

Ad Hoc Regional Rail Committee

January 20, 2016



Metro

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Background

At its meeting of December 3, 2015 Metro's Board adopted Motion 40 recommending:

- A. The CEO assign staff *to complete a comprehensive Cost/Benefit analysis for the Los Angeles County subsidy to Metrolink*, and
- B. That until such analysis is completed and approved by the board, any and all funding requests from Metrolink that increase, or have the potential to increase the Metro contribution above the FY16 approved budget, or affect Los Angeles County residents/riders negatively, shall come to the MTA board for approval prior to Metrolink full board approval; and
- C. That the Chair of the MTA board create an ad hoc committee to convene, as required, to vote on Los Angeles County Metrolink issues and to direct the cost/benefit analysis. Said study shall include MTA staff, including, at a minimum, finance and innovation executives, to oversee a cost/benefit analysis to look at innovative ways the MTA can best serve the Los Angeles County constituency; and
- D. That the ad hoc Metrolink committee be convened beginning January 2016; and
- E. That staff complete the cost/benefit analysis and report back to the board in March 2016.



Objectives

Through the initiation of a Cost/Benefit Study of LA Metro's subsidy of Metrolink, staff will seek to provide information that allows the Committee and Metro's Board to examine, review, and make recommendations based on the following:

- The nature of Metro's mobility investment in commuter rail operations in Los Angeles County
- The size and scale of the that investment
- The determination and basis of calculating that investment
- The rate of return to Metro and the residents of Los Angeles County



Framework

The Southern California Regional Rail Authority (SCRRA) was formed as Joint Exercise of Powers Authority (JPA) to Design, Build, Operate and Maintain (DBOM) a regional commuter rail operation on behalf of its Member Agencies. The system is operated under the brand name Metrolink



Scope

Proposed specific areas of analysis that staff will advance for the committee's review:

Costs

- Metrolink's cost structure and performance in relation to Commuter Rail industry standards; and
- Metrolink's performance in key categories in comparison to Metro's other modes of transportation cost and performance; and
- An examination of Metro's contributions in relation to the other Member Agencies
- A review of Metro's regulatory and State of Good Repair (SOGR) requirements
- A review of the Revenue and Expense effects of Metrolink's tenancy at Gateway

Benefits

Measure of the benefit of Metrolink services to and within Los Angeles County including:

- Los Angeles County residents utilization of the system
- Potential congestion relief on parallel freeways
- Economic benefits to Los Angeles County including Downtown Los Angeles
- Potential avoided costs of alternative service provisions (ie Long Distance Commute)
- Direct funding benefits such as Federal and State Formula funds.



Staff's objective is to provide sufficient information to the Committee and the Board to:

- Determine if the current Metro contribution to Metrolink is commensurate with identified benefits; and
- Ensure alignment of Metro's priorities with services and investment provided; and
- Identify opportunities for improvement in Metro's relationship, oversight, and participation in Metrolink policy decisions; and
- Seek innovative solutions that advance the regional mobility of Los Angeles County residents.

Next Steps

- Identify, collect and analyze available data
- Provide the Committee review of factors that determine Metro's share of Metrolink subsidy
- Provide the Committee with an update of preliminary data trend analysis
- Address issues or concerns of the Committee based on results to date

Questions