

**Board Report**

File #: 2016-0758, **File Type:** Project**Agenda Number:** 28.

**SYSTEM SAFETY, SECURITY AND OPERATIONS COMMITTEE
SEPTEMBER 21, 2017****SUBJECT: CALTRANS PARK AND RIDE LOTS****AMEND I-105 AND I-110 OPERATIONS & MAINTENANCE AGREEMENTS****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute amendments to the I-110 and I-105 Operations & Maintenance (O&M) Agreements to allow Metro to provide enhanced maintenance services for 17 Caltrans park & ride locations.

ISSUE

Metro currently provides limited maintenance services for 41 Caltrans park & ride locations (53 lots, as some locations have multiple lots), maps and lists of which are included in Attachment A. (Caltrans owns and therefore is responsible for maintenance, but Metro, in the absence of adequate maintenance by Caltrans, obtained the right in 2012 to perform trash hauling, power sweeping, and graffiti removal for these lots through an Encroachment Permit with Caltrans.) A 42nd park & ride location at El Monte Transit Center is maintained through a Joint Use Agreement where Metro has full maintenance responsibilities and obligations.

During the past several years, there has been Board direction (January 2014, Item 73) and staff analysis in pursuit of acquisition of these lots from Caltrans. Changes in staff, restrictive state and federal policies, and legal obstacles prevented previous efforts from being completed. Environmental contamination discovered at some locations and associated liabilities have raised questions about the pursuit of ownership. Additionally, lots which include freeway infrastructure are not eligible for transfer.

While staff is continuing to pursue relinquishment at the highest priority lots (assuming the absence of serious environmental contamination or adequate indemnification), many of the desired outcomes of ownership can be obtained through the additional control and flexibility provided in amended O&M Agreements. Therefore, staff has negotiated those amendments while the selective relinquishment discussions are pursued.

DISCUSSION***Current Encroachment Permit Limited Maintenance Services***

Metro currently performs limited maintenance services of trash hauling, power sweeping and graffiti abatement throughout the 41 Caltrans park & ride locations, through an encroachment permit. The

annual cost for the limited maintenance services is approximately \$1,000,000 (approximately \$500,000 for the 17 park & ride locations adjacent to Metro facilities and \$500,000 for the remaining 24 park & ride outlying locations).

Amended O&M Agreements

Metro operates and maintains the Green and Silver Lines through O&M Agreements with Caltrans that apply to the I-105 and I-110 Freeways respectively. Provisions in those agreements currently do not allow Metro to maintain the 17 park & ride locations (27 lots) associated with them in a manner consistent with Metro-owned lots. Staff has negotiated amendments to the O&M Agreements so that Metro can begin providing a fuller spectrum of maintenance services at the 17 locations that directly serve the Metro transit system and are used primarily by Metro patrons. The terms of those amendments are detailed in Attachment B. If the authority to execute the amendments is approved by the Board, resources will be secured through the mid-year budget process and Metro will begin providing enhanced maintenance services, starting January 1, 2018, described below.

Maintenance Services

Enhanced maintenance services will ensure that the park & ride lots are a safe, clean, and efficient amenity for Metro patrons. Upon approval of additional staffing and funding to support the enhanced O&M Agreements, the enhanced services will be performed through a combination of contracted services and Metro in-house personnel. Services will include pavement repairs, striping, fencing repair, landscape and irrigation maintenance, tree trimming services, lighting replacement and maintenance, and signage replacement and maintenance. This will be in addition to the power sweeping, graffiti abatement, and trash removal already provided.

Increased Security

The amended O&M Agreements will also allow Metro to provide security services to patrol certain lots to provide a safer environment for patrons. Security will be implemented at the five locations with the highest capacity and use: Norwalk, Aviation, Lakewood, Harbor Gateway, and El Monte. Law enforcement will continue to be the responsibility of Caltrans and the California Highway Patrol.

Construction Improvements

To the extent that certain minor deferred maintenance improvements are necessary and allowed under the O&M amendments, Metro will perform those improvements as soon as possible. For capital improvements that require an additional encroachment permit from Caltrans, Metro will apply for encroachment permits and perform the improvements, subject to obtaining budget authority.

Outlying Lots

For the remaining 24 park & ride locations that are not providing parking related to Metro transit facilities, Metro would continue to perform limited maintenance services through the existing encroachment permit with Caltrans, subject to further review. Caltrans remains responsible for the wider range of maintenance needs, although historically Caltrans has not had the budget to fully maintain these properties. Parking Management secured FY18 funding for refurbishment projects at Aviation, Lakewood, Manchester, Slauson, and Long Beach locations. Upgrades at all five lots include: re-stripping, re-paving, landscaping, ADA compliance updates, signage, lighting and installation of longitudinal gutters. This encroachment permit for this work is in progress with Caltrans.

Parking Management

Through a separate encroachment permit with Caltrans, Metro will be able to implement its parking management system and obtain revenue from parking on high demand Caltrans lots to offset a portion of the increased maintenance costs. The parking management system will initially be installed at Norwalk, Aviation/LAX, Lakewood, and El Monte lots beginning this fall. Staff estimates that Metro will see an estimated \$1,200,000 in parking revenues annually, net of collection costs, which would offset a portion of the increased operations and maintenance costs.

Update on Acquisition of Selected Park and Ride Lots

Staff is continuing to pursue ownership of five Caltrans locations (6 lots): Aviation/LAX, Norwalk, Lakewood (2), Harbor Gateway, and El Monte. In order to simplify the acquisition process, staff is pursuing a relinquishment process, which will make the transfer of property rights faster, more efficient and without cost to Metro other than processing costs. Relinquishment involves the transfer of property rights from Caltrans to a local city or agency, usually at no cost to the local agency. If the relinquishment process is used, all of the federal and state restrictions would remain on the properties, but the lots could be acquired without Metro paying Caltrans for the property, and without involving a time-consuming appraisal and approval process. Once an agreement is reached with Caltrans, the relinquishment agreement will be brought to the Board for consideration before submittal to the California Transportation Commission for its consideration. It is hoped this effort will be completed this calendar year. Should a change in use be pursued in the future, FHWA and Caltrans regulations related to surplus properties would be followed, and, if a private use, a fee paid for the lots.

DETERMINATION OF SAFETY IMPACT

The transfer of O&M responsibilities to Metro and addition of staff and funding to improve lot conditions and appearance will have a positive impact on safety and service delivery.

FINANCIAL IMPACT

Previous Board action (January 2014, Item 73) directed staff to pursue acquisition of all 42 locations and authorized 33 FTEs and \$12,000,000 to improve existing conditions, timed to coincide with the actual transfer of the lots. That staff and budget was never added because the lots were not transferred. The amended O&M agreements result in a similar maintenance obligation.

Through the FY18 budget process, six (6) FTEs were added to the Facilities Maintenance budget for enhanced maintenance of the lots. Parking Management also secured \$1,750,000 for deferred maintenance upgrades in the FY18 budget.

A chart showing the estimated financial impact is included as Attachment C and summarized herein. All necessary FY18 implementation costs will be considered during the mid-year budget process. The FY18 estimate is \$2,991,000. A breakdown of estimated FY18 costs and annual costs is shown below:

FY18 Deferred Maintenance and Capital Costs

- Deferred maintenance improvements and equipment purchases will have a FY18 impact of

\$1,000,000.

- Purchase of non-revenue vehicles to support operation and maintenance will have a FY18 impact of \$291,000. A total of 5 non-revenue vehicles will be purchased including: 1 lighting bucket truck, 2 utility trucks and 2 pick-up trucks. Upon approval, staff will establish an out-of-cycle capital project request for the procurement of these non-revenue vehicles.

Annual costs

- Upgrading from limited maintenance to full maintenance services at the 17 Metro-adjacent locations will require an additional \$2,400,000 annually. (1,200,000 for the second half of FY18).
- Contract security costs will total \$1,000,000 annually for five locations (and \$500,000 for the second half of FY18).
- Parking Management estimates \$1,200,000 in annual parking revenue at the four locations where the parking management program will be implemented (and \$600,000 for the second half of FY18).

Total FY18 Budget Request

The impact on the FY18 budget will be \$2,991,000, before consideration of \$600,000 in parking revenues (and \$2,391,000 after revenue collection) as follows:

- Operations staff will identify \$2,491,000 to begin procurement of necessary services, purchase 5 non-revenue vehicles, and appropriate modifications for contracted services, which would be budgeted in Cost Center 3367 - Facilities Property Maintenance, Account 50308, Service Contract Maintenance, under various projects.
- Security requires \$500,000 in Cost Center 2610

Funding for deferred maintenance, security, and operations and maintenance for additional years will be requested in subsequent budgets for Operations and Security, but is expected to cost \$3,400,000 annually, plus inflation (\$2,200,000 after \$1,200,000 in parking revenue). Since this is a multiyear project, the cost center manager, project manager, and Chief Operations Officer will ensure that costs are budgeted in future fiscal years.

Impact to Budget

Funding for this project will come from federal, state, and local sources including sales taxes and fares that are eligible for bus and rail capital and operating projects. They will maximize fund use given funding allocation provisions.

ALTERNATIVES CONSIDERED

The Board could choose to take no action and continue to provide minimal maintenance at the Metro-adjacent Caltrans lots. This alternative is not recommended because the current conditions on the lots are unacceptable for Metro patrons' safety and convenience, and the current conditions of several lots are creating blighting impacts in the communities. The lots are perceived to be part of the Metro system. In addition, the no-action alternative would not be in accordance with previous

Board direction.

The Board could direct that Metro staff proceed as proposed but discontinue the maintenance of the outlying lots that are not adjacent to Metro at a budget savings of approximately \$500,000 annually. The current encroachment permit that allows this maintenance could be allowed to expire in 2018.

NEXT STEPS

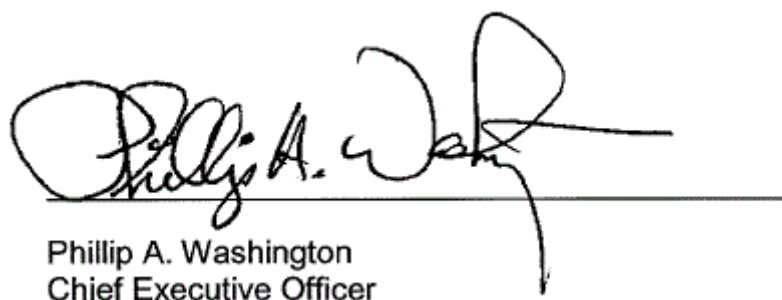
Upon Board approval, Metro will execute the amendments to the O&M Agreements, hire the necessary staff to maintain and improve the lots, and procure the necessary equipment and services required. Metro will continue to negotiate a Relinquishment Agreement or other agreement with Caltrans for transfer of ownership of the Norwalk, El Monte, Aviation, Harbor Gateway, and Lakewood park & ride lots and will bring to the Board later this year.

ATTACHMENTS

Attachment A - Caltrans Park & Ride Lots
Attachment B - O&M Agreement Amendment Terms
Attachment C - Budget Impacts

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