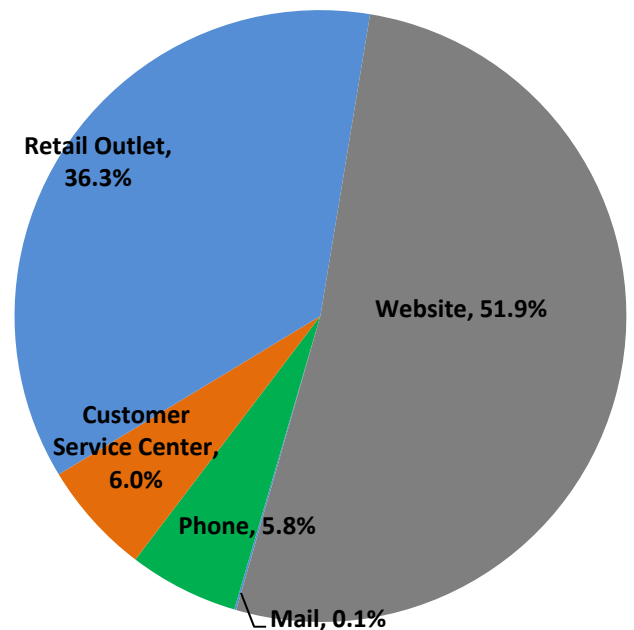
## Account Opening Channel

In FY18 our website, metroexpresslanes.net, was the largest channel for transponder distribution, followed by our retail partners. Customers can purchase a FasTrak® transponder at participating AAA, Costco, and Albertsons locations in Los Angeles County. Account openings on the web saw an increase from 2017 to 2018, with almost 52% of accounts opened on the website.

### FY17 Accounts Opened by Channel



### FY18 Accounts Opened by Channel



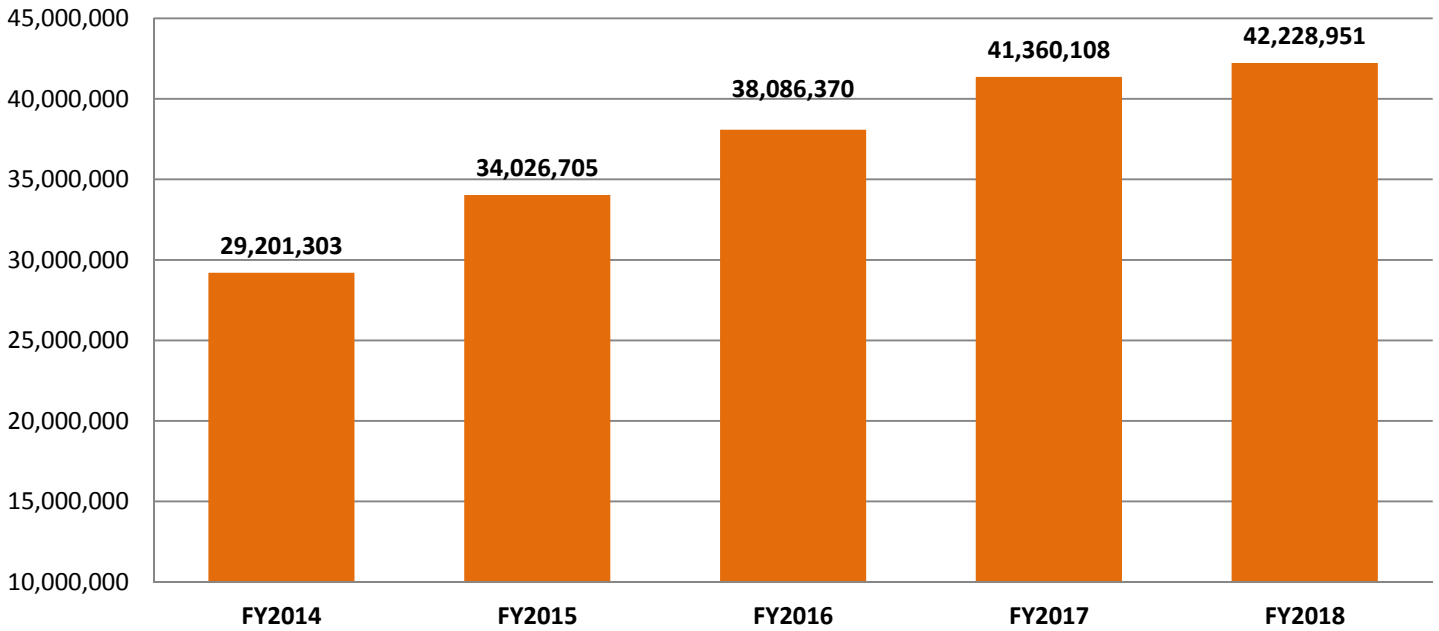
**Metro**



## ExpressLanes Trips

Vehicle trips on the ExpressLanes increased by 2.1% in FY18 compared to FY17. A total of 195,331,723 trips have been taken on the ExpressLanes from opening November 10, 2012 through June 30, 2018.

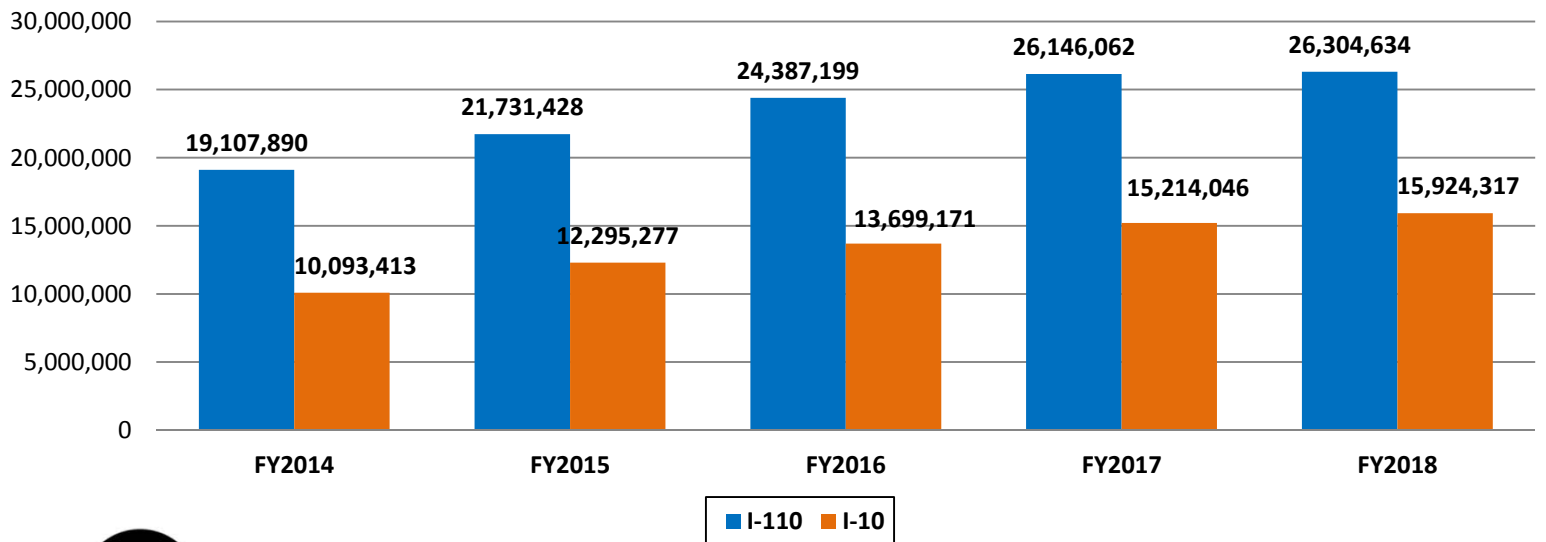
### Total ExpressLanes Trips by Year



## Trips by Corridor

The I-110 corridor continues to have higher trip volumes than the I-10 corridor. However, I-110 trips only increased by .61% in FY18 compared to a 4.67% increase on the I-10 corridor.

### ExpressLanes Trips by Corridor

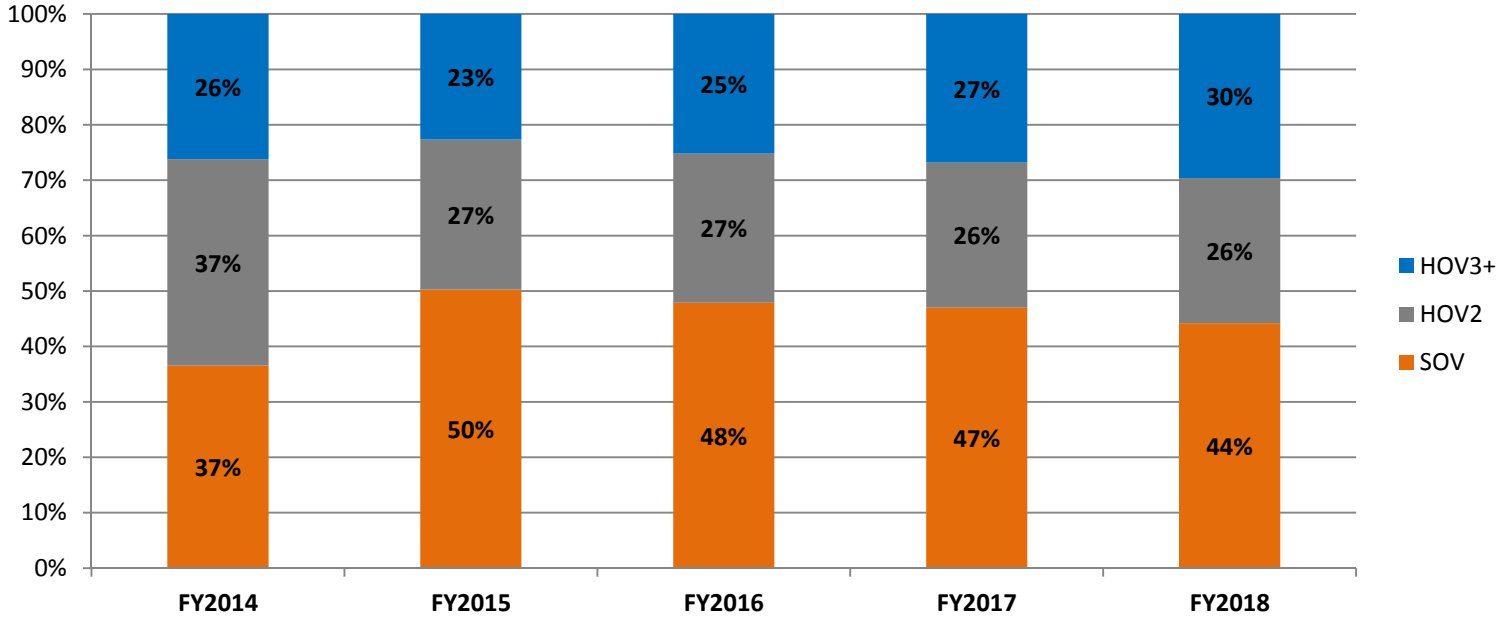




## Mode Split

In FY18 HOV2 and HOV3+ continued to slightly increase over Single Occupant (SOV) trips.

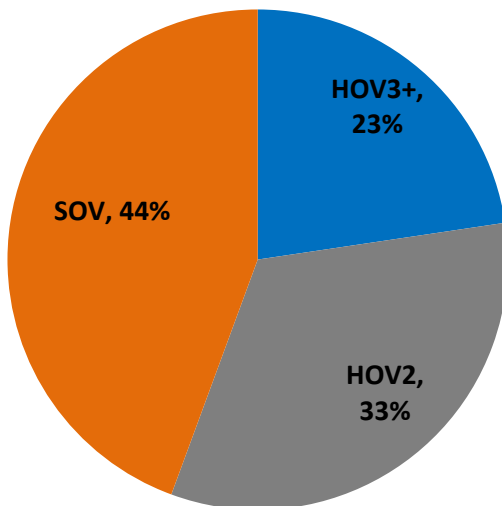
### ExpressLanes Occupancy Split by Year



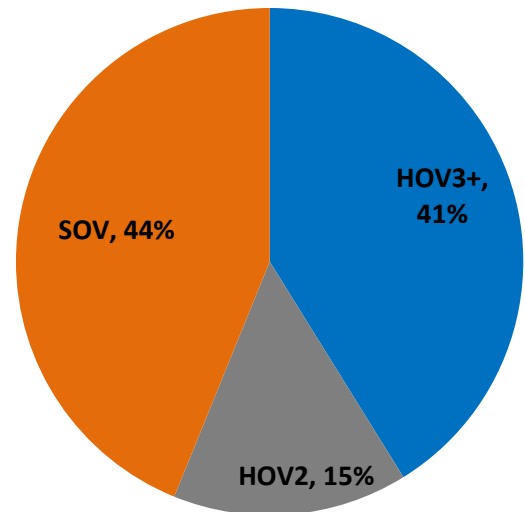
## Mode Split by Corridor

The I-110 corridor has a significantly lower percentage of HOV3+ trips than the I-10 corridor. This is most likely due to the toll free status of HOV2 customers on the I-110 at all times compared to the HOV2 customers paying a toll during AM and PM peak times on the I-10.

### I-110 FY18 Occupancy Split



### I-10 FY18 Occupancy Split

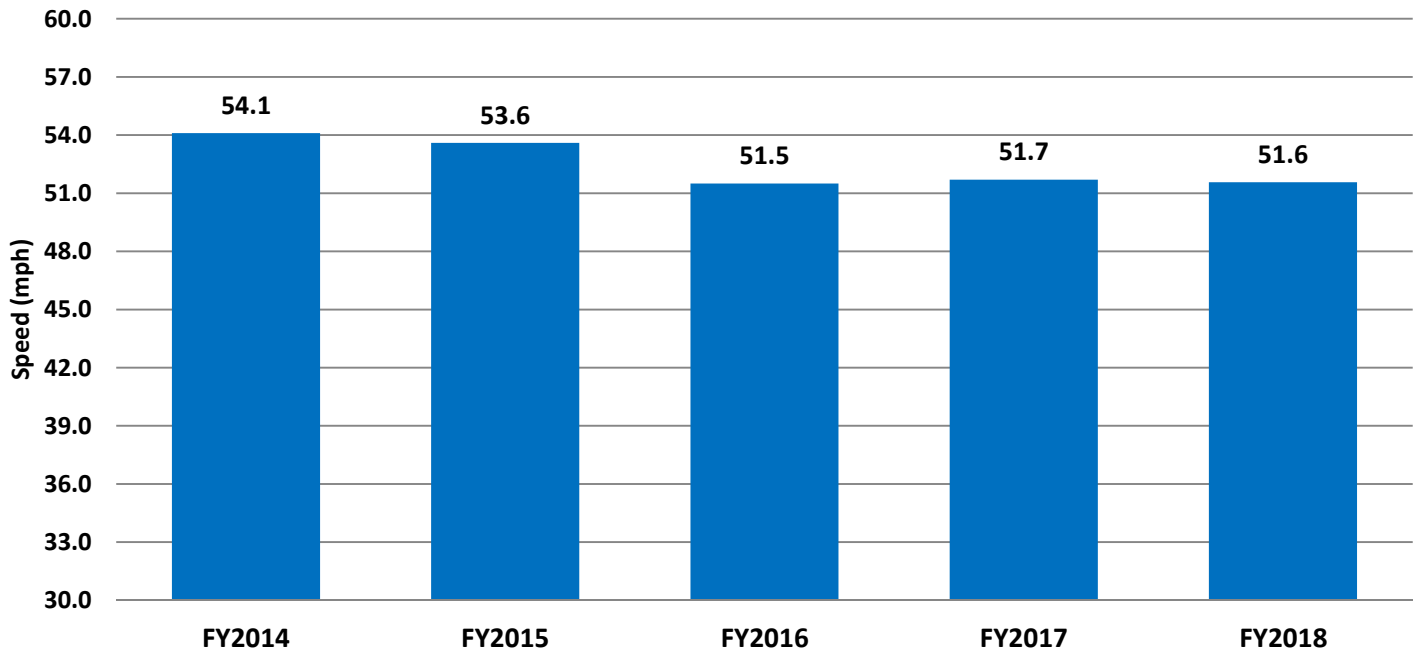




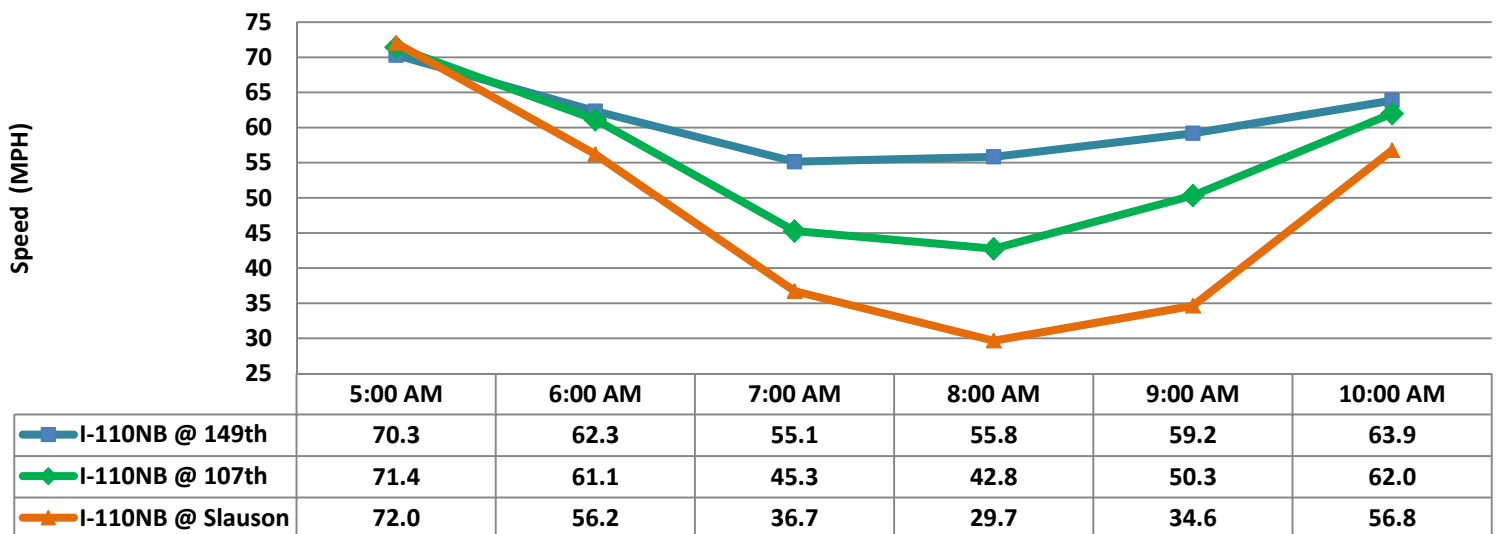
## I-110 ExpressLanes Average Travel Speeds During Morning Peak

Average travel speeds during the year have remained above 45mph for the entire AM peak period. In FY18, speeds remained relatively unchanged from FY17 on the I-110 northbound. However, average speeds fluctuated during the morning peak depending upon the location and time. The number of vehicles in the ExpressLanes increases closer to downtown Los Angeles and between the hours of 7:00 AM and 9:00 AM causing speeds to decrease. In FY18, speeds were slowest near Slauson Avenue around 8:00 AM.

### I-110NB Average Travel Speeds - AM Peak



### FY18 Average I-110NB AM Peak Speeds by Time and Location

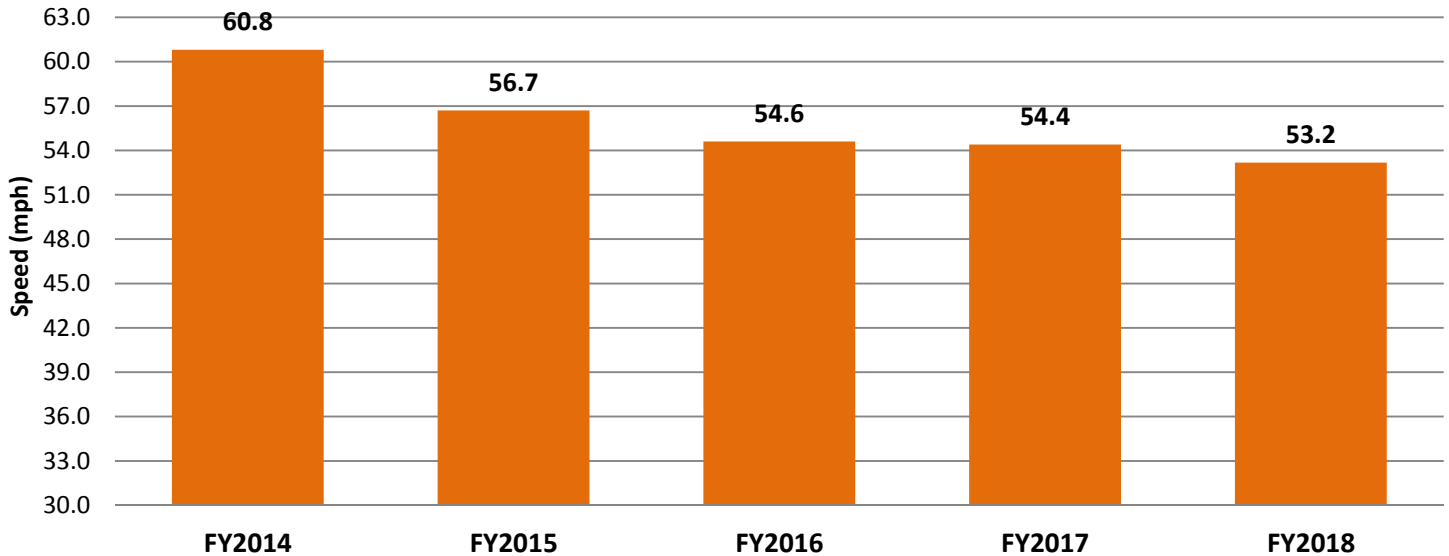




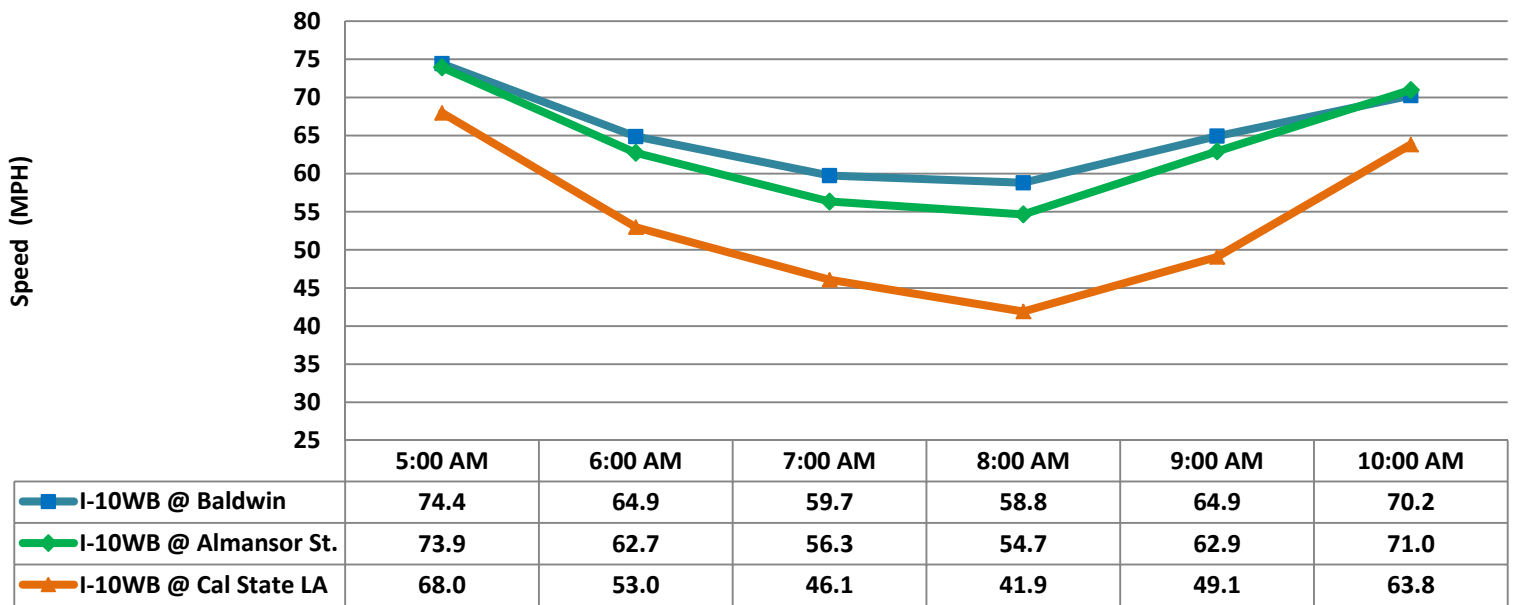
## I-10 ExpressLanes Average Travel Speeds During Morning Peak

Average travel speeds during the year have remained above 45mph for the entire AM peak period. In FY18, speeds decreased by 2% from FY17 on the I-10 westbound. Average speeds fluctuate during the morning peak depending upon the location and time. The number of vehicles in the ExpressLanes increases closer to downtown Los Angeles and between the hours of 7:00 AM and 9:00 AM causing speeds to decrease. In FY18, speeds were slowest near the Cal State Los Angeles exit around 8:00 AM.

### I-10WB Average Travel Speeds - AM Peak



### FY18 Average I-10WB AM Peak Speeds by Time and Location

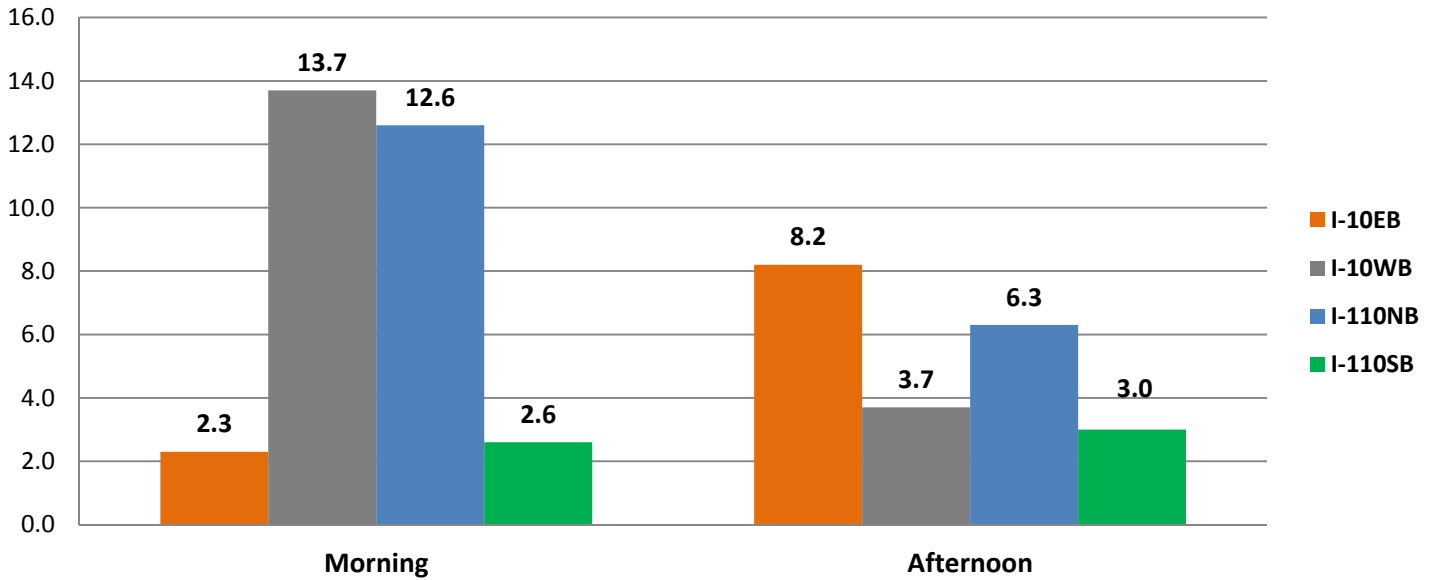




## ExpressLanes Travel Times Savings Over General Purpose Lanes

Average speeds in the ExpressLanes remain higher than the average speeds in the General Purpose (GP) Lanes. Travel time tests were performed on the ExpressLanes in the morning and afternoon peak times. Morning peak travelers saved up to an average of over 13 minutes when in the ExpressLanes compared to the GP lanes. Afternoon travelers saved up to an average of 8 minutes in the ExpressLanes compared to the GP lanes.

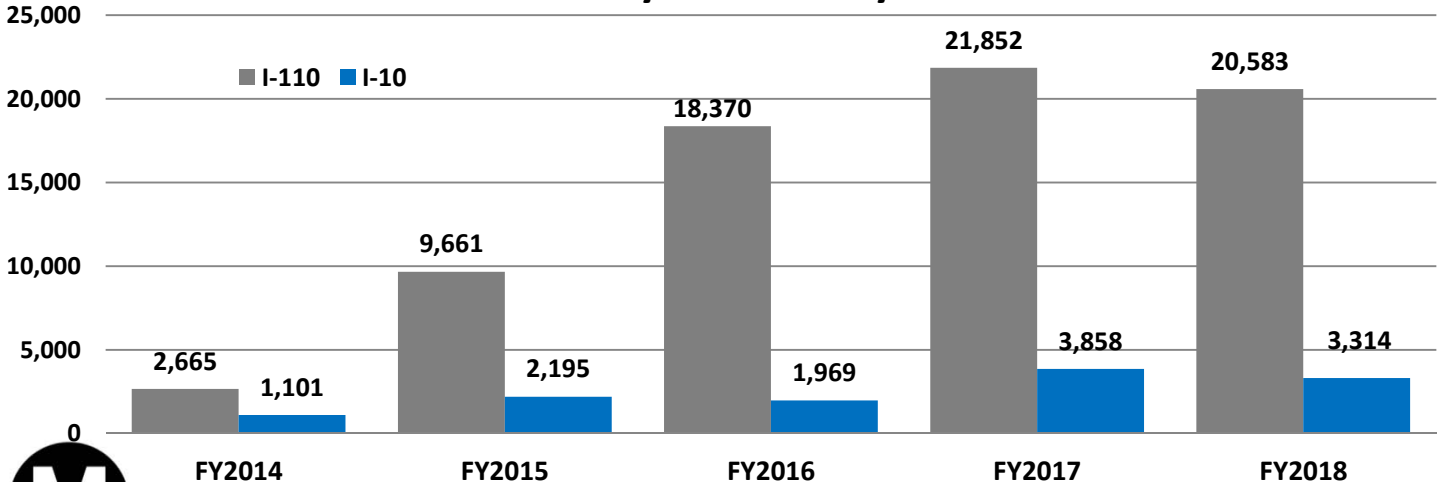
### FY18 Average Travel Time Savings (Minutes)



## HOV Only Status

When the average vehicle speed begins to fall below 45mph on a segment of the lanes, the lanes go into HOV Only status, precluding SOV drivers from entering the lanes to help alleviate some congestion. Due to the higher vehicle volumes and lower HOV requirement, the I-110NB goes into HOV Only status more frequently than the I-10WB. FY18 HOV Only minutes decreased by 5.8% on the I-110 and 14.1% on the I-10 due to further refinement of the dynamic pricing algorithm.

### HOV Only Minutes by Year

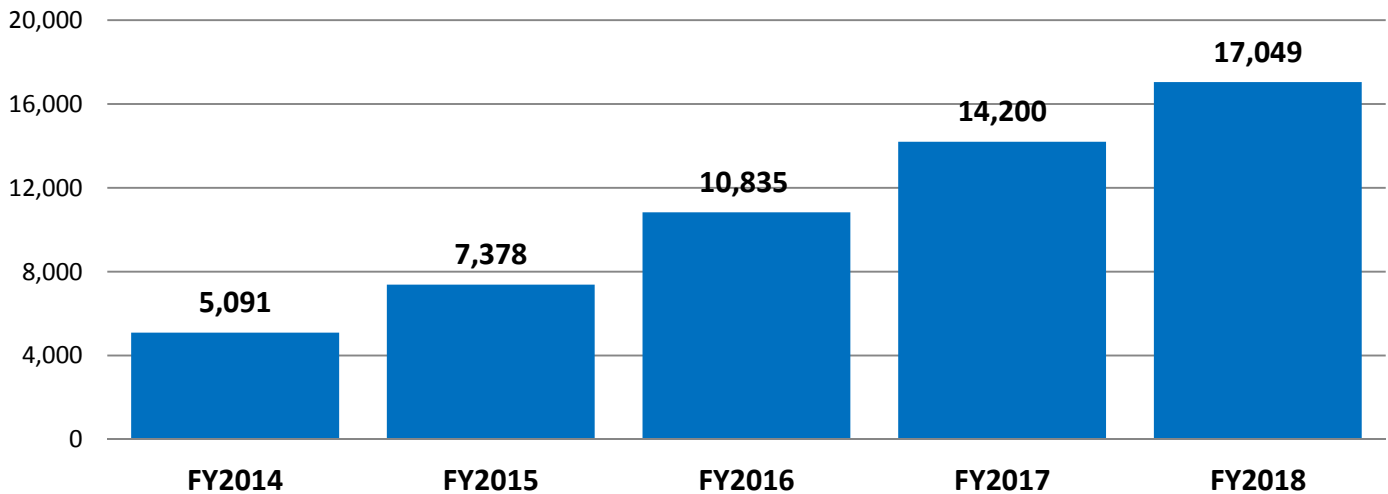




## ExpressLanes Customer Incentives – Low Income Assistance Plan

Residents of Los Angeles County with an annual household income equal to or less than double the federal poverty level qualify for a one-time credit of \$25 and an automatic waiver of the monthly account maintenance fee. Although the number of new accounts opened was less in FY18 than FY17, the total number of accounts increased by 20% to 17,049. Increased outreach and marketing is planned for FY19 in an effort to increase customer participation in the program.

### Total Low Income Assistance Plan Accounts



## Low Income Assistance Plan Outreach

Metro ExpressLanes provides outreach at different community events, festivals, and transportation workshops throughout the year to promote the plan. During FY18 multiple campaigns advertised the program on bus cards (spring 2018), billboards (spring 2018), and online ads (winter 2017 to spring 2018).



**Metro**



# METRO EXPRESSLANES



## ExpressLanes Customer Incentives – Transit Rewards

Transit riders that register a TAP card on their ExpressLanes account can earn a \$5 toll credit each time they take 16 one-way transit trips during peak hours on the I-110 Harbor Transitway or the I-10 El Monte Busway. Since the opening of the ExpressLanes, 749,000 qualifying transit trips have been taken and \$179,960 in rewards have been issued.

**FASTRAK EXPRESS LANES**

**WE DRIVE.  
YOU SAVE.**

**METRO EXPRESSLANES  
TRANSIT REWARDS**

**M Metro**

**FASTRAK**

## ExpressLanes Customer Incentives – Carpool Loyalty

The Carpool Loyalty Program automatically enters Metro ExpressLanes customers into a monthly drawing for a chance to win gift cards and toll credits when they use the ExpressLanes with a FasTrak® set to HOV2 or HOV3 status. Since the inception of the program, \$45,000 in gift cards and toll credits have been given to carpoolers.

**START A  
CARPOOL, GET  
REWARDED.**

**M Metro**

**FASTRAK**

**METRO EXPRESSLANES  
CARPOOL LOYALTY  
PROGRAM**



# METRO EXPRESSLANES



## ExpressLanes Customer Appreciation – 5<sup>th</sup> Year Anniversary

The Metro ExpressLanes celebrated the 5<sup>th</sup> anniversary of operations in FY18. The I-110 ExpressLanes opened November 10, 2012 and the I-10 on February 23, 2013. In appreciation of our customers, all tolls were reversed for trips taken on the anniversary date of each corridor. In addition, Metro ExpressLanes staff recognized customers with the longest active accounts; provided all Low-Income Assistance Program participants with toll credits; and with support from Metro Operations, provided transit riders at the El Monte and Harbor Gateway Transit centers with ExpressLanes branded giveaways.



Metro ExpressLanes giveaways were provided to transit riders at the Harbor Gateway Transit Station November 6-9, 2017. (Above)



Messaging signs on the ExpressLanes had an appreciation message for customers on the I-110 and I-10 anniversary dates. (Above)



Transit riders were able to learn more about Metro ExpressLanes and receive giveaways at the El Monte Station February 19-23, 2018. (Left)

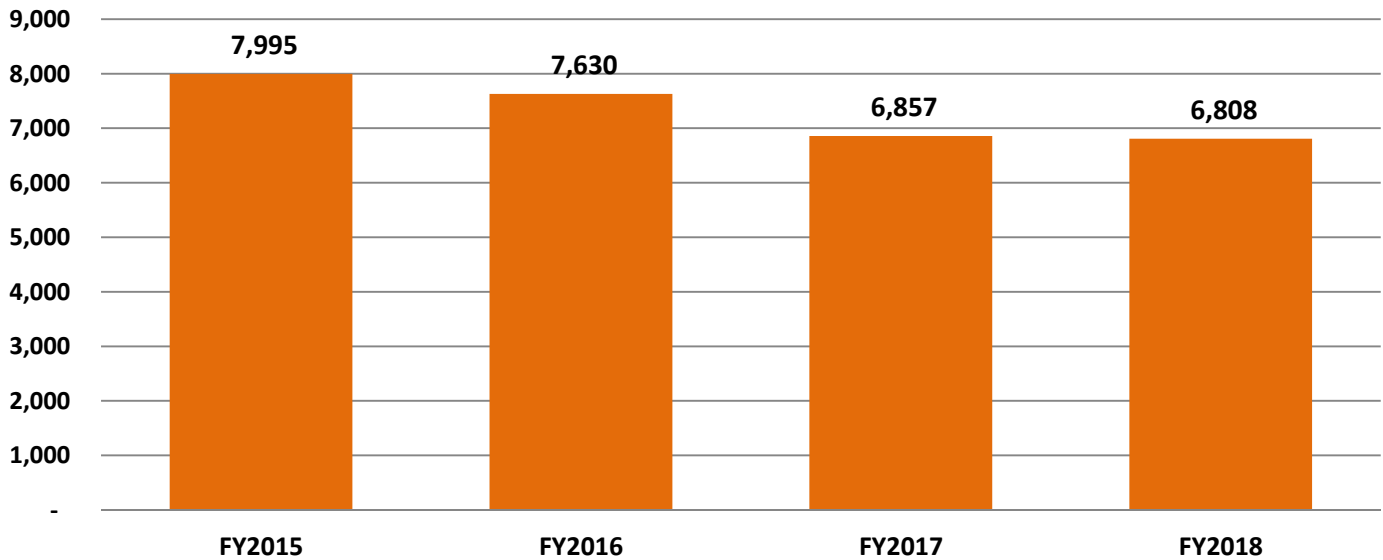




## Silver Line Transit Ridership on the ExpressLanes

The Metro Silver Line operates as a Bus Rapid Transit (BRT) system on the I-110 and I-10 ExpressLanes. Silver Line ridership on the ExpressLanes during the peak periods has decreased by 0.71%, compared to overall Silver Line ridership increase of 2.3% in FY18.

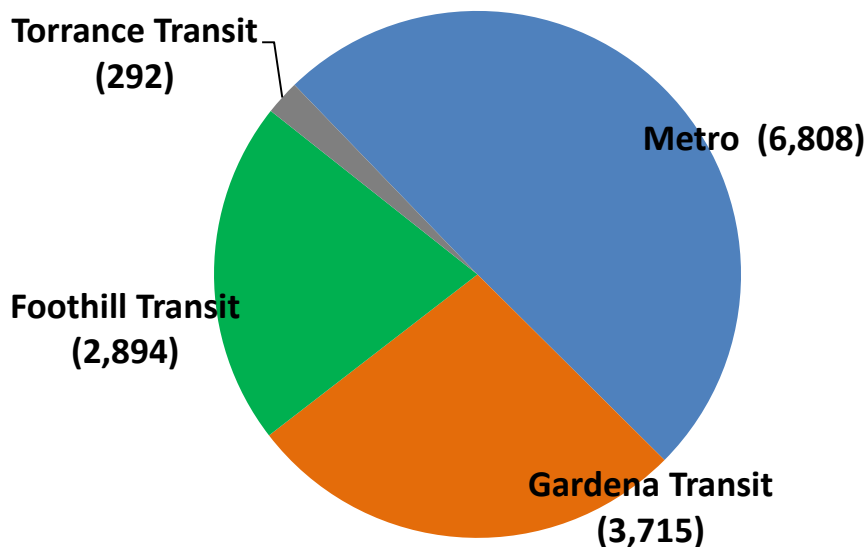
### Silver Line Average AM and PM Peak Daily ExpressLanes Ridership



## FY18 Transit Ridership on the ExpressLanes

In addition to the Metro Silver Line, Foothill Transit, Gardena Transit and Torrance Transit operate on the I-110 and I-10 ExpressLanes. In FY18 an average of 13,709 passengers were transported by these agencies during the AM and PM peak periods.

### FY18 ExpressLanes Average AM and PM Peak Daily Transit Ridership

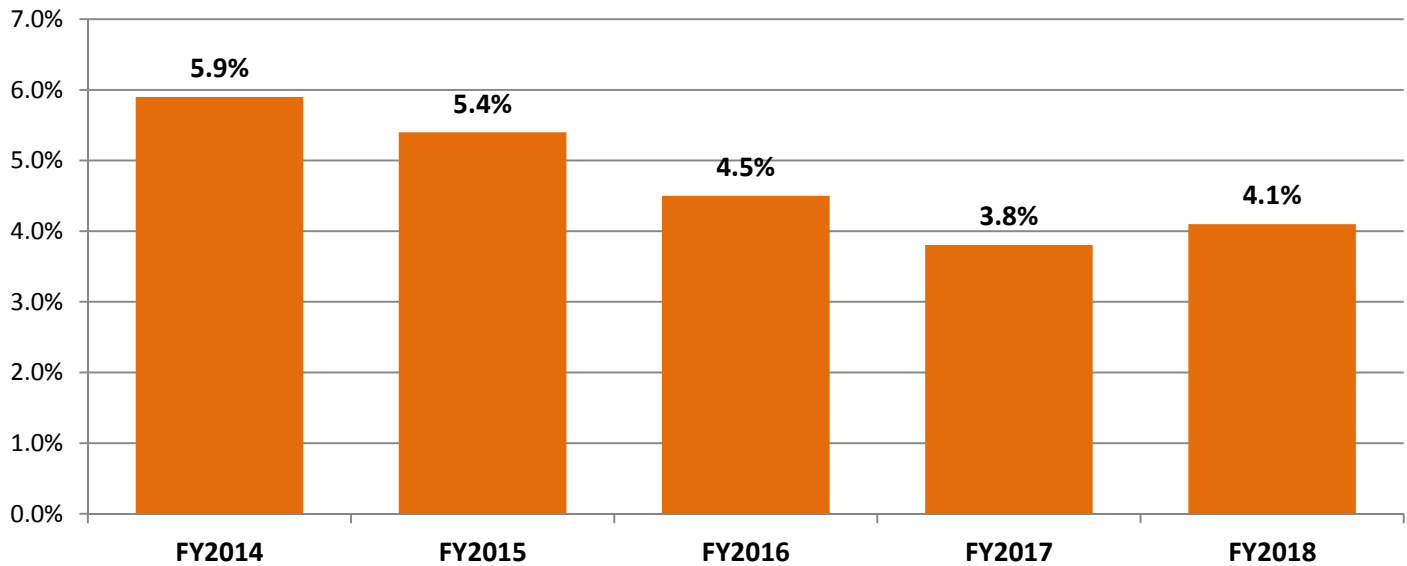




## ExpressLanes Safety & Enforcement – Violations Issued

Metro ExpressLanes issues a notice of toll evasion violation when vehicles travel the ExpressLanes without a valid FasTrak® transponder. As public awareness of the ExpressLanes increases, the percentage of violations issued decreases. There was a slight increase in the percentage of violations between FY17 and FY18. Nevertheless, the violation percentage is consistent with programs at the same level of maturity at the 5 year mark.

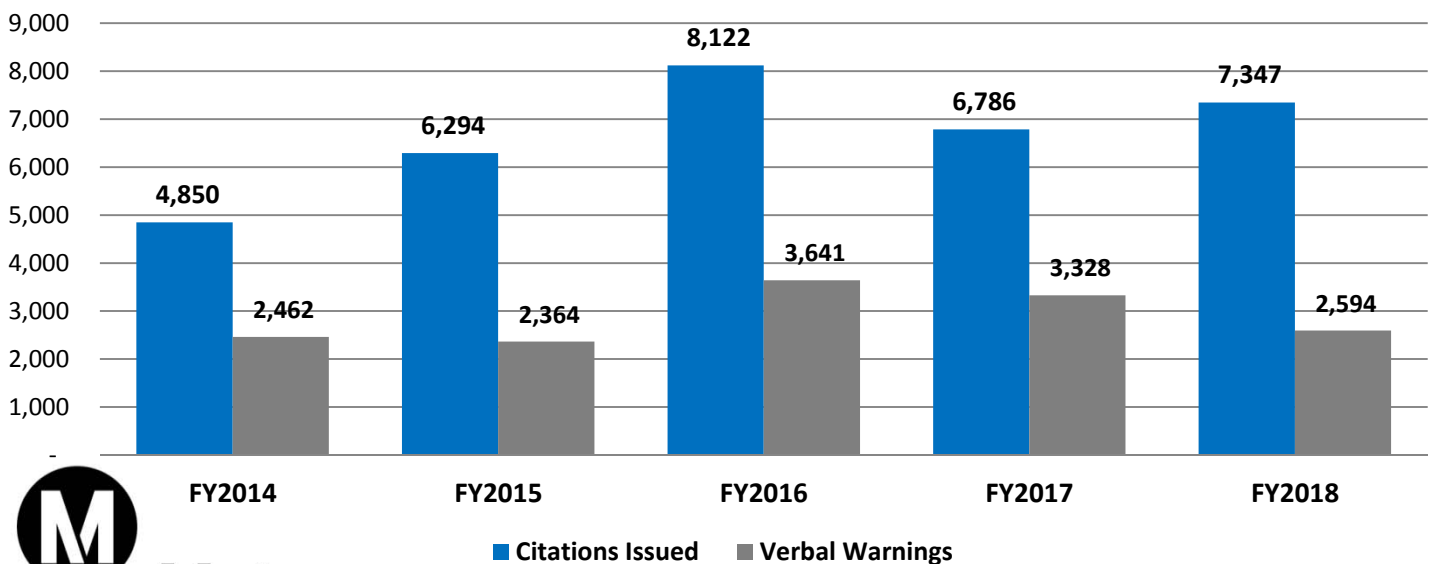
Violation Rate by Year



## ExpressLanes Safety & Enforcement – CHP Activity

CHP officers are contracted to provide additional visual enforcement. CHP issues a toll/transponder related citation when a non-exempt vehicle is observed using the ExpressLanes without a transponder or the transponder switch setting does not match the observed vehicle occupancy. CHP issued citations increased by 8% from FY17 to FY18.

CHP Issued Citations & Verbal Warnings

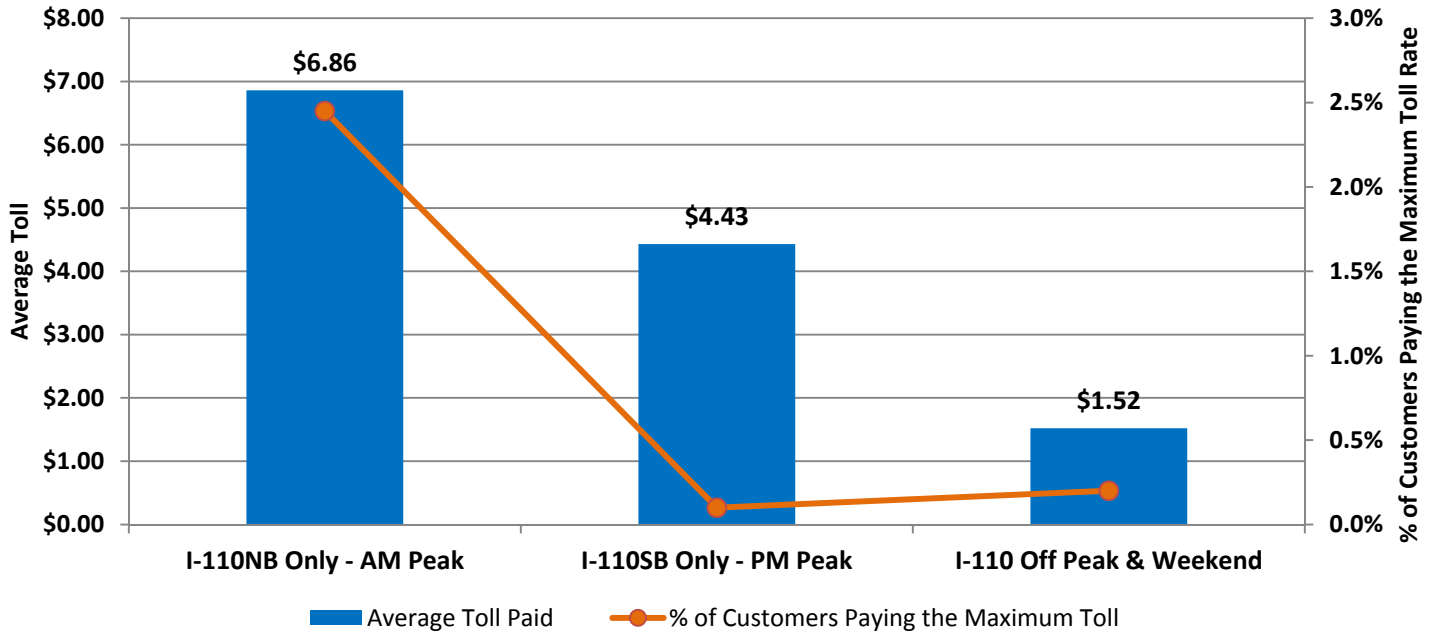




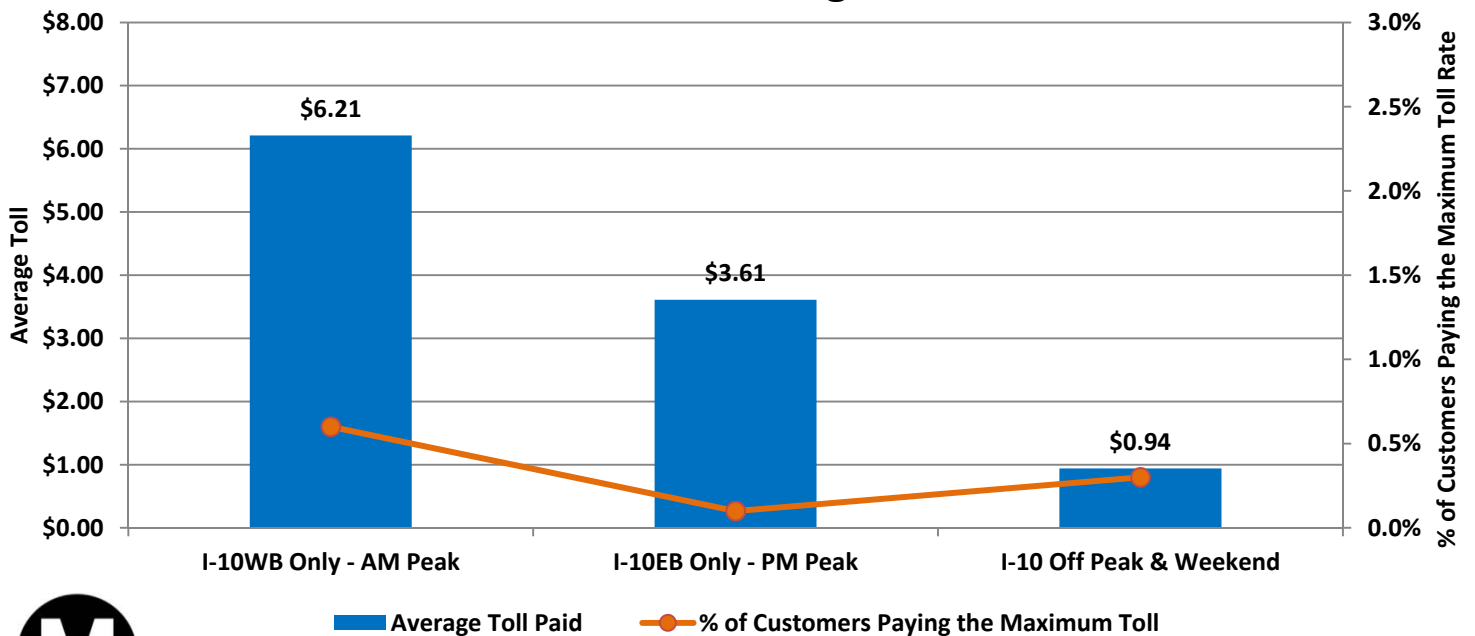
## Average Tolls

Metro ExpressLanes uses a dynamic pricing algorithm to adjust the price of tolls according to the traffic volumes on the ExpressLanes. In FY18 the toll rates ranged from a minimum of \$0.10 to a maximum of \$2.00 per mile driven on the ExpressLanes. In FY18 the average toll during the AM Peak was \$6.86 and \$6.21 on the I-110NB and I-10WB respectively. Few customers pay the maximum toll rate; only 2.45% of I-110NB customers and 0.6% of I-10WB customers paid the maximum toll rates of \$26.20 and \$22.50, respectively during the AM Peak in FY18.

### FY18 I-110 Average Tolls



### FY18 I-10 Average Tolls





## 2018 Metro ExpressLanes Customer Survey

During August 2018 Metro ExpressLanes conducted a survey of our customers. The purpose of the Metro ExpressLanes 2018 Customer Survey was to gather feedback as part of Metro ExpressLanes' ongoing efforts to improve customer experience.

The survey included questions regarding Metro ExpressLanes use, proposed customer incentives/programs and potential modifications to toll-exempt carpool requirements. The survey was conducted August 1-15, 2018 and was sent to all Metro ExpressLanes customers with a valid email on file. In FY18 a total 81,748 customer responded. This was an 80% increase over 2017's 45,278 respondents.

Respondents were evenly split between I-10 and I-110 users providing insight to customer travel patterns and awareness of business rules on both corridors. In general, customer satisfaction remains high and at or above the satisfaction levels of the 2017 customer survey.

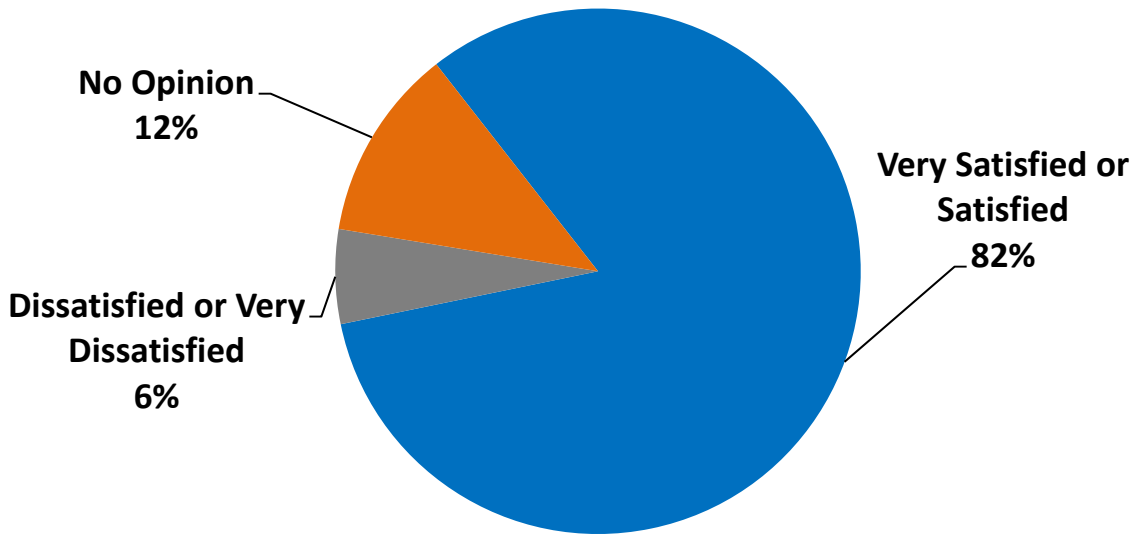
**Key 2018 customer surveys findings are listed on the following pages.**



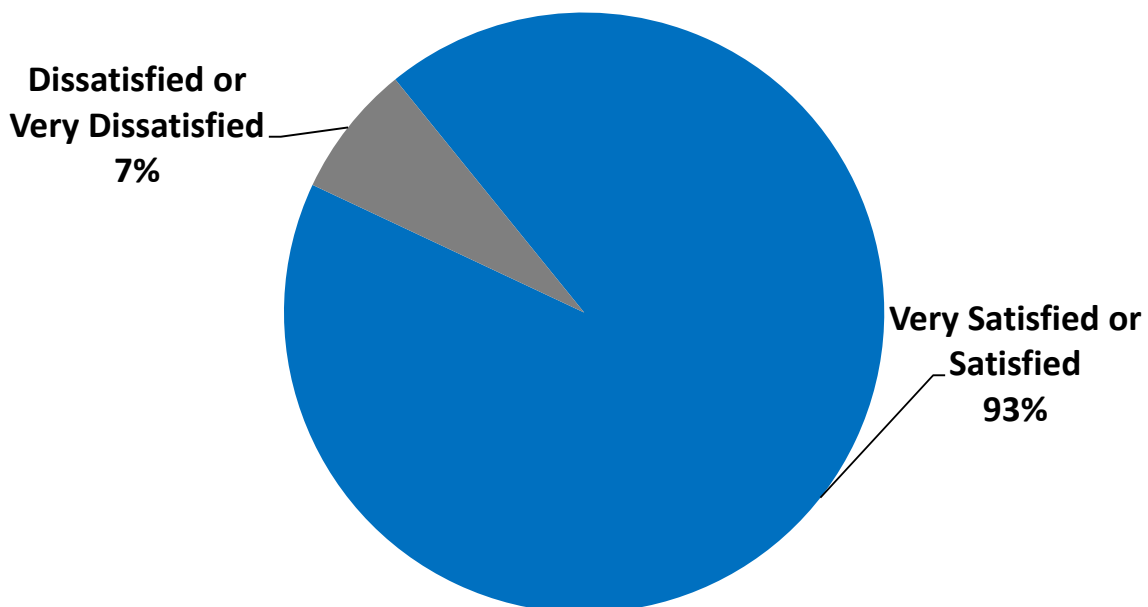
## 2018 Customer Survey – Customer Satisfaction

Customer satisfaction remains high for Metro ExpressLanes with 82% very or somewhat satisfied with Metro ExpressLanes customer service. Customers were very satisfied with the safety on Metro ExpressLanes which received a satisfaction rate at 93%.

### How Satisfied are you with Metro ExpressLanes Customer Service?



### How Satisfied are you with the Safety of the Metro ExpressLanes?

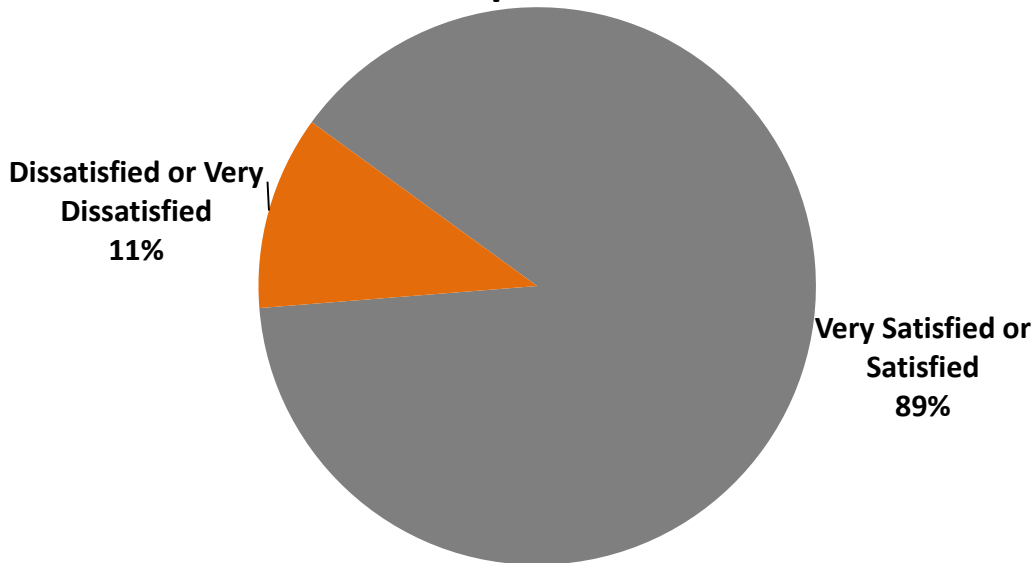




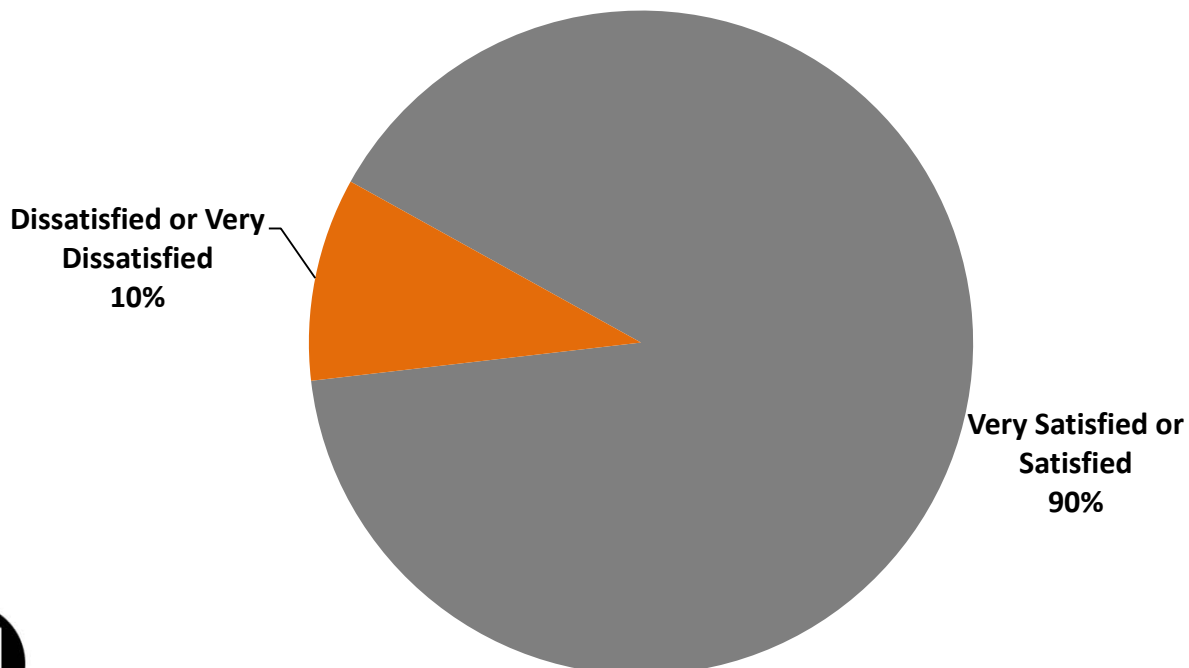
## 2018 Customer Survey – Customer Satisfaction

In FY18, customer satisfaction is high for Metro ExpressLanes with speeds and the time saved relative to the toll spent at 89% and 90%.

### How Satisfied are you with the Speed you can Maintain in the Metro ExpressLanes?



### How Satisfied are you with the time saved relative to the toll paid for the Metro ExpressLanes?



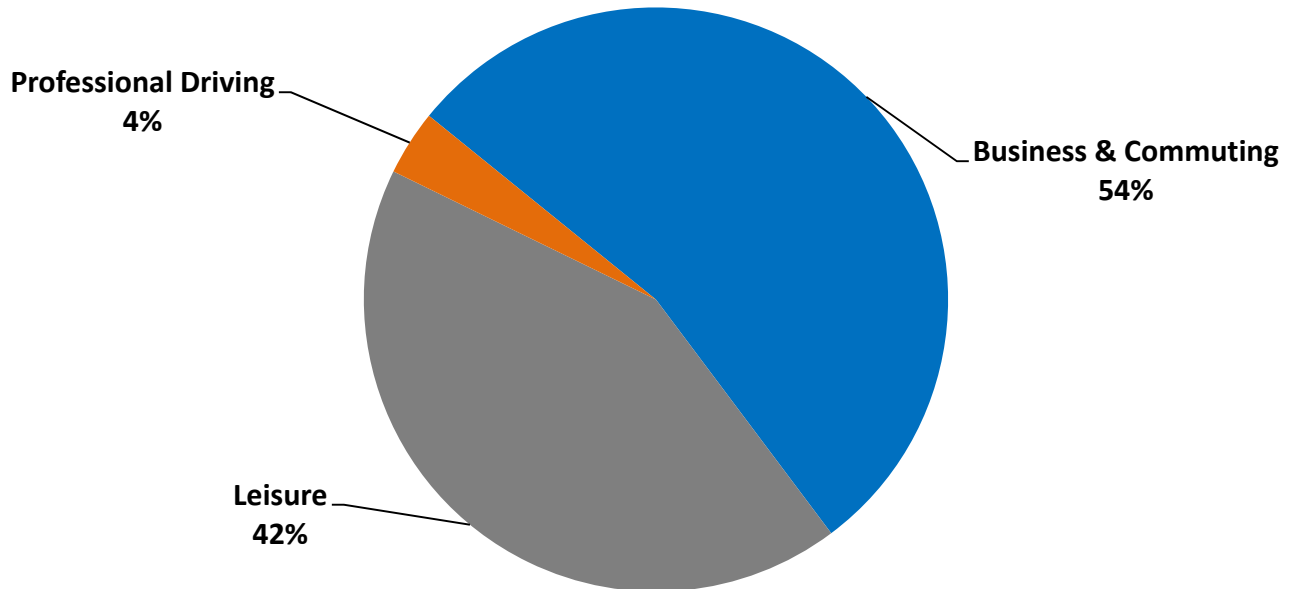




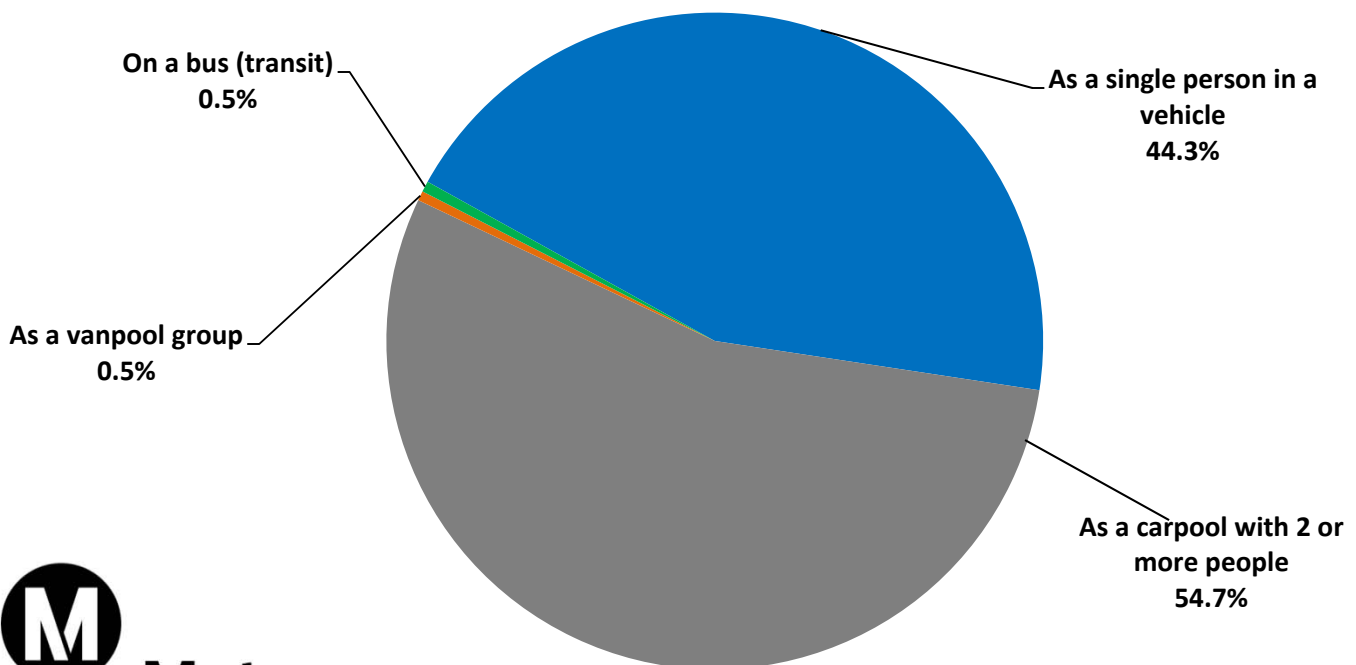
## 2018 Customer Survey - Usage

54% of respondents used the ExpressLanes for work and business related (commuting, meetings, deliveries, etc.) trips while 42% of survey respondents used the ExpressLanes for leisure activities (errands, day trips, etc.). On weekdays, survey respondents drove alone 44% of the times, travelling on a bus or in a vanpool about 1% of the time.

### What is your Main Purpose for Travelling on the Metro ExpressLanes?



### How do you Typically Travel on the Metro ExpressLanes on Weekdays?

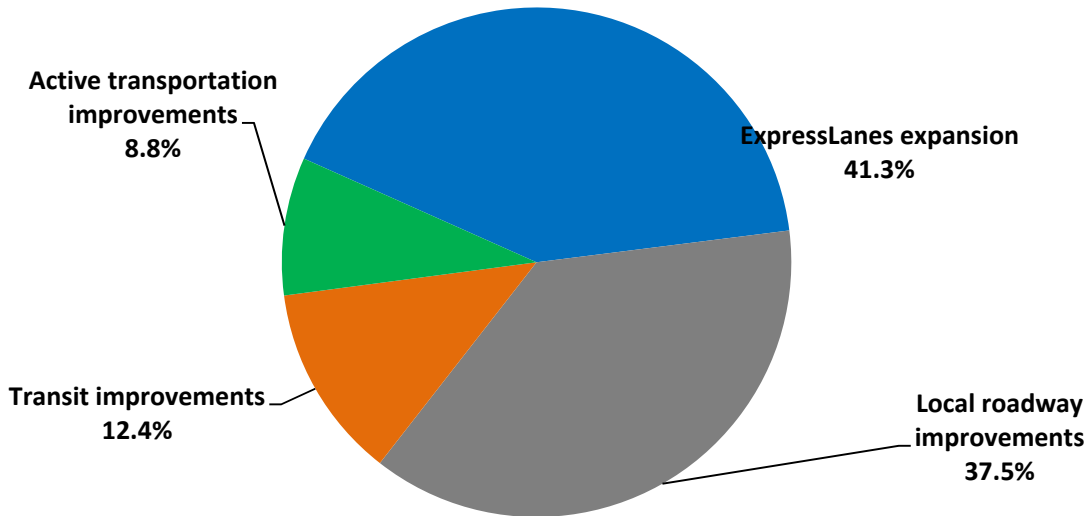




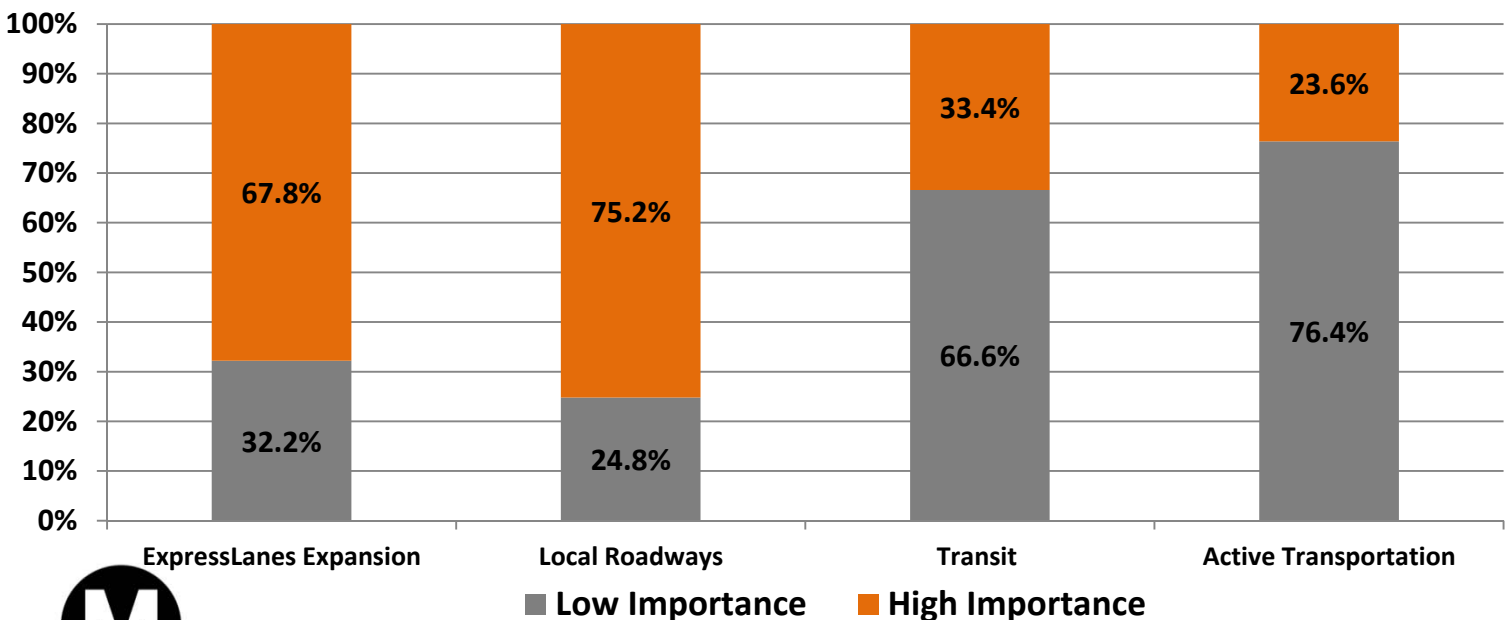
## 2018 Customer Survey – New Initiatives

Customers were asked to rank the importance of different ways to mitigate traffic congestion. If they could only choose one thing, 41% of customers believe that expanding ExpressLanes onto other corridors would be the best way to mitigate congestion. However, when ranking strategies as high or low importance, 75% of customers ranked local roadway improvements and 68% ranked ExpressLanes expansion as high importance. Only 24% of customers ranked active transportation improvements (walking and biking) as high importance.

### Which of the Following do you Think is the Most Important in Mitigating Traffic Congestion in LA County



### How Important do you Think Each will be in Mitigating Traffic in LA County?



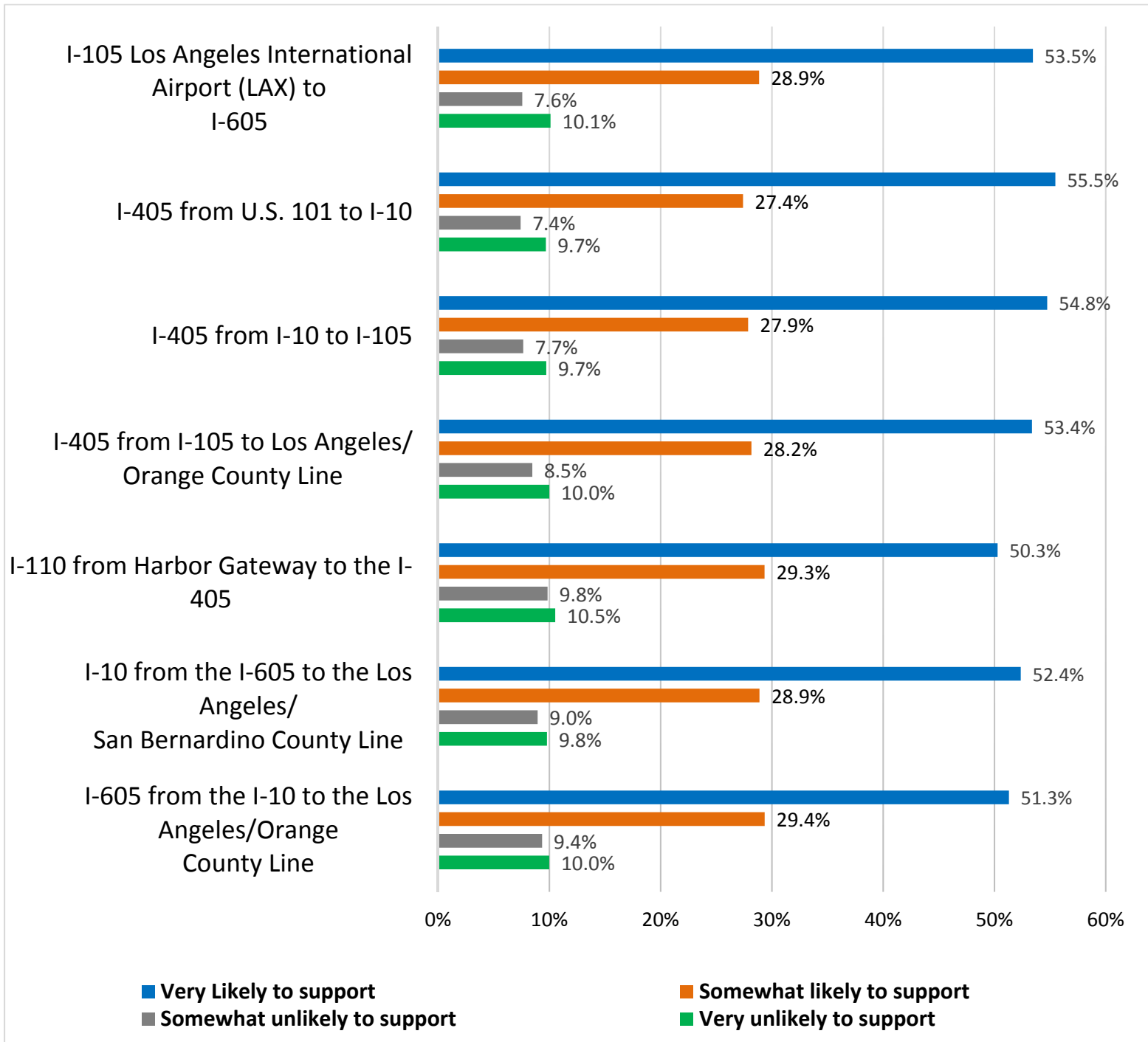
**Metro**



## 2018 Customer Survey – ExpressLanes Expansion

More than 75% of all respondents were very or somewhat likely to support Metro ExpressLanes on all projects listed. The I-105 LAX to I-605 and I-405 from U.S. 101 to I-10 received the highest support ratings of 82.3% and 82.9% respectively.

### Would you support Metro ExpressLanes on the following roadways?

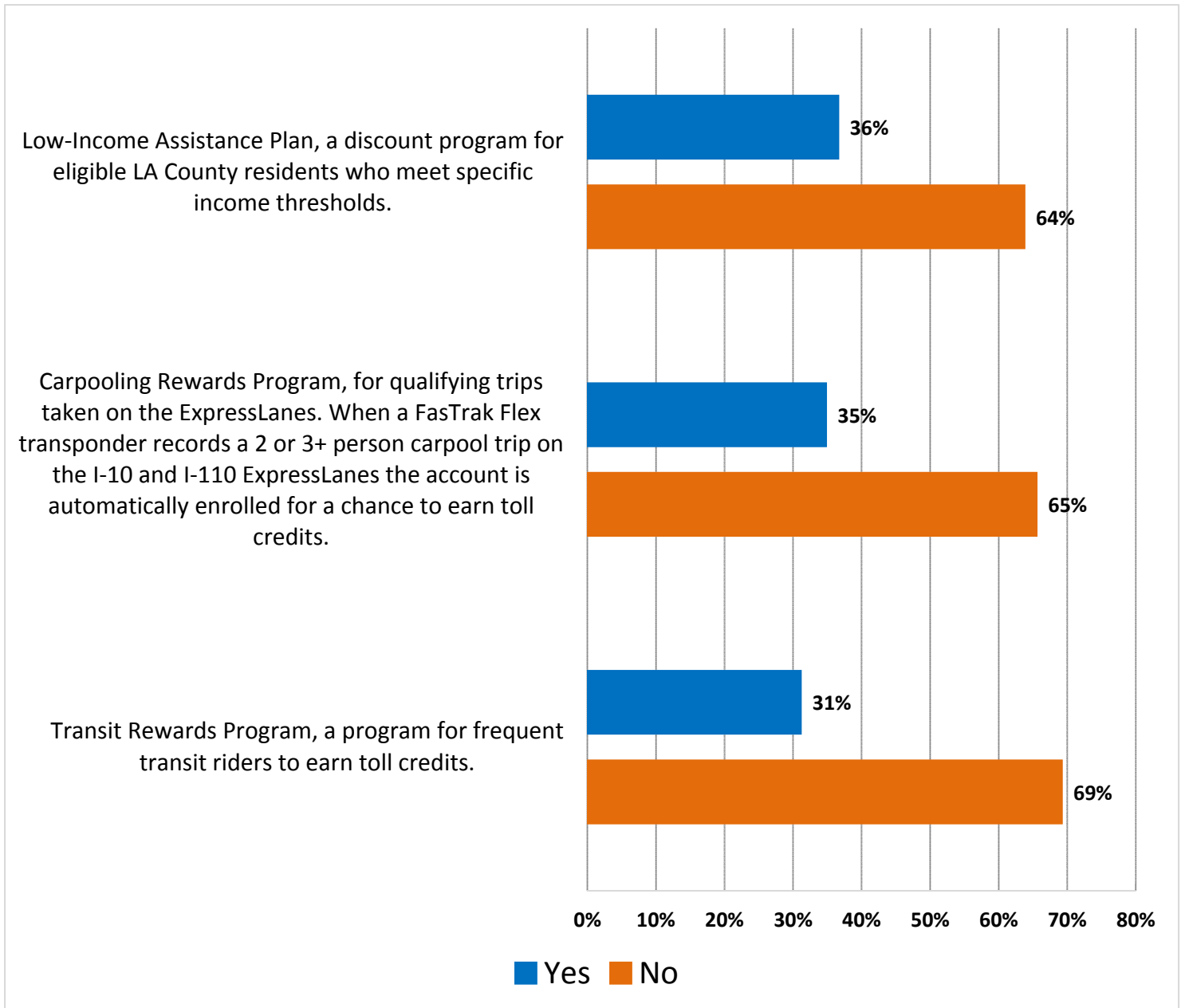




## 2018 Customer Survey – Customer Programs

Customer awareness of the different discount programs available were low, with the Transit Rewards Program having the lowest customer awareness at 31%. Metro ExpressLanes will increase marketing of the plans in FY19.

### Before today, were you aware of each of the following programs offered by Metro ExpressLanes?





## OPERATIONAL IMPROVEMENTS ON THE EXPRESSLANES IN FY2019 and FY2020

**Transponder Readers:** Upgraded multi-protocol transponder antennas and readers at every toll collection site, with additional antennas between lanes to ensure accurate capture of vehicles in the process of changing lanes or driving in the shoulder areas.

**License Plate Readers:** Upgraded license plate cameras with two cameras dedicated to each lane at each toll collection site for full redundancy. Also, an upgraded, distributed license plate processing system installed at each toll site to process license plate photos.

**Advanced Toll Site Monitoring:** A new digital video audit system providing complete camera coverage of each toll zone, for transaction verification and review.

**Vehicle Detection:** New laser scanners above each lane to ensure accurate detection of vehicles in the event of any failures of the primary detection system loops in the pavement.

**Enforcement Technology:** Upgraded enforcement beacons that display large numbers corresponding to the transponder switch setting of each vehicle to facilitate CHP enforcement.

**ExpressLanes Roadway Monitoring:** Expansion of the CCTV camera system to fill a number of coverage gaps and achieve complete monitoring .

**Traffic Conditions Monitoring:** Expansion of our traffic detection system that monitors throughput and speed, to provide more accurate travel time estimates and more precise input data to the dynamic pricing system. This expansion will more than double the current number of sensors out on the ExpressLanes, and will also expand coverage to provide data for the general purpose lanes as well.

**Pricing System:** Significant enhancements to the dynamic pricing system including additional traffic sensor inputs, comparative pricing model analysis tools, and access to additional tuning parameters to refine and optimize performance.



## EXPRESSLANES NETWORK EXPANSION EFFORTS

- **Preparation of a Network Project Study Report (PSR) for the Tier 1 projects identified in the Metro ExpressLanes Strategic plan:**
  - The Network PSR for the I-10, I-405, and I-605 is scheduled to be completed in Summer 2019.
- **I-105 ExpressLanes from the I-405 to I-605:**
  - Project Approval/Environmental Document (draft), Concept of Operations, and Investment Grade Traffic and Revenue Study are expected to be released in Summer 2019.
- **I-605 ExpressLanes from I-10 to I-105:**
  - Project Approval/Environmental Document (draft), Concept of Operations, and Level 2 Traffic and Revenue Study is scheduled to be released in Summer 2019.

## Attachment C — Demographics Analysis of Express Lane Regions

The demographic data for customers that use express lanes across the country are very difficult to obtain, as doing so requires detailed analyses of toll agencies' account holder data and user data, weighted to reflect the relative frequency of use for each person. While Metro has performed such an analysis of its users in the past, most peer agencies have not, and in those cases the data necessary to conduct a rigorous and precise user-focused comparative demographic analysis is not possible. Therefore, as a proxy for these data, this analysis considers census data for the areas (typically the encompassing county or counties) that are expected to function as the primary catchment areas for the corresponding express lanes demand.

The express lane regions considered in this analysis are listed in Table 1 below. Demographics are not provided for those areas of the country where express lanes are planned but not yet in operation.

*Table 1: Express Lane Regions and Counties*

<b>Express Lane Region</b>	<b>Counties or Cities Included</b>
Los Angeles	Los Angeles, Orange, Riverside
Atlanta	Fulton, Henry, Clayton, DeKalb, Gwinnett
Austin	Travis, Williamson
Baltimore	Baltimore City, Baltimore, Harford, Cecil
Dallas/Ft. Worth	Dallas, Denton, Tarrant
Denver	Denver, Adams, Weld, Broomfield, Boulder, Jefferson
Houston	Harris
Minneapolis/St. Paul	Hennepin, Ramsey, Scott, Dakota, Isanti, Anoka, Washington, Chisago
Salt Lake City	Salt Lake, Utah, Davis
San Francisco Bay Area	San Francisco, Alameda, San Joaquin, Santa Clara
Seattle	King, Snohomish, Pierce
South Florida	Miami-Dade, Broward, Palm Beach
Washington, DC	District of Columbia, Montgomery, Arlington, Fairfax, Fauquier, Warren, Stafford, Prince William, Fairfax City, Falls Church City, Manassas City, Fredericksburg City

To evaluate the similarity of a given express lane region to Los Angeles, a data analysis technique involving calculation of the Error Sum of Squares (ESS) was performed to quantitatively characterize the goodness of fit between the two regions. As the ESS is a quantitative measure of the differences between two datasets, the lower the ESS value, the better the match between that region and Los Angeles.

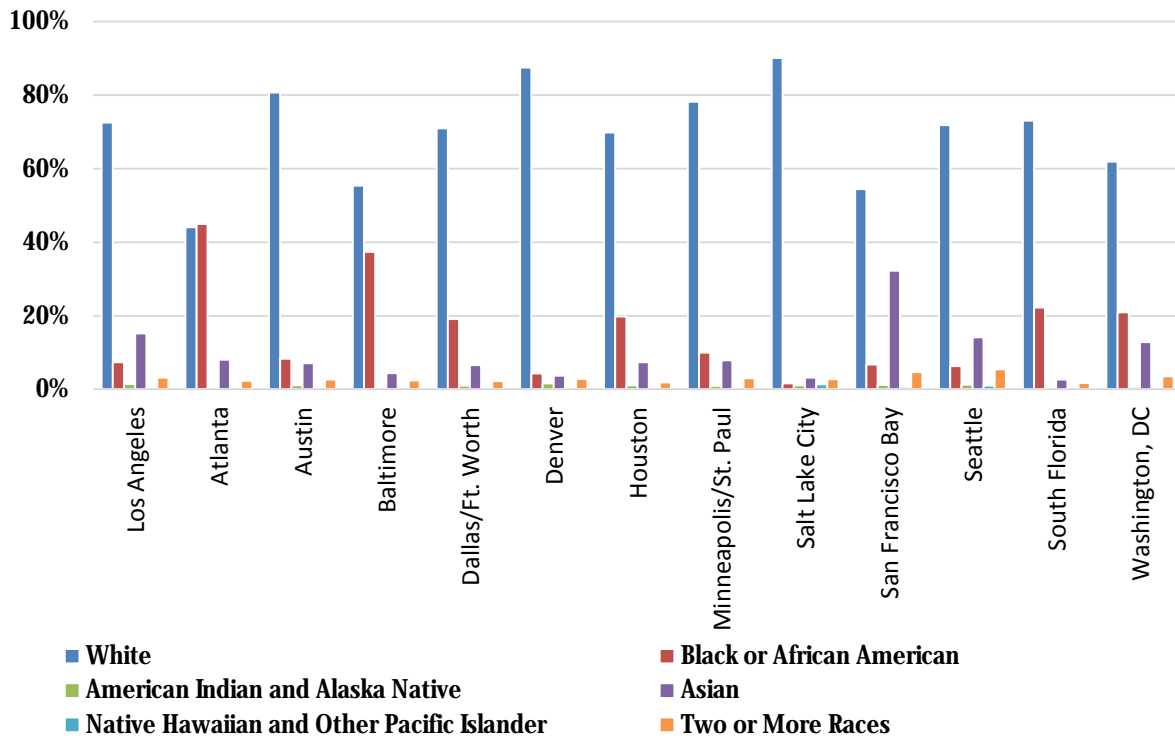
## Race

An analysis of census data by region indicates that the Seattle, WA metropolitan area most closely resembles the Los Angeles metropolitan area with respect to racial distribution. The race distributions are presented graphically in Figure 1. Each of the individual regions and their accompanying ESS ratings are provided in Table 2 below.

**Table 2: Region Similarity Rankings by Race (combined Hispanic/Non-Hispanic Ethnicities)**

City	Difference Score (lower means more similar)
Seattle	0.0008
Minneapolis/St. Paul	0.0093
Austin	0.0135
Dallas/Ft. Worth	0.0216
Houston	0.0225
Washington, DC	0.0305
Denver	0.0366
South Florida	0.0383
Salt Lake City	0.0486
San Francisco Bay Area	0.0619
Baltimore	0.1312
Atlanta	0.2273

**Figure 1: Distribution of Population by Race and Region (combined Hispanic/Non-Hispanic Ethnicities)**





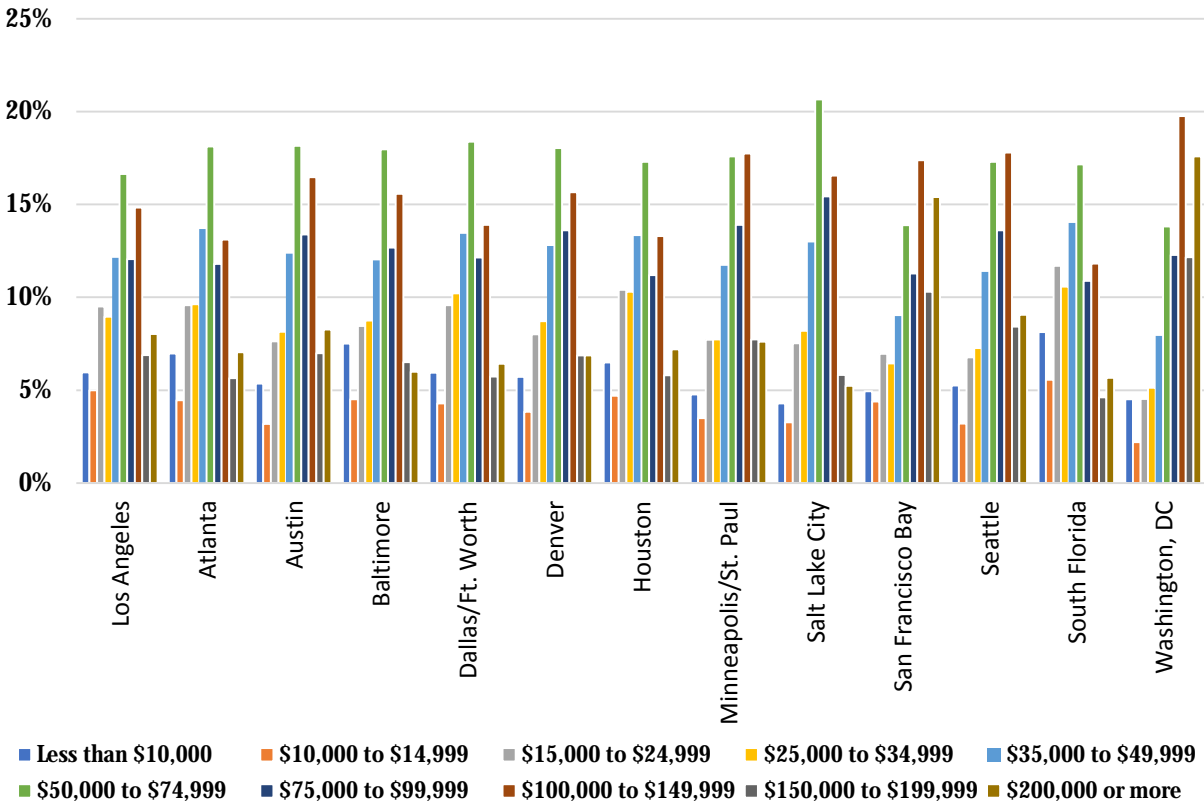
## Income

An analysis of census data by region indicates that the Houston metropolitan area most closely resembles the Los Angeles metropolitan area with respect to income distribution. The income distributions are presented graphically in Figure 2. Each of the individual regions and their accompanying ESS ratings are provided in Table 3 below.

**Table 3: Region Similarity Rankings by Income Distribution**

City	Difference Score (lower means more similar)
Houston	0.000979
Denver	0.001043
Baltimore	0.001074
Dallas/Ft. Worth	0.001158
Atlanta	0.001201
Austin	0.001465
Minneapolis/St. Paul	0.002212
Seattle	0.002960
South Florida	0.003758
Salt Lake City	0.005044
San Francisco Bay Area	0.010458
Washington, DC	0.021843

**Figure 2: Distribution of Population by Income and Region**



Attachment D – Comparison Chart, Summary of Express Lanes in the US, and Toll Road Facilities in California

IDENTIFIER			OPERATIONS						PAY-AS-YOU-USE				OTHER						
Facility	Operator Agency	Location	Lane Separation Barrier Types			Reversible or Moveable Barrier?	Prices Active at All Times?	Transponder Required for All Traffic?	Primary Toll Method			HOV Discount		Pay-As-You-Use Offered?	Surcharge or Fee for Pay-As-You-Use?	Surcharge/Fee Amount for Pay-As-You-Use*	HOV Discount Offered for Pay-As-You-Use?	Low Income Assistance Plan	Additional Notes (see below table)
			Painted	Flexible Post / Channelizer	Concrete Barrier				Fixed	Scheduled Variable	Dynamic Variable	At all times	Part time						
I-10	Metro	Los Angeles, CA	✔		✔	✘	✔	✔			✔	✔	✘	—	—	—	✔		
I-110	Metro	Los Angeles, CA	✔		✔	✘	✔	✔			✔	✔	✘	—	—	—	✔		
I-15	SANDAG	San Diego, CA	✔		✔	✔	✔	✘			✔	✔	✘	—	—	—	✘	Note 1	
I-580	Alameda CTC	Alameda, CA	✔			✘	✘	✔			✔	✔	✘	—	—	—	✘		
I-680 South	Alameda CTC	Alameda, CA	✔			✘	✘	✘			✔	✔	✘	—	—	—	✘	Note 1	
I-680 North	Contra Costa	Contra Costa, CA	✔			✘	✔	✔			✔	✔	✘	—	—	—	✘		
SR 91	OCTA/RCTC	Orange County, CA			✔	✘	✔	✔		✔		✔	✘	—	—	—	✘		
SR 237/ I-880	SCVTA	Santa Clara, CA	✔			✘	✘	✔			✔	✔	✘	—	—	—	✘		
I-25 Central	Co. DOT	Denver, CO			✔	✔	✔	✘		✔		✔	✔	✔	\$5	✘	✘	Note 2	
I-25 North	Co. DOT	Denver, CO	✔			✘	✔	✘		✔		✔	✔	✔	\$5	✘	✘		
I-70	Co. DOT	Denver, CO	✔			✘	✔	✘			✔		✔	✔	≤\$10	✘	✘	Note 3	
US 36 Phase 1	Co. DOT	Denver, CO	✔			✘	✔	✘		✔		✔	✔	✔	\$5	✘	✘		
US 36 Phase 2	Co. DOT	Denver, CO	✔			✘	✔	✘		✔		✔	✔	✔	\$5	✘	✘		
I-595	FDOT	Ft. Lauderdale, FL			✔	✔	✔	✔			✔		✘	—	—	—	✘		
I-75	FDOT	Miami, FL		✔	✔	✘	✔	✔			✔		✘	—	—	—	✘		
I-95	FDOT	Miami, FL		✔		✘	✔	✔			✔	✔	✘	—	—	—	✘		
SR 589	FDOT	Tampa, FL		✔		✘	✔	✔			✔		✔	✔	≤100%	✘	✘		
I-75 North	GDOT	Atlanta, GA			✔	✔	✔	✔			✔		✘	—	—	—	✘		
I-75 South	SRTA	Atlanta, GA			✔	✔	✔	✔			✔		✘	—	—	—	✘		
I-85	SRTA	Atlanta, GA	✔			✘	✔	✔			✔	✔	✘	—	—	—	✘		
I-95	MDTA	Baltimore, MD			✔	✘	✔	✘		✔			✘	—	—	—	✘		
I-35E	Mn. DOT	St. Paul, MN	✔			✘	✘	✘			✔	✔	✘	—	—	—	✘		

EXPRESS LANES IN THE UNITED STATES

Attachment D – Comparison Chart, Summary of Express Lanes in the US, and Toll Road Facilities in California

IDENTIFIER			Lane Separation Barrier Types					OPERATIONS					PAY-AS-YOU-USE				OTHER		
Facility	Operator Agency	Location	Painted	Flexible Post / Channelizer	Concrete Barrier	Reversible or Moveable Barrier?	Prices Active at All Times?	Transponder Required for All Traffic?	Primary Toll Method			HOV Discount		Pay-As-You-Use Offered?	Surcharge or Fee for Pay-As-You-Use?	Surcharge/Fee Amount for Pay-As-You-Use*	HOV Discount Offered for Pay-As-You-Use?	Low Income Assistance Plan	Additional Notes (see below table)
									Fixed	Scheduled Variable	Dynamic Variable	At all times	Part time						
I-35W	Mn. DOT	Minneapolis, MN	✔			✘	✔	✘			✔	✔		✘	—	—	—	✘	
I-394	Mn. DOT	Minneapolis, MN	✔		✔	✘	✔	✘			✔	✔		✘	—	—	—	✘	
Loop 1	CTRMA	Austin, TX		✔		✘	✔	✘			✔		✔	✔	\$1		✘	✘	
SH 114	TxDOT	Dallas/Ft. Worth, TX			✔	✘	✔	✘			✔		✔	✔	≥50%		✘	✘	
I-30	TxDOT	Dallas/Ft. Worth, TX			✔	✔	✔	✘			✔		✔	✔	≥50%		✘	✘	
I-635	LBJIG	Dallas, TX			✔	✘	✔	✘			✔		✔	✔	≤50%		✘	✘	
I-820	NTEMP	Dallas/Ft. Worth, TX			✔	✘	✔	✘			✔		✔	✔	≥50%		✘	✘	Note 4
I-35W	NTEMP	Dallas/Ft. Worth, TX			✔	✘	✔	✘			✔		✔	✔	≥50%		✘	✘	
I-35E	TxDOT	Dallas/Ft. Worth, TX			✔	✔	✔	✘			✔		✔	✔	≥50%		✘	✘	
I-10	HCTRA	Houston, TX		✔		✘	✔	✔		✔		✔	✘	—	—	—	✘	✘	
I-45N	Harris MTA	Houston, TX			✔	✔	✔	✔		✔		✔	✘	—	—	—	✘	✘	
I-45S	Harris MTA	Houston, TX			✔	✔	✔	✔		✔		✔	✘	—	—	—	✘	✘	
US 290	Harris MTA	Houston, TX			✔	✔	✔	✔		✔		✔	✘	—	—	—	✘	✘	
US 59N	Harris MTA	Houston, TX			✔	✔	✔	✔		✔		✔	✘	—	—	—	✘	✘	
US 59S	Harris MTA	Houston, TX		✔		✔	✔	✔		✔		✔	✘	—	—	—	✘	✘	
I-15	UDOT	Salt Lake City, UT	✔			✘	✔	✔			✔	✔	✘	—	—	—	✘	✘	
I-64	VDOT	Norfolk, VA			✔	✔	✘	✔			✔	✔	✘	—	—	—	✘	✘	
I-495	Transurban	Washington, D.C.		✔	✔	✘	✔	✔			✔	✔	✘	—	—	—	✘	✘	
I-95	Transurban	Washington, D.C.			✔	✘	✔	✔			✔	✔	✘	—	—	—	✘	✘	
I-405	WSDOT	Seattle, WA	✔			✘	✘	✘			✔	✔	✔	✔	\$2		✘	✘	
SR 167	WSDOT	Seattle, WA	✔			✘	✘	✘			✔	✔	✘	—	—	—	✘	✘	Note 1

EXPRESS LANES IN THE UNITED STATES

Attachment D – Comparison Chart, Summary of Express Lanes in the US, and Toll Road Facilities in California

IDENTIFIER			Lane Separation Barrier Types					OPERATIONS					PAY-AS-YOU-USE				OTHER			
Facility	Operator Agency	Location	Painted	Flexible Post / Channelizer	Concrete Barrier	Reversible or Moveable Barrier?	Prices Active at All Times?	Transponder Required for All Traffic?	Primary Toll Method			HOV Discount		Pay-As-You-Use Offered?	Surcharge or Fee for Pay-As-You-Use?	Surcharge/Fee Amount for Pay-As-You-Use*	HOV Discount Offered for Pay-As-You-Use?	Low Income Assistance Plan	Additional Notes (see below table)	
									Fixed	Scheduled Variable	Dynamic Variable	At all times	Part time							
TOLL ROAD FACILITIES IN CALIFORNIA	SR 73	TCA	Orange County, CA	—	—	—	✗	✔	✗		✔			✔	✔	≤\$2.26	✗	✗		
	SR 133	TCA	Orange County, CA	—	—	—	✗	✔	✗		✔			✔	✔	≤\$0.43	✗	✗		
	SR 241	TCA	Orange County, CA	—	—	—	✗	✔	✗		✔			✔	✔	≤\$0.48	✗	✗		
	SR 261	TCA	Orange County, CA	—	—	—	✗	✔	✗		✔			✔	✔	≤\$0.59	✗	✗		
	SR 125	SANDAG	San Diego, CA	—	—	—	✗	✔	✗	✔				✔	✔	\$2	✗	✗		
	US 101	Golden Gate	San Francisco, CA	—	—	—	✔	✔	✗		✔		✔	✔	\$1–\$7	✗	✗	✗		
	I-80 Bridge	BATA	San Francisco, CA	—	—	—	✗	✔	✗		✔		✔	✗	—	—	—	✗	✗	
	SR 160 Bridge	BATA	Antioch, CA	—	—	—	✗	✔	✗	✔			✔	✗	—	—	—	✗	✗	
	I-680 Bridge	BATA	Benicia, CA	—	—	—	✗	✔	✗	✔			✔	✗	—	—	—	✗	✗	
	I-80 Bridge	BATA	Carquinez, CA	—	—	—	✗	✔	✗	✔			✔	✗	—	—	—	✗	✗	
	SR 84 Bridge	BATA	Palo Alto, CA	—	—	—	✗	✔	✗	✔			✔	✗	—	—	—	✗	✗	
	I-580 Bridge	BATA	Richmond, CA	—	—	—	✗	✔	✗	✔			✔	✗	—	—	—	✗	✗	
	SR 92 Bridge	BATA	Hayward, CA	—	—	—	✗	✔	✗	✔			✔	✗	—	—	—	✗	✗	

## Attachment D – Comparison Chart, Summary of Express Lanes in the US, and Toll Road Facilities in California

### TABLE NOTES

- A dash (—) indicates that a category is not applicable.
- \*When surcharge/fee is reported as a percentage, it is a percentage of the base toll amount.
- **Note 1:** For SR 167 and I-15, vehicles without transponders are assumed to be HOVs.
- **Note 2:** For I-25, there is a surcharge for trucks using the managed lanes: Vehicles with four or more axles have to pay the \$25 fee in addition to the base toll rate.
- **Note 3:** For I-70, the Express Lanes are only open on weekends and holidays; otherwise the lane serves as a shoulder to the general purpose lanes.
- **Note 4:** For I-820, the HOV amount is always displayed along with the non-HOV amount, but when the traffic level is low, the two amounts are the same.

### DEFINITIONS:

#### Facility Type:

- **Express Lane:** a facility with one or more priced lanes that are parallel to non-priced lanes
- **Toll Road:** a facility where every lane on the roadway is priced

#### Primary Toll Method:

- **Fixed:** tolls are the same at all times
- **Scheduled Variable:** tolls change according to a predetermined schedule, time of day and/or day of week
- **Dynamic Variable:** tolls change in response to roadway conditions in real time.

**Pay-As-You-Use** refers to plate-based tolling for non-account holders only.

## Attachment E - Surcharge Assumptions and Costs

Estimated Volumes	
42,000,000	Transactions per year
1,720,000	"Pay-As-You-Use" Transactions (based on current violation rate)
400,000	Estimated Calls

Costs Per "Pay-as-You-Use" Transaction	Cost Categories
\$ 0.64	System, Signage & Maintenance (applies to one-year pilot term only)
\$ 1.28	Printing, Postage, Credit Card, and Other Processing Costs
\$ 0.30	Manual Review of License Plate Images
\$ 1.80	Customer Service Costs
\$ 4.02	Total

Note: Fee calculation is subject to reassessment if the Pay-As-You-Use program is extended beyond its current one-year pilot duration.

**METRO EXPRESSLANES  
MOTION RESPONSE #42  
PAY-AS-YOU-USE**

**Board of Directors – Ad Hoc Congestion, Highway and Roads Committee  
January 16, 2019**



**Metro**

# Motion Response

- **Response to Director Hahn’s motion regarding “Pay-as-You-Use”**
  - **Current ExpressLanes Performance**
  - **Demographic comparison to other express lane systems**
  - **Viability of implementing a “Pay-as-You-Use” model**





# Current Performance

- **In 2018, 2% increase in trips on the ExpressLanes**
  - 195 million trips from inception through 2018
- **Over 870,000 transponders issued through 2018 reflecting a 21% increase from FY17**
- **4.1% of all ExpressLanes trips are violations**
- **Based on annual customer surveys:**
  - 89% of respondents are satisfied with their speed of travel
  - 90% are satisfied with time saved relative to tolls paid
  - 93% are aware of FasTrak requirements

# Comparison

In comparing the Metro ExpressLanes to other major congestion pricing systems in the country, need to differentiate between:

**Toll Roads** – Facility built to provide highway capacity where every lane within the roadway is tolled.

Examples:

SR 73, 133, 241, 261 (The Toll Roads)

SR 125 (SANDAG)



**Express Lanes** – Optimize lane utilization by selling the extra capacity to lower occupancy vehicles. Not all lanes within the roadway are tolled nor all vehicles in the Express Lanes tolled.

Examples:

I-10, I-110 (Metro)

I-15 (SANDAG)

SR-91 (OCTA & RCTC)



# Demographic Comparison

Of the 13 major metropolitan regions in the country that have express lanes, the most similar to Los Angeles with respect to race and income are:

## Race:

Rank	City, State	“Pay-as-You-Use” Offered	HOV Discount Offered for “Pay as-You-Use”	Surcharge or Fee for “Pay-As-You Use”
1	Seattle, WA	Yes	No	\$2
2	Minneapolis and St, Paul, MN	No	N/A	N/A
3	Austin, TX	Yes	No	\$1

## Income:

Rank	City, State	“Pay-as-You-Use” Offered	HOV Discount Offered for “Pay as-You-Use”	Surcharge or Fee for “Pay-As-You Use”
1	Houston, TX	No	N/A	N/A
2	Denver, CO	Yes	No	\$3.75 – \$10
3	Baltimore, MD	No	N/A	N/A

- 50% of the similar demographic regions by race and income have a “Pay-as-You-Use” model. Each do not offer a HOV discount for this model and charge a surcharge or fee for this type of transaction.
- Nationwide, 33% of express lanes offer “Pay-as-You-Use” .

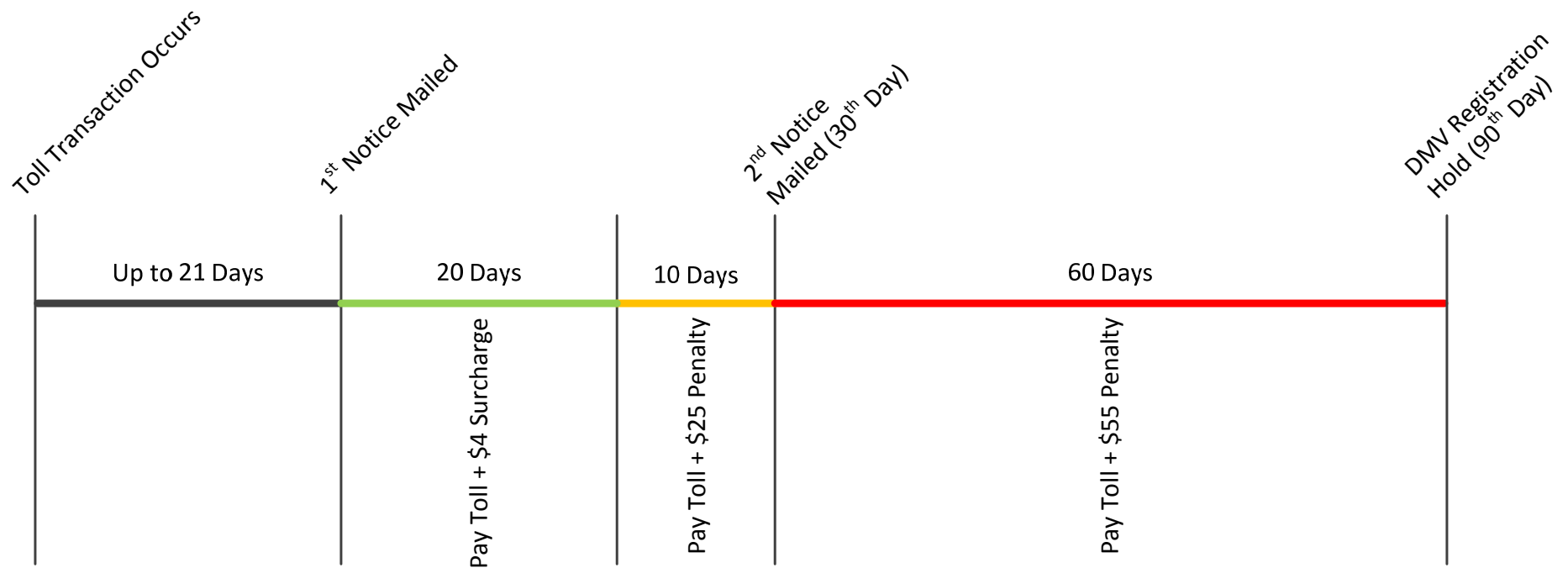


# Summary of Findings

1. **Allows customers to use the ExpressLanes without any advance interaction with Metro;**
2. **Model can be integrated into the current and new back office system;**
3. **All users of “Pay-as-You-Use” will have to pay a toll at all times regardless of vehicle occupancy;**
4. **An additional surcharge will be added to each transaction to supplement the additional processing, staffing, and mailing expense;**
5. **Potential increase in ExpressLanes traffic volumes;**
6. **Low Income Assistance Plan can only be applied to account holders;**
7. **Billing process will not be as fast and efficient for “Pay-as-You Use” as it is for account holders;**
8. **This model will require changes to the existing signage and require a regional outreach campaign;**
9. **May lead to revenue leakage and reduction in revenue or an increase in usage and revenue which will be studied as part of the pilot.**

# Pilot

- “Pay-as-You-Use” model pilot transaction timeline



# Recommendation

Given the opportunities and challenges, staff recommends a one-year pilot of the “Pay-as-You-Use” model with a before/after evaluation to assess actual impacts.

Next Steps, if approved:

- 9 months to develop and implement
- Work in conjunction with Caltrans
- Campaign to educate potential users
- Software modification
- Necessary website modifications
- Update existing signage
- Anticipated cost to implement the pilot is \$750,000



**Board Report**

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**File #:** 2018-0753, **File Type:** Program

**Agenda Number:** 36.

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**REGULAR BOARD MEETING  
FEBRUARY 28, 2019**

**SUBJECT: PROP A AND PROP C COMMERCIAL PAPER/SHORT-TERM BORROWING PROGRAMS**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to renew and/or replace the direct-pay letters of credit ("LOC") and direct purchase revolving credit facility ("RCF") to be provided by the banks described below, finalize negotiations with the recommended banks and enter into reimbursement/credit agreements and related documents associated with such LOCs and RCF;
1. Replace the LOCs currently being provided by Sumitomo Mitsui Banking Corporation ("Sumitomo") and MUFG Union Bank, N.A. ("MUFG"), for the Proposition A commercial paper program with a LOC to be provided by Barclays Bank PLC ("Barclays") for a commitment amount of \$200 million for a 3 year term at an estimated cost of \$13.5 million including interest, legal fees and other related expenses.
  2. Replace the LOC currently being provided by Bank of America ("BANA") of \$75 million for the Proposition C commercial paper program with a revolving credit facility provided by Wells Fargo Bank, N.A. ("Wells Fargo") for an estimated amount of \$150 million (Metro currently has \$75 million outstanding with Wells Fargo) for a 3 year term at an estimated cost of \$9.9 million including interest, legal fees and other related expenses
- B. If unable to reach agreement with one of the recommended banks described above, AUTHORIZE the Chief Executive Officer to finalize negotiations with each successively ranked bank for LOCs and/or RCFs having 3 year terms and the estimated costs shown in Attachment A;
- C. ADOPTING a resolution with respect to the Proposition A commercial paper and short-term program that approves the selection of Barclays or such other banks selected by the Chief Executive Officer for the Proposition A commercial paper program, and the forms of the reimbursement agreement, fee agreement and reimbursement note in similar form with those on file with the Board Secretary and that makes certain benefits findings in compliance with the Government Code, Attachment B;

D. ADOPTING a resolution with respect to the Proposition C commercial paper and short-term borrowing program that approves the selection of Wells Fargo or such other banks selected by the Chief Executive Officer for the Proposition C commercial paper program, and the forms of the revolving credit agreement, revolving obligation notes and supplemental subordinate trust agreement in similar form with those on file with the Board Secretary and that makes certain benefits findings in compliance with the Government Code, Attachment C.

**(REQUIRES SEPARATE, SIMPLE MAJORITY BOARD VOTE)**

**ISSUE**

The Proposition A (“Prop A CP”) and Proposition C (“Prop CP”) Commercial Paper/Short-Term Borrowing programs have proven to be flexible, cost effective methods of short-term financing for our capital program. A letter of credit or similar facility is required for CP programs in order to guarantee repayment of notes at maturity. A revolving credit facility provides short-term financing by entering into a direct loan with a bank and bears interest at variable interest rates. Prop A CP LOCs with Sumitomo and Union Bank expire in March 2019. The Prop C CP LOC with Bank of America and the RCF with Wells Fargo expire in April 2019.

**BACKGROUND**

The purpose of the Commercial Paper (“CP”) programs is to provide interim taxable or tax-exempt financing until grant reimbursement or other funding sources are received, or until permanent financing is arranged. The Prop A CP and Prop C CP programs authorize us to issue and have outstanding at any one time up to \$350 million and \$150 million in commercial paper notes, respectively. A letter of credit is required for the CP programs in order to guarantee repayment of the maturing notes. Commercial paper is a short-term debt instrument that can be issued with maturities from 1 to 270 days. As notes mature, new notes are simultaneously issued, i.e., rolled over. The LOCs provide guaranteed liquidity to investors when their notes mature and are a required component of the program. Additionally, the LOCs provide a safety net to us in the form of a term loan in the unlikely event the notes cannot be remarketed, precluding any requirement that we immediately repay the entire outstanding amount from cash. The securities are backed by a subordinate pledge of 75% of Proposition A sales tax revenues and 80% of Proposition C sales tax revenues for the Prop A and the Prop C programs, respectively. We can issue either tax-exempt or taxable CP under both programs. The borrowing costs under the CP programs have been just under 1.75% over the past year.

The RCF operates in a similar manner as the Prop C CP in that Wells Fargo will provide short-term revolving loans to us directly of up to \$150 million outstanding at any one time. The loans provided under the RCF will bear interest at variable interest rates based on an index of 80% of 1-month LIBOR for tax-exempt loans and 100% of 1-month LIBOR for taxable loans, plus the bank’s applicable fee. The RCF will be backed by a subordinate pledge of 80% of Prop C sales tax revenues. The borrowing costs for the Wells Fargo RCF have been approximately 2.20% over the past year.



## **DISCUSSION**

Requests for proposal were sent to 19 banks by our financial advisor, PFM Financial Advisors LLC (“PFM”). Under our Debt Policy, the financial advisor conducts competitive processes to select financial product providers including letters of credit. The request for proposal required banks to have short-term ratings of at least P-1, A-1 or F-1 from at least two of the three following rating agencies: Moody’s Investor Services, Standard & Poor’s and Fitch ratings, respectively in order to respond. Evaluation criteria included pricing, any rate penalties investors may impose on a particular bank, the status of a bank’s credit approval and willingness to execute our form of agreement. Overall program objectives include low cost and maximizing access to borrowing capacity achieved through diversification of products and providers. Twelve proposals were received for commitment amounts ranging from \$75 million to \$200 million for both programs. The source selection group was composed of Treasury staff and PFM. Proposals were received from banks that included alternative products or terms that were considered to be less desirable, such as standby purchase agreement. The selection group ranked each proposer and we are recommending Barclays and Wells Fargo, both for 3 year terms.

Costs will also depend on the amount of tax-exempt and taxable debt we issue under the Prop A and Prop C programs. Additional fees and interest could be incurred under certain extreme circumstances. To date, none of our commercial paper notes have ever failed to be remarketed.

## **DETERMINATION OF SAFETY IMPACT**

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

## **FINANCIAL IMPACT**

Funding of \$15.6 million for the Proposition A and Proposition C commercial paper programs is included in the FY2019 budget in Cost Center #0521, Treasury Non-Departmental, under project #610306, task 03.01 and project #611309, task 01 for Proposition A and project #610307, task 03.01 for Proposition C. The cost center manager and the Chief Financial Officer will be accountable for budgeting the cost in future years.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Recommendation supports the following Metro Strategic Plan Goal(s):

Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

## **ALTERNATIVES CONSIDERED**

The Board could choose to not approve the recommended credit support for the Prop A CP or the Prop C CP programs or could direct a reduction below the current capacity for each program. A reduction of the capacity of the CP programs would reduce our ability to quickly provide low cost, interim financing when needed. A decision to cancel the programs and not replace the letter of credit support would result in the need to refund all of the outstanding short term debt (\$105 million for Prop

A and approximately \$143 million for Prop C) with a higher cost fixed rate financing. These alternatives are not recommended.

### **NEXT STEPS**

- Negotiate final terms and conditions with the recommended banks.
- If satisfactory terms cannot be agreed upon with the recommended banks, negotiate with each of the next highest ranked proposers in order to obtain the best combination of terms and pricing.
- Prepare agreements and documentation to implement the letters of credit and revolving credit facility, including, among others, notices, reimbursement agreements, fee agreements, reimbursement notes, credit agreements, revolving obligation notes, supplemental trust agreements and offering memoranda.
- Obtain credit ratings for the CP notes based on the credit ratings of the banks.
- Execute documents prior to the expiration date of the current agreements in March and April of 2019.

### **ATTACHMENTS**

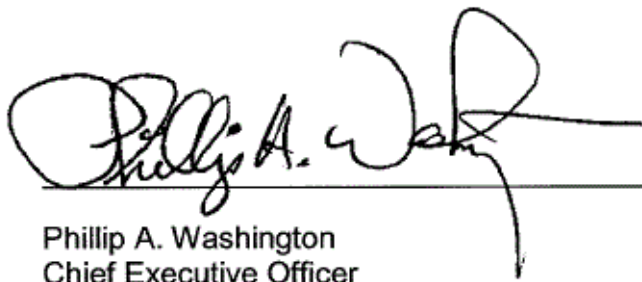
Attachment A - Recommendation Summary

Attachment B - Proposition A Authorizing Resolution

Attachment C - Proposition C Authorizing Resolution

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Phillip A. Washington  
Chief Executive Officer

## **Additional Documents**

[http://libraryarchives.metro.net/DB\\_Attachments/2018-0753\\_Barclays\\_Bank\\_Note.pdf](http://libraryarchives.metro.net/DB_Attachments/2018-0753_Barclays_Bank_Note.pdf)

[http://libraryarchives.metro.net/DB\\_Attachments/2018-0753\\_Barclays\\_Fee\\_Agreement.pdf](http://libraryarchives.metro.net/DB_Attachments/2018-0753_Barclays_Fee_Agreement.pdf)

[http://libraryarchives.metro.net/DB\\_Attachments/2018-0753\\_Barclays\\_Reimbursement\\_Agreement.pdf](http://libraryarchives.metro.net/DB_Attachments/2018-0753_Barclays_Reimbursement_Agreement.pdf)

[http://libraryarchives.metro.net/DB\\_Attachments/2018-0753\\_Proposition\\_C\\_Fourth\\_Supplemental\\_Subordinate\\_Trust\\_Agreement.pdf](http://libraryarchives.metro.net/DB_Attachments/2018-0753_Proposition_C_Fourth_Supplemental_Subordinate_Trust_Agreement.pdf)

[http://libraryarchives.metro.net/DB\\_Attachments/2018-0753\\_Wells\\_Fargo\\_Revolving\\_Credit\\_Agreement.pdf](http://libraryarchives.metro.net/DB_Attachments/2018-0753_Wells_Fargo_Revolving_Credit_Agreement.pdf)

[http://libraryarchives.metro.net/DB\\_Attachments/2018-0753\\_Wells\\_Fargo\\_Revolving\\_Obligation\\_Notes.pdf](http://libraryarchives.metro.net/DB_Attachments/2018-0753_Wells_Fargo_Revolving_Obligation_Notes.pdf)

**Recommendation Summary**

<b>Proposer / Program</b>	<b>Maximum Commitment</b>	<b>Estimated First Year Cost (including interest based on \$200 million for Prop A and \$150 million for Prop C)</b>	<b>Total Estimated 3 yr. Costs (including interest based on \$200 million for Prop A and \$150 million for Prop C)</b>
<b>Prop A Program</b>			
<b>Letter of Credit</b>			
<b>Barclays</b>	<b>\$200,000,000</b>	<b>\$4,517,000</b>	<b>\$13,451,000</b>
<i>Wells Fargo<sup>(1)</sup></i>	<i>\$200,000,000</i>	<i>\$4,514,000</i>	<i>\$13,452,000</i>
Bank of America	\$200,000,000	\$4,526,000	\$13,489,000
MUFG	\$75,000,000	\$4,682,000	\$13,956,000
SMBC <sup>(2)</sup>	\$200,000,000	\$4,812,000	\$14,336,000
Citi	\$200,000,000	\$4,842,000	\$14,416,000
<b>CP Alternatives</b>			
State Street	\$150,000,000	\$3,459,000	\$10,288,000
US Bank	\$200,000,000	\$4,706,000	\$11,698,000
<i>Wells Fargo<sup>(1)</sup></i>	<i>\$200,000,000</i>	<i>\$4,454,000</i>	<i>\$13,272,000</i>
JP Morgan <sup>(3)</sup>	\$200,000,000	\$5,357,000	\$15,981,000
<b>Prop C Program</b>			
<b>Letter of Credit</b>			
BMO Harris	\$150,000,000	\$3,289,000	\$9,777,000
Bank of the West	\$75,000,000	\$3,378,000	\$10,044,000
<i>Wells Fargo<sup>(1)</sup></i>	<i>\$150,000,000</i>	<i>\$3,399,000</i>	<i>\$10,106,000</i>
SMBC	\$150,000,000	\$3,409,000	\$10,127,000
Barclays	\$150,000,000	\$3,409,000	\$10,127,000
Bank of America	\$150,000,000	\$3,413,000	\$10,150,000
Citi	\$150,000,000	\$3,654,000	\$10,852,000
<b>CP Alternatives</b>			
<b>Wells Fargo<sup>(1)</sup></b>	<b>\$150,000,000</b>	<b>\$3,352,000</b>	<b>\$9,965,000</b>
Bank of the West	\$75,000,000	\$3,389,000	\$10,078,000
State Street	\$150,000,000	\$3,459,000	\$10,288,000
US Bank	\$150,000,000	\$3,542,000	\$10,535,000
JP Morgan <sup>(3)</sup>	\$150,000,000	\$4,029,000	\$11,997,000

**Notes**

**Targeted firms are shown in bold.**

<sup>(1)</sup> Wells Fargo offered a total commitment of \$200 million for Prop A and/or Prop C programs. The Revolving Credit facility gives access to the total \$150 million capacity versus the \$137 million available with the BMO Harris LOC.

<sup>(2)</sup> SMBC cost reflects an increase in fee of 15 basis points for Metro to retain flexibility to issue Prop A second tier obligations.

<sup>(3)</sup> JP Morgan provided indicative pricing only for the programs which did not comply with the request made in the RFP.

All Costs are based on the respective Maximum commitment amounts listed. Some firms provided less than the amount listed. For comparison purposes Metro staff increased the commitment amounts so that an accurate comparison could be made. First year costs include legal fees, which are not required in years two and three.

**Proposition A Authorizing Resolution**

RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REIMBURSEMENT AGREEMENT AND CERTAIN OTHER DOCUMENTS RELATED TO THE PROPOSITION A COMMERCIAL PAPER PROGRAM AND AUTHORIZING OTHER RELATED MATTERS

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the "LACMTA"), as successor to the Los Angeles County Transportation Commission (the "Commission"), is authorized, under Chapter 5 of Division 12 of the California Public Utilities Code (the "Act"), to issue bonds, including but not limited to notes, to finance and refinance the acquisition, construction or rehabilitation of facilities to be used as part of a countywide transportation system; and

WHEREAS, pursuant to the provisions of Section 130350 of the California Public Utilities Code, the Commission is authorized to adopt a retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the County of Los Angeles (the "County") subject to the approval of the voters of the County; and

WHEREAS, the Commission, by Ordinance No. 16 adopted August 20, 1980 ("Ordinance No. 16"), imposed a 1/2 of 1% retail transactions and use tax upon retail sales of tangible personal property and upon the storage, use or other consumption of tangible personal property in the County, the proceeds of the tax to be used for public transit purposes (the "Proposition A Tax"), and such tax was approved by the electors of the County on November 4, 1980; and

WHEREAS, the revenues received by the LACMTA from the imposition of the Proposition A Tax are, by statute, directed to be used for public transit purposes, which purposes include a pledge of such tax to secure any bonds issued pursuant to the Act and include the payment or provision for the payment of the principal of such bonds and any premium, interest on such bonds and the costs of issuance of such bonds; and

WHEREAS, the LACMTA, on an on-going basis, is planning and engineering a County-wide public transportation system (the "Public Transportation System") to serve the County and on an on-going basis is constructing portions of the Public Transportation System; and

WHEREAS, to facilitate the development and construction of the Public Transportation System, as authorized by the Act, the LACMTA by resolution adopted January 23, 1991 (the "1991 Authorizing Resolution"), authorized and implemented a program of commercial paper (the "Program") involving the issuance from time to time of the Second Subordinate Sales Tax Revenue Commercial Paper Notes, Series A (the "Notes") for the purpose of providing for the financing of the acquisition of real and personal property and the construction of the Public Transportation System, provided that the aggregate principal amount of Notes and Reimbursement Obligations (as defined in such 1991 Authorizing Resolution) outstanding at any time shall not exceed \$350,000,000; and

WHEREAS, the Notes and other obligations incurred in connection with the Program are issued under and secured by the Subordinate Trust Agreement, dated as of January 1, 1991 (the “Subordinate Agreement”), by and between the LACMTA (as successor to the Commission) and U.S. Bank Trust National Association, as successor to BancAmerica Trust Company, as successor to Security Pacific National Trust Company (New York), as trustee (the “Trustee”); the First Supplemental Subordinate Trust Agreement, dated as of January 1, 1991, as amended (the “First Supplemental Trust Agreement”), by and between the LACMTA and the Trustee; the Second Supplemental Subordinate Trust Agreement, dated as of January 1, 1994 (the “Second Supplemental Trust Agreement”), by and between the LACMTA and the Trustee; the Third Supplemental Subordinate Trust Agreement, dated as of December 1, 1996 (the “Third Supplemental Trust Agreement”), by and between the LACMTA and the Trustee; the Fourth Supplemental Subordinate Trust Agreement, dated as of December 1, 1996 (the “Fourth Supplemental Trust Agreement”), by and between the LACMTA and the Trustee; the Fifth Supplemental Subordinate Trust Agreement, dated as of May 1, 2004 (the “Fifth Supplemental Trust Agreement”), by and between the LACMTA and the Trustee; the Sixth Supplemental Subordinate Trust Agreement, dated as of September 24, 2009 (the “Sixth Supplemental Trust Agreement”); and the Seventh Supplemental Subordinate Trust Agreement, dated as of September 1, 2010 (the “Seventh Supplemental Trust Agreement” and collectively with the Subordinate Agreement, the First Supplemental Trust Agreement, the Second Supplemental Trust Agreement, the Third Supplemental Trust Agreement, the Fourth Supplemental Trust Agreement, the Fifth Supplemental Trust Agreement and the Sixth Supplemental Trust Agreement, the “Trust Agreement”), by and between the LACMTA and the Trustee; and

WHEREAS, the LACMTA has determined that it is necessary and desirable to have the Notes secured by one or more letters of credit (the “Letter of Credit,” or the “Letters of Credit”) that are delivered pursuant to the terms of one or more reimbursement agreements (a “Reimbursement Agreement,” or the “Reimbursement Agreements”) each between one or more providers of a Letter of Credit (a “Letter of Credit Provider,” or the “Letter of Credit Providers”) that sets forth the terms and conditions for the repayment by the LACMTA of Reimbursement Obligations; and

WHEREAS, a portion of the Notes is currently secured by a Letter of Credit (the “Sumitomo Mitsui Letter of Credit”) provided by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (“Sumitomo Mitsui”), in the stated amount of \$124,999,176, which expires on March 7, 2019; and

WHEREAS, Sumitomo Mitsui issued the Sumitomo Mitsui Letter of Credit pursuant to the Amended and Restated Letter of Credit Reimbursement Agreement, dated as of March 1, 2016, between the LACMTA and Sumitomo Mitsui; and

WHEREAS, an additional portion of the Notes is currently secured by a Letter of Credit (the “Union Bank Letter of Credit”) provided by MUFG Union Bank, N.A. (formerly known as Union Bank, N.A.) (“Union Bank”) in the stated amount of \$74,999,724 which expires on March 7, 2019; and

WHEREAS, Union Bank issued the Union Bank Letter of Credit pursuant to the Amended and Restated Letter of Credit Reimbursement Agreement, dated as of March 1, 2016, between the LACMTA and Union Bank; and

WHEREAS, the LACMTA now desires to (a) replace the Sumitomo Letter of Credit and the Union Bank Letter of Credit with a Letter of Credit (the “Barclays Letter of Credit”) to be provided by Barclays Bank PLC (“Barclays”) in the stated amount of \$200,000,000, or (b) renew the Sumitomo Letter of Credit amount and/or the Union Bank Letter of Credit, and/or (c) replace the Sumitomo Mitsui Letter of Credit (at the stated amount of \$124,999,176) and/or the Union Bank Letter of Credit (at the stated amount of \$74,999,724) with one or more new Letters of Credit to be issued by such other Letter of Credit Provider or one or more Bank Products or Alternative Products to be provided by such financial institutions that may be selected by the LACMTA from the pool of respondents to the LACMTA’s “Request for Proposals to Provide Replacement Direct Pay Letter of Credit and/or Bank Product and/or Alternative Products” (the “Bank RFP”) distributed to potential respondents on November 6, 2018 (each, an “Other Letter of Credit Provider”);

WHEREAS, so long as the Program is active, the LACMTA deems it necessary and desirable to have one or more Letters of Credit securing the payment of principal of and interest on the Notes as they mature from time to time; and

WHEREAS, Section 5922 of the Government Code of the State of California provides that in connection with, or incidental to, the issuance or carrying of bonds (which is defined to include notes) any public entity may enter into any contracts which the public entity determines to be appropriate to place the obligations represented by the bonds, in whole or in part, on the interest rate, cash flow or other basis desired by the public entity, including without limitation contracts providing for payments based on levels of, or changes in, interest rates or stock or other indices, or contracts to exchange cash flows or a series of payments, in each case to hedge payment, rate, spread or similar exposure; and

WHEREAS, pursuant to Section 5922 of the Government Code of the State of California, the LACMTA hereby finds and determines that the Reimbursement Agreements to be entered into in connection with, or incidental to, the Program, will reduce the amount and duration of interest rate risk with respect to the Notes and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Notes or enhance the relationship between risk and return with respect to investments; and

WHEREAS, in order to minimize debt service and maximize benefits to the LACMTA, the LACMTA will enter into one or more Reimbursement Agreements with Barclays, Sumitomo Mitsui, Union Bank and/or such Other Letter of Credit Provider which will provide one or more Letters of Credit that will separately secure the payment of principal of and interest on certain designated Notes as issued and maturing from time to time, or the LACMTA will enter into one or more agreements for Bank Products or Alternative Products pursuant to the Bank RFP; and

WHEREAS, Barclays, Sumitomo Mitsui, Union Bank and/or such Other Letter of Credit Provider will provide credit support for \$183,693,000 in aggregate principal amount of the Notes

(which is only a portion of the \$350,000,000 authorized under the 1991 Authorizing Resolution); and

WHEREAS, forms of the following documents are on file with the Secretary of the Board of Directors of the LACMTA and have been made available to the members of the Board of Directors of the LACMTA (the "Board"):

(a) a Letter of Credit Reimbursement Agreement (the "Barclays Reimbursement Agreement"), that will be entered into by the LACMTA and Barclays in connection with the issuance of the Barclays Letter of Credit;

(b) a Fee Agreement (the "Barclays Fee Agreement"), that will be entered into by the LACMTA and Barclays;

(c) a Reimbursement Note (the "Barclays Reimbursement Note" and collectively, with the Barclays Reimbursement Agreement and the Barclays Fee Agreement, the "Documents"), that will be executed and delivered by the LACMTA to evidence its reimbursement obligations under the Barclays Reimbursement Agreement and the Barclays Fee Agreement; and

WHEREAS, the LACMTA has been advised by its Bond Counsel that such documents are in appropriate form, and the LACMTA hereby acknowledges that said documents are subject to modification to reflect the various details applicable to the Program and the Notes and the results of negotiation with Barclays (or Sumitomo, Union Bank or an Other Letter of Credit Provider, as the case may be); and

WHEREAS, in the event the LACMTA decides that it is in its best interests to renew the Sumitomo Mitsui Letter of Credit and/or the Union Bank Letter of Credit or replace such Letters of Credit with one or more Letters of Credit to be issued by one or more Other Letter of Credit Provider(s) other than Barclays, the LACMTA will (a) enter into one or more Reimbursement Agreements with the Other Letter of Credit Provider(s), (b) will enter into one or more fee agreements with the Other Letter of Credit Provider(s), and (c) execute and deliver one or more reimbursement notes relating to such Reimbursement Agreement or Agreements; and

WHEREAS, terms used in this Resolution and not otherwise defined herein shall have the meanings assigned to them in the Trust Agreement

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, AS FOLLOWS:

**Section 1. Findings.** The foregoing recitals are true and correct and the LACMTA so finds and determines.

**Section 2. Approval of Documents; Authorization for Execution.** The LACMTA hereby approves the appointment of Barclays and/or Sumitomo Mitsui and/or Union Bank and/or such Other Letter of Credit Provider selected and appointed by a Designated Officer (as defined below), as the providers of the Letters of Credit (in a combined stated amount of up to



\$200,000,000) with respect to the Program and the Notes. The form, terms and provisions of the Documents are in all respects approved and the Chief Executive Officer of the LACMTA, the Chief Financial Officer of the LACMTA, the Treasurer of the LACMTA, any Executive Officer, Finance of the LACMTA, any Deputy Executive Officer, Finance of the LACMTA, any Assistant Treasurer, or any such officer serving in an acting or interim capacity, and any written designee of any of them (each, a “Designated Officer”), and any one or more thereof, are hereby authorized, empowered and directed to execute, acknowledge and deliver each of the Documents including counterparts thereof, in the name and on behalf of the LACMTA. The Documents, as executed and delivered, shall be in substantially the forms now on file with the Secretary of the Board and made available to the Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board’s approval of any and all changes or revisions therein from the forms of the Documents now on file with the Secretary of the Board and made available to the Board; and from and after the execution and delivery of the Documents, the officers, agents and employees of the LACMTA are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Documents.

If a Designated Officer determines that it is in the LACMTA’s best interests to replace the Sumitomo Mitsui Letter of Credit and/or the Union Bank Letter of Credit with one or more Letters of Credit to be issued by one or more Other Letter of Credit Provider(s), instead of Barclays, the Designated Officers are hereby authorized to (a) (i) enter into one or more Reimbursement Agreements with one or more Other Letter of Credit Provider(s) (each an “Alternate Reimbursement Agreement”), (ii) enter into one or more fee agreements with one or more Other Letter of Credit Provider(s) (each an “Alternate Fee Agreement”) and (iii) execute and deliver one or more reimbursement notes (each an “Alternate Reimbursement Note”) or (b) enter into documents relating to a Bank Product or Alternate Product pursuant to the Bank RFP (each an “Alternate Product,” and collectively with the Alternate Reimbursement Agreement, the Alternate Fee Agreement and the Alternate Reimbursement Note, the “Alternate Documents”). The Alternate Documents, as executed and delivered, may be substantially similar to the forms of the Documents now on file with the Secretary of the Board and made available to the Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board’s approval of any and all changes or revisions therein from the forms of the Documents now on file with the Secretary of the Board and made available to the Board; and from and after the execution and delivery of the Alternate Documents, the officers, agents and employees of the LACMTA are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Alternate Documents.

The LACMTA hereby determines that entering into one or more Reimbursement Agreements with Sumitomo Mitsui, Union Bank and/or such Other Letter of Credit Provider pursuant to Section 5922 of the Government Code of the State of California would be designed to reduce the LACMTA’s cost of borrowing for the Notes. In addition to the provisions set forth in the previous paragraph, no Designated Officer shall enter into a Reimbursement Agreement with Sumitomo Mitsui, Union Bank and/or such Other Letter of Credit Provider unless (a) such Reimbursement Agreement is designed (i) to reduce or hedge the amount or duration of any

payment, interest rate, spread or similar risk, or (ii) to result in a lower cost of borrowing when used in combination with the issuance of the Notes, (b) the term of such Reimbursement Agreement or Alternate Product does not exceed the Program Termination Date; and (c) the amounts payable by the LACMTA with respect to such Reimbursement Agreements shall be payable solely and exclusively from Net Pledged Revenues. In accordance with Section 5922 of the Government Code of the State of California, the LACMTA hereby finds and determines that the Reimbursement Agreements entered into in accordance with this Resolution and consistent with the requirements set forth herein is designed to reduce the amount or duration of payment, interest rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Notes.

**Section 3. Additional Authorization.** The Designated Officers and all officers, agents and employees of the LACMTA, for and on behalf of the LACMTA, be and they hereby are authorized and directed to do any and all things necessary to effect the execution and delivery of the Documents and/or the Alternate Documents and to carry out the terms thereof. The Designated Officers and all other officers, agents and employees of the LACMTA are further authorized and directed, for and on behalf of the LACMTA, to execute all papers, documents, certificates and other instruments and take all other actions that may be required in order to carry out the authority conferred by this Resolution or the provisions of the Documents and/or the Alternate Documents or to evidence said authority and its exercise. In connection with the execution and delivery of the Documents and the delivery of the Barclays Letter of Credit and/or the execution and delivery of the Alternate Documents and/or the issuance of a new Letter of Credit by an Other Letter of Credit Provider, the LACMTA is hereby authorized and directed to prepare and cause to be distributed, from time to time, one or more commercial paper offering memoranda with respect to the Notes. All actions heretofore taken by the officers, agents and employees of the LACMTA in furtherance of this Resolution are hereby confirmed, ratified and approved.

**Section 4. Severability.** The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

**Section 5. Effective Date.** This Resolution shall be effective upon adoption by the Board.

CERTIFICATION

The undersigned, duly qualified and acting as Board Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct copy of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on \_\_\_\_\_, 2019.

[SEAL]

By \_\_\_\_\_  
Board Secretary, Los Angeles County  
Metropolitan Transportation Authority

Dated: \_\_\_\_\_, 2019

**Proposition C Authorizing Resolution**

RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE REVOLVING CREDIT AGREEMENTS AND CERTAIN OTHER DOCUMENTS RELATED TO THE PROPOSITION C REVOLVING OBLIGATIONS, THE EXECUTION AND DELIVERY OF ONE OR MORE REIMBURSEMENT AGREEMENTS AND CERTAIN OTHER DOCUMENTS RELATED TO THE PROPOSITION C COMMERCIAL PAPER PROGRAM AND AUTHORIZING OTHER RELATED MATTERS

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (the "LACMTA"), as successor to the Los Angeles County Transportation Commission (the "Commission"), is authorized, under Chapter 5 of Division 12 of the California Public Utilities Code (the "Act"), to issue indebtedness and securities of any kind or class, including, but not limited to, bonds, notes, bond anticipation notes, commercial paper and other obligations ("Bonds"), to finance and refinance the acquisition, construction, rehabilitation or equipping of facilities to be used as part of a countywide transportation system; and

WHEREAS, pursuant to the provisions of Section 130350 of the California Public Utilities Code, the Commission is authorized to adopt a retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the County of Los Angeles (the "County") subject to the approval of the voters of the County; and

WHEREAS, the Commission, by Ordinance No. 49 adopted August 28, 1990 ("Ordinance No. 49"), imposed a 1/2 of 1% retail transactions and use tax upon retail sales of tangible personal property and upon the storage, use or other consumption of tangible personal property in the County, the proceeds of the tax to be used for public transit purposes (the "Proposition C Tax"), and such tax was approved by the electors of the County on November 6, 1990; and

WHEREAS, the revenues received by the LACMTA from the imposition of the Proposition C Tax are, by statute, directed to be used for public transit purposes, which purposes include a pledge of such tax to secure any Bonds issued pursuant to the Act and include the payment or provision for the payment of the principal of such Bonds and any premium, interest on such Bonds and the costs of issuance of such Bonds; and

WHEREAS, the LACMTA, on an on-going basis, is planning and engineering a County-wide public transportation system (the "Public Transportation System") to serve the County and on an on-going basis is constructing portions of the Public Transportation System; and

WHEREAS, to facilitate the development and construction of the Public Transportation System, as authorized by the Act, the LACMTA by resolution adopted June 23, 1993 (the "1993 CP Authorizing Resolution"), authorized and implemented a commercial paper program (the "CP Program") involving the issuance, from time to time, of the Subordinate Proposition C Sales Tax Revenue Commercial Paper Notes, Series A (the "CP Notes") for the purpose of providing

for the financing of the acquisition and construction of the Public Transportation System, provided that the aggregate principal amount of CP Notes and Reimbursement Obligations (as defined in the 1993 CP Authorizing Resolution) outstanding at any time shall not exceed \$150,000,000; and

WHEREAS, the CP Notes and other obligations incurred in connection with the CP Program are issued under and secured by the Subordinate Trust Agreement, dated as of June 1, 1993 (the “Subordinate Trust Agreement”), by and between the LACMTA and U.S. Bank National Association, as successor to Bank of America National Trust and Savings Association, as trustee (the “Trustee”), and the First Supplemental Subordinate Trust Agreement, dated as of June 1, 1993 (the “Original First Supplemental Subordinate Trust Agreement”), by and between the LACMTA and the Trustee, as amended by Amendment No. 1 to First Supplemental Subordinate Trust Agreement, dated as of October 16, 1995 (the “First Amendment”), by and between the LACMTA and the Trustee, Amendment No. 2 to First Supplemental Subordinate Trust Agreement, dated as of July 1, 1996 (the “Second Amendment”), by and between the LACMTA and the Trustee, Amendment No. 3 to First Supplemental Subordinate Trust Agreement, dated as of June 1, 1998 (the “Third Amendment”), by and between the LACMTA and the Trustee, Amendment No. 4 to First Supplemental Subordinate Trust Agreement, dated as of May 1, 2002 (the “Fourth Amendment”), by and between the LACMTA and the Trustee, Amendment No. 5 to First Supplemental Subordinate Trust Agreement, dated as of January 1, 2008 (the “Fifth Amendment”), by and between the LACMTA and the Trustee, Amendment No. 6 to First Supplemental Subordinate Trust Agreement, dated as of September 1, 2010 (the “Sixth Amendment” and collectively with the Original First Supplemental Subordinate Trust Agreement, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment and the Sixth Amendment, the “First Supplemental Subordinate Trust Agreement”), the Second Supplemental Subordinate Trust Agreement, dated as of April 1, 2013 (the “Second Supplemental Subordinate Trust Agreement”), and the Third Supplemental Subordinate Trust Agreement, dated as of March 1, 2016 (the “Third Supplemental Subordinate Trust Agreement” and together with the Subordinate Trust Agreement, the First Supplemental Subordinate Trust Agreement and the Second Supplemental Subordinate Trust Agreement, the “Existing Subordinate Trust Agreement”), each by and between the LACMTA and the Trustee; and

WHEREAS, the LACMTA has previously determined that it is necessary and desirable to have the CP Notes secured by one or more letters of credit (the “Letter of Credit,” or the “Letters of Credit”) that are delivered pursuant to the terms of one or more reimbursement agreements (a “Reimbursement Agreement,” or the “Reimbursement Agreements”) each between the LACMTA and one or more providers of a Letter of Credit (a “Letter of Credit Provider,” or the “Letter of Credit Providers”) that sets forth the terms and conditions for the repayment by the LACMTA of Reimbursement Obligations; and

WHEREAS, the CP Notes are currently secured by a Letter of Credit (the “Bank of America Letter of Credit”) provided by Bank of America, N.A. (“Bank of America”) in the stated amount of \$74,999,724, which expires on April 5, 2019; and

WHEREAS, the LACMTA now desires to replace the Bank of America Letter of Credit (and the issuance of CP Notes supported by the Bank of America Letter of Credit) with

Subordinate Revolving Obligations (as defined below) provided by a Line of Credit Provider (as defined below) that may be selected by the LACMTA from the pool of respondents to the LACMTA's "Request for Proposals to Provide Replacement Direct Pay Letter and/or Bank Product and/or Alternative Products" (the "Bank RFP") distributed to potential respondents on November 6, 2018; and

WHEREAS, Section 5922 of the Government Code of the State of California provides that in connection with, or incidental to, the issuance or carrying of bonds (which is defined to include notes) any public entity may enter into any contracts which the public entity determines to be appropriate to place the obligations represented by the bonds, in whole or in part, on the interest rate, cash flow or other basis desired by the public entity, including without limitation contracts providing for payments based on levels of, or changes in, interest rates or stock or other indices, or contracts to exchange cash flows or a series of payments, in each case to hedge payment, rate, spread or similar exposure; and

WHEREAS, pursuant to Section 5922 of the Government Code of the State of California, the LACMTA hereby finds and determines that any Reimbursement Agreement(s) to be entered into in connection with, or incidental to, the CP Program, will reduce the amount and duration of interest rate risk with respect to the CP Notes and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the CP Notes or enhance the relationship between risk and return with respect to investments; and

WHEREAS, in addition to the CP Notes, pursuant to the terms of the Subordinate Trust Agreement and the Second Supplemental Subordinate Trust Agreement, the LACMTA is authorized to issue and/or incur, from time to time, Subordinate Obligations in the form of Subordinate Proposition C Sales Tax Revenue Revolving Obligations (the "Subordinate Revolving Obligations"); and

WHEREAS, the Subordinate Revolving Obligations are issued and/or incurred in the form of one or more revolving lines of credit (a "Revolving Line of Credit") provided by one or more providers of such Revolving Lines of Credit (a "Line of Credit Provider"); and

WHEREAS, a Revolving Line of Credit (the "Existing Revolving Line of Credit") is currently provided by Wells Fargo Bank, National Association ("Wells Fargo") pursuant to the Amended and Restated Revolving Credit Agreement, dated as of March 1, 2016, by and between the LACMTA and Wells Fargo, which is scheduled to expire on March 28, 2019; and

WHEREAS, the LACMTA now desires to replace (a) the Bank of America Letter of Credit (and the issuance of CP Notes supported by the Bank of America Letter of Credit) and/or (b) the Existing Revolving Line of Credit with either (i) a replacement Revolving Line of Credit with Wells Fargo or (ii) one or more replacement Revolving Lines of Credit to be provided by such other Line of Credit Provider(s) that may be selected by the LACMTA from the pool of respondents pursuant to the Bank RFP (each, an "Other Line of Credit Provider"); and

WHEREAS, the replacement Revolving Line of Credit (the "Replacement Revolving Line of Credit") will be provided to the LACMTA by Wells Fargo or such Other Line of Credit

Provider, as applicable, pursuant to a revolving credit agreement (each, a “Credit Agreement”) to be entered into by and between the LACMTA and Wells Fargo or such Other Line of Credit Provider, as applicable, whereby the LACMTA will be allowed to request Advances (as defined in the applicable Credit Agreement), from time to time, in an aggregate principal amount not to exceed \$150,000,000 at any one time outstanding to finance or refinance on either a reimbursement or forward funding basis the acquisition, construction, rehabilitation or equipping of facilities authorized under the Act and Ordinance No. 49 (including, but not limited to facilities to be used as part of a Public Transportation System), to finance certain costs of issuance and for any other financing needs of the LACMTA authorized under the Act and Ordinance No. 49 (including, but not limited to, the refunding and restructuring of existing indebtedness of the LACMTA); and

WHEREAS, the Advances, the Revolving Loans (as defined in the applicable Credit Agreement) and the Term Loans (as defined in the applicable Credit Agreement) will be incurred pursuant to the Subordinate Trust Agreement, the Second Supplemental Subordinate Trust Agreement (as amended, including as amended by the Fourth Supplemental Subordinate Trust Agreement, as defined below) and the applicable Credit Agreement; and

WHEREAS, the obligations incurred by the LACMTA pursuant to the terms of the Credit Agreement (including, but not limited to, the Advances, the Revolving Loans and the Term Loans) will be limited obligations of the LACMTA, secured by, and payable from, Net Pledged Revenues and such other funds and accounts as provided in the Subordinate Trust Agreement and the Second Supplemental Subordinate Trust Agreement and will be evidenced by one or more promissory notes; and

WHEREAS, the Advances, the Revolving Loans and the Term Loans may be incurred under the Credit Agreement whereby the interest paid by the LACMTA on such Advances, Revolving Loans and Term Loans may be (i) excluded from the gross income of the recipients thereof under the varying provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder or related thereto (collectively, the “Code”) and/or (ii) included in the gross income of the recipients thereof under the Code; and

WHEREAS, forms of the following documents are on file with the Secretary of the Board of Directors of the LACMTA and have been made available to the members of the Board of Directors of the LACMTA (the “Board”) with respect to the Replacement Revolving Line of Credit:

(a) a Fourth Supplemental Subordinate Trust Agreement (the “Fourth Supplemental Subordinate Trust Agreement”) by and between the LACMTA and the Trustee, which among other things, amends the Second Supplemental Subordinate Trust Agreement;

(b) a Second Amended and Restated Credit Agreement (the “Wells Fargo Credit Agreement”), to be entered into by the LACMTA and Wells Fargo, in connection with the Replacement Revolving Line of Credit; and

(c) a Tax-Exempt Note and a Taxable Note (the “Wells Fargo Revolving Obligation Notes,” and together with the Wells Fargo Credit Agreement, the “Revolving Obligations Documents”), that will be executed and delivered by the LACMTA to evidence its payment and reimbursement obligations under the Wells Fargo Credit Agreement; and

WHEREAS, the LACMTA has been advised by its Bond Counsel that such documents are in appropriate form, and the LACMTA hereby acknowledges that said documents will be modified and amended to reflect the various details applicable to the Subordinate Revolving Obligations and the Replacement Revolving Line of Credit; and

WHEREAS, in the event the LACMTA decides that it is in its best interests to replace (a) the Bank of America Letter of Credit and/or (b) the Existing Revolving Line of Credit with a Letter of Credit to be issued by an Other Letter of Credit Provider, the LACMTA will (i) enter into a Reimbursement Agreement with the Other Letter of Credit Provider, (ii) enter into a fee agreement with the Other Letter of Credit Provider and (iii) execute and deliver a reimbursement note relating to such Reimbursement Agreement; and

WHEREAS, in the event the LACMTA decides that it is in its best interests to replace (a) the Bank of America Letter of Credit (and the issuance of CP Notes supported by the Bank of America Letter of Credit) and/or (b) the Existing Revolving Line of Credit with a Revolving Line of Credit to be provided by an Other Line of Credit Provider, instead of Wells Fargo, the LACMTA will (i) enter into a Credit Agreement with the Other Line of Credit Provider and (ii) execute and deliver tax-exempt and taxable notes relating to such Credit Agreement; and

WHEREAS, terms used in this Resolution and not otherwise defined herein shall have the meanings assigned to them in the Subordinate Trust Agreement, the First Supplemental Subordinate Trust Agreement, the Second Supplemental Subordinate Trust Agreement and the Fourth Supplemental Subordinate Trust Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY, AS FOLLOWS:

**Section 1. Findings.**

(a) The foregoing recitals are true and correct and the LACMTA so finds and determines.

(b) The issuance and/or incurrence of the Subordinate Revolving Obligations, from time to time, and the payment of certain costs related thereto, if determined by a Designated Officer (as hereinafter defined) to be in the best interest of the LACMTA, are in the public interest.

**Section 2. Issuance and/or Incurrence and Terms of Subordinate Revolving Obligations.** For the purposes set forth in the foregoing recitals, the LACMTA is hereby authorized to (a) issue and/or incur, from time to time, the Subordinate Revolving Obligations in



the form of the Replacement Revolving Line(s) of Credit to be provided by Wells Fargo or such Other Line of Credit Provider, as applicable, pursuant to one or more Credit Agreements (including the Wells Fargo Credit Agreement or the Alternate Credit Agreement (as hereinafter defined)), provided that the aggregate principal amount of all Subordinate Revolving Obligations outstanding at any time shall not exceed \$150,000,000, and (b) incur the other Obligations (as defined in the applicable Credit Agreement) under each Credit Agreement, the Subordinate Trust Agreement, the Second Supplemental Subordinate Trust Agreement and Fourth Supplemental Subordinate Trust Agreement. Wells Fargo's or such Other Line of Credit Provider's commitment to make Advances under the applicable Credit Agreement shall have a term not less than two years from the date of execution of the applicable Credit Agreement unless such date is earlier terminated pursuant to the terms of the applicable Credit Agreement or extended, reduced or rescinded by a subsequent resolution of the LACMTA (and approved by Wells Fargo or such Other Line of Credit Provider, as applicable). The outstanding principal amount of each Revolving Loan and each Term Loan shall bear interest at the interest rates set forth in each Credit Agreement. Notwithstanding anything to the contrary in the previous sentence or the provisions of this Resolution, interest payable by the LACMTA on any Revolving Loan or Term Loan shall not exceed the Maximum Rate (as defined in the applicable Credit Agreement); provided, however, if the rate of interest calculated in accordance with the terms of each Credit Agreement exceeds the Maximum Rate, interest at the rate equal to the difference between the rate of interest calculated in accordance with the terms of the applicable Credit Agreement and the Maximum Rate shall be deferred until such date as the rate of interest calculated in accordance with the terms of the applicable Credit Agreement ceases to exceed the Maximum Rate, at which time the LACMTA shall pay Wells Fargo or such Other Line of Credit Provider, as applicable, the deferred interest as provided in the applicable Credit Agreement.

The Revolving Lines of Credit are being obtained to provide funds, from time to time, to finance on either a reimbursement or forward funding basis the acquisition, construction, rehabilitation and equipping of facilities authorized under the Act and Ordinance No. 49 (including, but not limited to facilities to be used as part of a Public Transportation System), to finance certain costs of issuance and for any other financing needs of the LACMTA authorized under the Act and Ordinance No. 49 (including, but not limited to, the refunding and restructuring of existing indebtedness of the LACMTA).

The LACMTA shall be obligated to repay Wells Fargo or such Other Line of Credit Provider, as applicable, for all Advances, Revolving Loans and Term Loans and pay all Obligations owed to Wells Fargo or such Other Line of Credit Provider, as applicable, and such Advances, Revolving Loans, Term Loans and Obligations shall be payable, both with respect to interest and principal as provided for in the Subordinate Trust Agreement, the Second Supplemental Subordinate Trust Agreement, each Credit Agreement and the Wells Fargo Revolving Obligation Notes and the Alternate Revolving Obligation Notes (as hereinafter defined, and together with the Wells Fargo Revolving Obligation Notes, the "Subordinate Revolving Obligation Notes"). The Advances, the Revolving Loans and the Term Loans may be incurred under each Credit Agreement whereby the interest paid by the LACMTA on such Revolving Loans and Term Loans is excluded from gross income for federal income tax purposes or not excluded or part excluded and part not excluded in such combination as is acceptable to the Designated Representative (as hereinafter defined) authorizing the same.

The terms of each Advance shall, consistent with this Resolution and the Second Supplemental Subordinate Trust Agreement, be set forth in a Request for Advance and Revolving Loan (as described in the applicable Credit Agreement) delivered to Wells Fargo or such Other Line of Credit Provider, as applicable, by a Designated Representative.

**Section 3. Pledge to Secure the Advances, the Revolving Loans, the Term Loans, the Notes and the Obligations – Subordinate Revolving Obligations.** The LACMTA hereby approves the pledge to secure the Subordinate Revolving Obligations, the Advances, the Revolving Loans, the Term Loans, the Subordinate Revolving Obligation Notes and the Obligations as set forth in the Subordinate Trust Agreement, the Second Supplemental Subordinate Trust Agreement, each Credit Agreement and the Subordinate Revolving Obligation Notes.

**Section 4. Limited Obligations; Subordinate Obligations - Subordinate Revolving Obligations.** The Subordinate Revolving Obligations, the Advances, the Revolving Loans, the Term Loans, the Subordinate Revolving Obligation Notes and the Reimbursement Obligations (as defined in the applicable Credit Agreement) shall be limited obligations of the LACMTA, secured by, have a lien on and be payable from, Net Pledged Revenues and from the funds and accounts held by the Trustee and the LACMTA under the Subordinate Trust Agreement and the Second Supplemental Subordinate Trust Agreement, as and to the extent therein described. The Subordinate Revolving Obligations, the Advances, the Revolving Loans, the Term Loans, the Subordinate Revolving Obligation Notes and the Reimbursement Obligations (as defined in the applicable Credit Agreement) shall also be secured by and be paid from such other sources as the LACMTA may hereafter provide, including, but not limited to, proceeds of additional borrowings for such purpose and any applicable state or federal grants received by the LACMTA.

The Subordinate Revolving Obligations shall be issued, from time to time, as Subordinate Obligations as provided for in Section 2.09 of the Subordinate Trust Agreement.

The Obligations (other than Reimbursement Obligations (as defined in the applicable Credit Agreement) and payment of principal of and interest on the Subordinate Revolving Obligation Notes) shall be secured by and have a lien on Net Pledged Revenues junior and subordinate in all respects to the liens on, security interest in and pledges of the Net Pledged Revenues granted to the Subordinate Obligations (including, but not limited to, the Subordinate Revolving Obligations, the Advances, the Revolving Loans, the Term Loans, the Subordinate Revolving Obligation Notes and the Reimbursement Obligations (as defined in the applicable Credit Agreement)).

**Section 5. Approval of Revolving Obligations Documents; Authorization for Execution - Subordinate Revolving Obligations.** The LACMTA hereby approves the appointment of Wells Fargo, or such Other Line of Credit Provider selected and appointed by a Designated Officer, as the provider of the Revolving Line of Credit with respect to the Subordinate Revolving Obligations. The form, terms and provisions of the Fourth Supplemental Subordinate Trust Agreement and the Revolving Obligations Documents are in all respects approved and the Chief Executive Officer of the LACMTA, the Chief Financial Officer of the LACMTA, the Treasurer of the LACMTA, any Executive Officer, Finance of the LACMTA,

any Deputy Executive Officer, Finance of the LACMTA, any Assistant Treasurer, or any such officer serving in an acting or interim capacity, and any written designee of any of them (each, a “Designated Officer”), any one or more thereof, are hereby authorized, empowered and directed to execute, acknowledge and deliver each of the Fourth Supplemental Subordinate Trust Agreement and the Revolving Obligations Documents, including counterparts thereof, in the name and on behalf of the LACMTA. The Fourth Supplemental Subordinate Trust Agreement and the Revolving Obligations Documents, as executed and delivered, shall be generally in the forms now on file with the Secretary of the Board and made available to the Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board’s approval of any and all changes or revisions therein from the forms of the Fourth Supplemental Subordinate Trust Agreement and the Revolving Obligations Documents now on file with the Secretary of the Board and made available to the Board; and from and after the execution and delivery of the Fourth Supplemental Subordinate Trust Agreement and the Revolving Obligations Documents, the officers, agents and employees of the LACMTA are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Fourth Supplemental Subordinate Trust Agreement and the Revolving Obligations Documents.

If a Designated Officer determines that it is in the LACMTA’s best interests to replace the Wells Fargo Revolving Line of Credit with a Revolving Line of Credit to be provided by an Other Line of Credit Provider, instead of renewing the Wells Fargo Revolving Line of Credit, the Designated Officers are hereby authorized to (a) enter into a Credit Agreement with the Other Line of Credit Provider that is substantially similar to the form of the Wells Fargo Amended and Restated Credit Agreement (an “Alternate Credit Agreement”) now on file with the Secretary of the Board and made available to the Board and approved above, and (b) execute and deliver tax-exempt and taxable notes that are substantially similar to the form of the Wells Fargo Revolving Obligation Notes (the “Alternate Revolving Obligation Notes” and together with the Alternate Credit Agreement, the “Alternate Revolving Obligations Documents” now on file with the Secretary of the Board and made available to the Board and approved above. The Alternate Revolving Obligations Documents, as executed and delivered, shall be substantially similar to the forms of the Revolving Obligations Documents now on file with the Secretary of the Board and made available to the Board and hereby approved, or with such changes therein as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board’s approval of any and all changes or revisions therein from the forms of the Revolving Obligations Documents now on file with the Secretary of the Board and made available to the Board; and from and after the execution and delivery of the Alternate Revolving Obligations Documents, the officers, agents and employees of the LACMTA are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Alternate Revolving Obligations Documents.

**Section 6. Trustee, Paying Agent and Registrar – Subordinate Revolving Obligations.** U.S. Bank National Association is hereby appointed as Trustee, Paying Agent and Registrar for the Subordinate Revolving Obligations. Such appointments shall be effective upon the adoption of this Resolution and shall remain in effect until the LACMTA, by supplemental agreement, resolution or other action, shall name a substitute or successor thereto.

**Section 7. Designated Representatives – Subordinate Revolving Obligations.**

The Board hereby appoints the Chair of the LACMTA, any Vice Chair of the LACMTA, the CEO of the LACMTA, the Chief Financial Officer of the LACMTA, the Treasurer of the LACMTA, any Executive Officer, Finance, any Deputy Executive Officer, Finance, any Assistant Treasurer of the LACMTA, or any such officer serving in an acting or interim capacity and any other persons the CEO may designate to serve, as “Designated Representatives” of the LACMTA under the terms of this Resolution, the Second Supplemental Subordinate Trust Agreement and each Credit Agreement. The Designated Representatives are, and each of them is, hereby authorized and are hereby directed to perform those duties set forth in the Subordinate Trust Agreement, the Second Supplemental Subordinate Trust Agreement and the Revolving Obligations Documents or the Alternate Revolving Obligations Documents, including, without limitation, the execution of a Request for Advance and Revolving Loan (as described in the applicable Credit Agreement). The Designated Representatives are, and each of them is, also authorized to make representations, certifications and warranties in connection with implementing and obtaining the Revolving Lines of Credit and the issuance and/or incurrence of Advances, Revolving Loans and Term Loans as and when required in the Subordinate Trust Agreement, the Second Supplemental Subordinate Trust Agreement and the Revolving Obligations Documents or the Alternate Revolving Obligations Documents, and the certifications and agreements relating to the federal tax exemption with regards to certain advances. The Designated Representatives are hereby further authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Subordinate Trust Agreement, the Second Supplemental Subordinate Trust Agreement and the Revolving Obligations Documents or the Alternate Revolving Obligations Documents.

**Section 8. Authorized Authority Representative – Subordinate Revolving Obligations.** The Board hereby designates the Executive Director, Finance and Budget of the LACMTA, any Treasurer of the LACMTA, any Assistant Treasurer of the LACMTA, or any such officer serving in an acting or interim capacity, as an Authorized Authority Representative for all purposes under the Subordinate Trust Agreement, the Second Supplemental Subordinate Trust Agreement and each Credit Agreement and with respect to the Subordinate Revolving Obligations, the Revolving Lines of Credit, the Advances, the Revolving Loans, the Term Loans and the Subordinate Revolving Obligation Notes. Such appointments shall remain in effect until modified by resolution.

**Section 9. Additional Authorization – Subordinate Revolving Obligations.** Each Designated Officer and all officers, agents and employees of the LACMTA, for and on behalf of the LACMTA, be and they hereby are authorized and directed to do any and all things necessary to effect the execution and delivery of the Fourth Supplemental Subordinate Trust Agreement, the Revolving Obligations Documents or the Alternate Revolving Obligations Documents and to carry out the terms thereof. Each Designated Officer, each Designated Representative and all officers, agents and employees of the LACMTA are further authorized and directed, for and on behalf of the LACMTA, to execute all papers, documents, certificates and other instruments that may be required in order to carry out the authority conferred by this Resolution, the Existing Subordinate Trust Agreement, the Fourth Supplemental Subordinate Trust Agreement and the Revolving Obligations Documents or the Alternate Revolving Obligations Documents or to evidence the same authority and its exercise. The foregoing authorization includes, but is in no

way limited to, authorizing LACMTA staff to pay costs of issuance of implementing and obtaining the Revolving Lines of Credit and fees and costs of Wells Fargo or such Other Line of Credit Provider, as applicable, authorizing the investment of the proceeds of the Advances in one or more of the permitted investments provided for under the Existing Subordinate Trust Agreement, and authorizing the execution by a Designated Officer, or any one of them, of one or more tax compliance certificates as required by the Second Supplemental Subordinate Trust Agreement and the Revolving Obligations Documents or the Alternate Revolving Obligations Documents for the purpose of complying with the rebate requirements of the Code. All actions heretofore taken by the officers, agents and employees of the LACMTA in furtherance of this Resolution are hereby confirmed, ratified and approved.

**Section 10. Approval of Alternate CP Documents.** If a Designated Officer determines that it is in the LACMTA's best interests to replace (a) the Bank of America Letter of Credit and/or (b) the Existing Revolving Line of Credit with a Letter of Credit to be issued by an Other Letter of Credit Provider, the Designated Officers are hereby authorized to (i) enter into a Reimbursement Agreement with the Other Letter of Credit Provider (an "Alternate Reimbursement Agreement"), (ii) enter into a fee agreement with the Other Letter of Credit Provider (an "Alternate Fee Agreement"), and (iii) execute and deliver a reimbursement note (the "Alternate Reimbursement Note," and collectively with the Alternate Reimbursement Agreement and the Alternate Fee Agreement, the "Alternate CP Documents"). The Alternate CP Documents, as executed and delivered, shall be in such form as shall be approved by the Designated Officer executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all provisions therein consistent with this Resolution; and from and after the execution and delivery of the Alternate CP Documents, the officers, agents and employees of the LACMTA are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Alternate CP Documents.

The LACMTA hereby determines that entering into one or more Reimbursement Agreements with any such Other Letter of Credit Provider pursuant to Section 5922 of the Government Code of the State of California would be designed to reduce the LACMTA's cost of borrowing for the CP Notes. In addition to the provisions set forth in the previous paragraph, no Designated Officer shall enter into an Alternate Reimbursement Agreement with such Other Letter of Credit Provider unless (a) such Alternate Reimbursement Agreement is designed (i) to reduce or hedge the amount or duration of any payment, interest rate, spread or similar risk, or (ii) to result in a lower cost of borrowing when used in combination with the issuance of the CP Notes, (b) the term of such Alternate Reimbursement Agreement does not exceed the Program Termination Date; and (c) the amounts payable by the LACMTA with respect to such Alternate Reimbursement Agreement shall be payable solely and exclusively from Net Pledged Revenues. In accordance with Section 5922 of the Government Code of the State of California, the LACMTA hereby finds and determines that any Alternate Reimbursement Agreement entered into in accordance with this Resolution and consistent with the requirements set forth herein is designed to reduce the amount or duration of payment, interest rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the CP Notes.

**Section 11. Additional Authorization – CP Program.** The Designated Officers and all officers, agents and employees of the LACMTA, for and on behalf of the LACMTA, be and

they hereby are authorized and directed to do any and all things necessary to effect the execution and delivery of the Alternate CP Documents and to carry out the terms thereof. The Designated Officers and all other officers, agents and employees of the LACMTA are further authorized and directed, for and on behalf of the LACMTA, to execute all papers, documents, certificates and other instruments and take all other actions that may be required in order to carry out the authority conferred by this Resolution or the provisions of the Alternate CP Documents or to evidence said authority and its exercise. In connection with the execution and delivery of the Alternate CP Documents and the issuance of a Letter of Credit by an Other Letter of Credit Provider, the LACMTA is hereby authorized and directed to prepare and cause to be distributed, from time to time, one or more commercial paper offering memoranda with respect to the CP Notes. All actions heretofore taken by the officers, agents and employees of the LACMTA in furtherance of this Resolution are hereby confirmed, ratified and approved.

**Section 12. Severability.** The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

**Section 13. Effective Date.** This Resolution shall be effective upon adoption by the Board.

CERTIFICATION

The undersigned, duly qualified and acting as Board Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct copy of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on \_\_\_\_\_, 2019.

[SEAL]

By \_\_\_\_\_  
Board Secretary, Los Angeles County  
Metropolitan Transportation Authority

Dated: \_\_\_\_\_, 2019