

**HUIZAR  
MOTION**

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On December 1, 2009, Federal Transportation Secretary Ray LaHood announced plans to award \$280 million in grants to support the Obama Administration's Livability Initiative.

Two distinct, non-competing programs have been developed and separate Notices of Funding Availability have been issued for \$130 million in exempt discretionary grants for Urban Circulator Systems on fixed rail (streetcars) to be funded through unallocated Discretionary New Starts/Small Starts Program funds; and \$150 million for bus and bus facility projects unallocated Discretionary Bus and Bus Facilities Program funds.

According to Secretary LaHood, the funds will be used to support "urban circulator projects such as streetcars, buses and bus facilities to support communities, expand business opportunities and improve people's quality of life while also creating jobs." According to the Federal Transit Administration, a maximum amount of \$25 million will be made available for individual projects that foster the redevelopment of districts into walkable, mixed use and high density environments.

The City of Los Angeles is preparing an application for a grant through the urban circulator / streetcar program, which does **not compete** with any other METRO funding applications.

A requirement of the grant is that environmental review be completed and construction be underway by the end of 2011. Based on the urgent need to expedite environmental review in order to move forward with this important job creation project, the Community Redevelopment Agency of the City of Los Angeles, which is working to advance the streetcar effort is requesting a partnership with METRO to complete the environmental review in a timely manner.

Federal Transit Administration staff has recognized the METRO'S considerable expertise and prior history related to environmental review of transit projects. CRA/LA is requesting that METRO serve as the "responsible agency" for the environmental review of the project and preparation of environmental documents to be submitted to the City of Los Angeles Bureau of Engineering as the lead agency.

This partnership will include CRA/LA reimbursing METRO for the expenses incurred, making this a budget-neutral partnership for METRO.

**I THEREFORE MOVE that:**

1. METRO serve as the lead agency for the coordination of expedited environmental review for the Downtown L.A. Streetcar and integrated Broadway Streetscape Master Plan.
- ~~2. METRO approve the appropriate budget and staffing resources necessary to do this work, subject to a legally binding agreement with the CRA/LA to reimburse Metro for 100% of the costs.~~
3. The Board authorize the CEO to execute this agreement.



**Metro**

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**PLANNING & PROGRAMMING COMMITTEE**

**FEBRUARY 18, 2010**

**SUBJECT: DEVELOPMENT OF THE BRINGING BACK BROADWAY, LLC LOS ANGELES STREET CAR INITIATIVE**

**ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO SUPPORT THE CITY OF LOS ANGELES FTA NEW STARTS SUBMITTAL AND ENVIRONMENTAL CLEARANCE FOR THE LOS ANGELES STREET CAR INITIATIVE INCLUDING ENTERING INTO AGREEMENTS WITH THE CITY OF LOS ANGELES.**

**RECOMMENDATION**

Authorize the Chief Executive Officer to:

1. Support the City of Los Angeles' application to the Federal Transit Administration (FTA) under its 5309 Discretionary Grant program for development of the Bringing Back Broadway Los Angeles Street Car initiative;
2. Assist the City in completing the required environmental analysis and clearances;
3. Execute agreement(s) with the City of Los Angeles for MTA to be the responsible agency for the appropriate environmental clearances for this project;
4. Execute appropriate agreements with the City of Los Angeles to insure that MTA is reimbursed for all MTA incurred costs, including staff and consultant services, for environmentally clearing this project, and;
5. Initiate actions necessary to procure environmental consultants for this project.

**ISSUE**

The Los Angeles City Council passed a motion on December 16, 2009 authorizing the City of Los Angeles Community Redevelopment Agency (CRA) to prepare and submit an application to the FTA to seek funding under the Urban Circulator Systems discretionary grants component of the unallocated Discretionary New Starts/Small Starts Program funds. Subsequent to City Council action MTA received a request from

the Los Angeles Streetcar Initiative, Inc, representing the “Bringing Back Broadway” stakeholders for MTA to also manage the environmental clearances of this project consistent with FTA guidelines. The application will seek funding for the purpose of developing and constructing the proposed downtown Los Angeles Streetcar project, which is a major component of the City’s “Bringing Back Broadway” downtown revitalization initiative. The motion and subsequent City requests recognize Metro’s expertise in developing rail projects and a history of working with FTA.

### **POLICY IMPLICATIONS**

The Los Angeles Street Car project is included in the strategic unfunded section of the Long Range Transportation Plan (LRTP). The project has not previously been the recipient of MTA development or planning funds. The proposed street car would provide additional circulation and transport options in the City’s Central Business District (downtown) for MTA patrons and serve to link via rail transit presently under-served areas in the downtown area. Staff participation with the City on the proposed project has been consistent with the intent and purpose of the recently Board adopted LRTP and is consistent with the priorities adopted by the Board.

The Downtown Streetcar project has the potential to create opportunities for Metro to refocus the bus service operations plan for the CBD. This could have the effect of allowing a reduction in the level of bus service in and to the downtown area, allow for potential reorganization of the City’s DASH service, and thereby reduce operating costs. Improvement of transit operations and reduction of operations costs are among the distinct advantages of this project.

MTA has historically provided technical support and information for City/County jurisdictions but has limited that role to technical advice. MTA has focused its limited resources to complete the LRTP and Measure R funded projects. MTA has also performed as the Lead Agency for other agencies in the preparation of environmental analyses and documentation.

### **OPTIONS**

The Board of Directors could limit MTA’s involvement to technical support and not take on the additional efforts to environmentally clear this project. Clearing a project through both the FTA new starts process and the NEPA/CEQA environmental processes requires a specific level of detailed experience. MTA’s staff efforts are already dedicated to accelerating Measure R projects.

## **FINANCIAL IMPACT**

Funding for this project is not included in the FY10 budget. However, it is anticipated that there will be minimal administrative costs to perform the recommendations for the remainder of FY10 and these costs could be absorbed within the FY10 budget. The City of Los Angeles will be reimbursing us for the costs associated with this project and will therefore be cost neutral. Since this is a multi-year project it will be the responsibility of the cost center manager and the Chief Planning Officer for budgeting expenditures in future years.

### **Impact to Bus and Rail Operating and Capital Budget**

The funding for the environmental work to support this project will be from Proposition A, C, and TDA Administration funds. The Planning activities proposed in this report will have no impact on bus and rail operating and capital costs.

## **BACKGROUND**

The Downtown Streetcar project is a key component of the Downtown Los Angeles Bringing Back Broadway revitalization initiative. The proposed streetcar project has been designed from the ground up to be a public-private partnership to finance planning and construction of the streetcar system. The core alignment is envisioned to connect the LA Live/Convention Center/Staples Center complex on the south of downtown with destinations such as Bunker Hill-City Hall-Little Tokyo in the north via Broadway. The project is designed to be extensible in the future when additional funds become available. The public/private partnership includes LA Streetcar, Inc. (LASI), CRA, downtown property and business owners and the City of Los Angeles. LASI is a non-profit entity organized to provide project management and planning functions for development of the project. Metro has provided technical assistance for the streetcar project and review of the initiatives potential impacts on current transit operations in the downtown area.

The City of Los Angeles is preparing an application for a grant through the urban circulator/streetcar program, which does not compete with any other MTA funding applications. FTA periodically allocates Section 5309 Bus and New Starts funds to innovative transit projects and Urban Circulator projects (including streetcars) to advance six livability principles adopted by the DOT-HUD-EPA Partnership for Sustainable Communities:

1. Provide more transportation choices.
2. Promote equitable, affordable housing.
3. Enhance economic competitiveness.

4. Support existing communities.
5. Coordinate policies and leverage investment.
6. Value communities and neighborhoods.

On December 1, 2009, Federal Transportation Secretary Ray LaHood announced plans to award \$280 million in grants to support the Livability Initiative.

Two distinct, non-competing programs and separate Notices of Funding Availability (NOFA) were issued for \$130 million in exempt discretionary grants for Urban Circulator Systems on fixed rail (streetcars) to be funded through unallocated Discretionary New Starts/Small Starts Program funds; and \$150 million for bus and bus facility projects unallocated Discretionary Bus and Bus Facilities Program funds. Per FTA guidelines, a maximum amount of \$25 million will be made available for projects that foster the redevelopment of districts into walkable, mixed use and high density environments.

The City of Los Angeles is preparing an application for a grant through the urban circulator/streetcar program, which does not compete with any other MTA funding applications. FTA staff has advised the city that detailed knowledge and experience with the FTA process is critical to meet the performance dates listed in the funding application. An additional requirement of the grant is that environmental review be completed during 2011 with a construction start beginning by the end of 2011. Based on this timeframe, the City has indicated the urgent need to expedite the environmental review requires that MTA agree to function as Lead Agency to prepare the environmental analysis in time.

In addition, the City of Los Angeles has requested MTA to secure and manage a project consultant in the preparation of the environmental analysis. The City is proposing to reimburse Metro for the cost of the environmental analysis.

#### **NEXT STEPS**

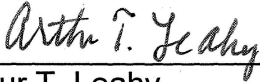
- Work with the City to complete a scope of work for the project in cooperation with the City of Los Angeles.
- Coordinate meetings with FTA to assure an agreed upon NEPA and CEQA process including an acceptable Alternatives Analysis.
- Assist in procuring an environmental consultant under the previously approved consultant bench.
- Commence environmental review.
- Initiate discussions with the CPUC for preliminary review of “street running” options.

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