



May 13, 2016

Ms. Jeanet B. Owens
Executive Officer, Project Management
& Program Management
Los Angeles County Metropolitan
Transportation Authority
One Gateway Plaza, Mail Stop: 99-17-5
Los Angeles, CA 90012-2952

Via Email and US Mail
OwensJ@metro.net

Re: Hollywood Way/San Fernando Metrolink Station

Dear Ms. Owens:

In response to our conversation yesterday morning, you indicated that the Los Angeles County Metropolitan Transportation Authority ("Metro") has placed a "hold" on the Hollywood Way/San Fernando Road Metrolink Station ("Station") unless a resolution could be reached as to how future operations and maintenance ("O&M") expenses would be shared by the stakeholders for the Station. Confirming the position that Mark Hardyment communicated to you previously and as detailed further below, Federal Aviation Administration ("FAA") Grant Agreement Assurances prohibit the Airport Authority ("Authority"), owner and operator of the Bob Hope Airport ("Airport") from participating in a number of activities, specifically revenue diversion to other agencies where the facilities in question are not located on Airport property.

As was confirmed in yesterday's call, the Authority has previously taken actions to provide nearly \$2.6M of its Federal Highway Administration Surface Transportation Uniform Relocation Assistance Act ("STURAA") grant to be used by Metro. That Commission action included adoption of two resolutions authorizing the reallocation of those funds to Metro for both the design and implementation of this Station. Furthermore, from early in our discussions with Metro, the Authority has committed to provide the transportation of passengers between the Airport terminal and the Station. This is a service that is limited to the transportation of passengers between these two points, is consistent with Metro's "Plane to Train" connectivity goals, and is estimated to cost the Authority upwards of \$250,000 annually to meet approximately 30 northbound and southbound trains each day.

As referenced above, FAA Grant Agreement Assurances prohibit the Airport Authority from participating in cost allocation of facilities located off-airport. Specifically, Airport expenditures for ground access projects must be consistent with the requirements of Title 49, United States Code 47107 and, specifically, federal Grant Assurance 25.

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Grant Assurance 25, entitled Airport Revenue, in essence requires that Airport revenue only be spent on capital or operating costs of the Airport.

Perhaps the best current guidance on the requirements of Assurance 25 is the U.S. Department of Transportation Office of Inspector General Audit Report on the use of airport revenue for the Bay Area Rapid Transit (“BART”) District extension to San Francisco International Airport (“SFO”).ⁱ That audit stated that federal law required that in order for SFO funds to be used for the BART “project”, the project conform with all three of the following requirements:

- (1) BART fixed facilities and operating system for the project be owned by SFO;
- (2) The facilities and operating system be located on SFO property with guaranteed continued SFO access; and
- (3) Costs benefiting both BART and the SFO be prorated on a reasonable basis.

Given the above, the facts that the Metrolink “station” will not be owned by the Airport and will not be located on Airport property means that the Airport cannot commit revenue to that Metrolink station.

In conclusion, the Authority strongly believes that this important connectivity enhancement needs to be constructed, and the Authority has stepped up to the plate by providing the STURAA grant and a commitment to provide passenger transportation to the terminal. We appreciate your willingness to look at the design in an effort to identify aspects that either or both are leading to your cost overrun or may contribute to higher anticipated O&M expenses. To that end, we suggest replacing the awning structure contained in the current design with one more akin to what is currently in use at the Chatsworth Station.

These issues can be discussed in greater detail in the meeting on May 26th. Should you have any questions, please do not hesitate to contact me or Mark Hardyment.

Sincerely,



Dan Feger
Executive Director

cc: BGPAA Commissioners
Mark Hardyment

ⁱ Furthermore, the BART extension was an overall 9.5 mile extension of which the FAA prohibited SFO participation on the 8.7 mile “off-airport” portion. What was conditionally approved was an “on-airport” 0.8 mile segment, and the proration for costs was made on this 0.8 mile segment.