



Board Report

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EXECUTIVE MANAGEMENT COMMITTEE SEPTEMBER 17, 2020

SUBJECT: MOVING BEYOND SUSTAINABILITY

ACTION: ADOPT PLAN

RECOMMENDATION

ADOPT Moving Beyond Sustainability as Metro's strategic plan for sustainability over the next ten years.

ISSUE

The 10-year sustainability strategic plan, *Moving Beyond Sustainability (MBS)*, is Metro's most comprehensive sustainability planning document to date and sets goals, targets, strategies and actions that align with and emanate from other key Metro guidance documents, including *Vision 2028 Plan*, *Long Range Transportation Plan*, *Equity Platform* and our *Resiliency Indicator Framework*. The MBS updates and consolidates the principles enshrined in the *Metro Sustainability Implementation Plan (MSIP)* and the *Countywide Sustainability Planning Policy (CSPP)* and provides a comprehensive framework for Metro's sustainability strategy for the next decade. See Attachment A for a copy of the *MBS Report*.

DISCUSSION

Sustainability is at the heart of the culture here at LA Metro. The Metro Board has adopted in 2008, our original strategic plan for sustainability, the *MSIP*. That plan defined how sustainability is planned, executed, and maintained throughout our agency. In 2012, Metro adopted the *CSPP* to serve as a guide to more fully integrate sustainability into Metro's planning activities. Throughout these years, sustainability efforts within Metro have also evolved from being simply a funded program through an annual budget allocation, to a revenue generating enterprise whose proceeds are reinvested into programs and infrastructure that continually improve the environmental, social, and economic footprint of LA Metro.

Our agency's sustainability program is regarded as a model program across the country with some of the following (examples of) firsts in the country or the transit industry:

- First transit agency in the nation to participate in a carbon credits trading program where revenues are reinvested back to value- and cost-savings projects. Over \$100M in revenues

generated since 2017. Our sustainability program is currently net zero cost since FY18;

- First rail maintenance facility for a transit agency to achieve ISO 14001:2004 certification, Metro Red Line Yard;
- First transit agency to achieve ISO 14001:2015 certification for Transit Operations;
- First transit agency to achieve ISO 14001: 2015 certification for Transit/Transportation Construction;
- Best Environmental Management System among transit facilities, based on Columbia University research;
- First entity (private or public) to achieve Envision-Platinum for any transit development, Expo Phase 2, 2016;
- First sustainability training program in the public sector to achieve a Model Program Award from the National Transit Institute;
- Largest *multi-sourced (i.e., landfill, wastewater treatment plant, and dairy)* renewable natural gas procurement and award for any transportation fleet in the US;
- Environmental Training Institute: Largest environmental and sustainability training program in the transit industry with approximately 100 unique courses (about 80 of these have been developed in house) simultaneously being delivered throughout LA Metro and LA County;
- First transit agency to achieve the American Public Transportation Association Sustainability Commitment Platinum Level. The next transit agency to achieve this designation was two years later;
- First transit agency in the nation to run an electric vehicle charging program focused on first and last mile, to and from park and ride stations;
- First transit agency to develop a series of construction and operations environmental and sustainability policies that impact the lives of more than 10 million Angelenos;
- First Green Construction Policy in the nation and cited by the USEPA as the best non-regulatory tool to reduce clean air in construction;
- First transit agency to develop a Climate Action and Adaptation Plan. This became the model document for the *APTA Recommended Practice Guidelines for Climate Action Planning*;
- First transit agency to develop a climate resiliency framework;
- First transit agency to incorporate sustainability and climate change into design criteria and specifications;
- First transit agency to develop a Water Action Plan and an Energy Resource and Conservation Plan;
- First Sustainable Acquisition Program in any industry that deals with both Operations and Construction; and
- First fully functional regional Sustainability Council in LA County that provides advise on the sustainable development of more than \$140B of infrastructure projects.

Approximately 150 sustainability and resiliency projects and initiatives are currently being implemented throughout our agency. These projects are creating value and potential revenue generation by monetizing environmental benefits and we're not stopping there.

With the recent appointment of our Chief Sustainability Officer and in response to the COVID-19 crisis, LA Metro's sustainability program needs to be even more visionary and adapted to the changed times. To do so requires close examination of our past achievements, develop improved strategies from lessons learned, and incorporate new data into our sustainability practice to ensure that benefits from our work continually to be enjoyed and derived throughout the life of those projects. Doing so will also allow new sustainability programs adapted to changed conditions in the least cost of implementation possible.

This process began in late 2018 when staff embarked on a comprehensive effort to consolidate the agency's sustainability functions into one sustainability strategic plan: the *Moving Beyond Sustainability (MBS)* plan. The plan's development has been a collaborative and inter-departmental effort led by the Environmental Compliance and Sustainability Department (ECSD) and the Countywide Planning & Development Department (Planning). This collaborative approach allowed us to identify and fill any gaps in our sustainability programs, unify streams of effort, and chart a holistic, long-term strategic direction for both of our sustainability initiatives in the agency as well as our activities across the region.

Throughout 2019 and early part of 2020, staff has reached out to hundreds of internal and external stakeholders to listen, develop strategies and actions, and understand points of collaboration to achieve common inter-department, inter-agency, and community goals.

In particular, staff conducted internal working sessions and several external workshops to shape the content of *MBS*. The draft *MBS* document was also released in Spring 2020 for a 66-day public input period that included engagement with Metro's Sustainability Council, informational booths at scheduled Metro NextGen Bus Plan workshops, meetings with local government and community groups, meetings with several Council of Government representatives, and an online survey (see Attachment B for the Public Comment Matrix).

The process led to the updated agency's vision, commitment, and guiding principles for sustainability. *MBS* clearly sets ambitious goals, targets, strategies, and actions in the following categories:

- Water Quality and Conservation;
- Solid Waste;
- Materials, Construction and Operations;
- Energy Resource Management;
- Emissions and Pollution Control;
- Resilience and Climate Adaptation; and
- Economic and Workforce Development.

Metrics identified in the plan allows our agency to measure our level of success and engagement. These metrics provide full accountability while maintaining fiscal responsibility during implementation. Metro has annually reported sustainability and environmental performance since 2010. Recently,

ECSD staff had also developed an online dashboard (<https://www.metro.net/projects/sustainability/reporting/>) to ensure transparency and accessibility to our data. Staff and stakeholders can use this interactive platform to develop new programs, understand trends, chart continual improvement, and celebrate successes. Our environmental and sustainability activities are supported through our Environmental Management System (EMS). Per the Board adopted Environmental Policy, the EMS is our agency's tool to consolidate, track, and manage environmental and sustainability programs.

MBS further addresses how sustainability at Metro will be guided and strengthened by the agency's commitment to equity and inclusion, environmental compliance, and livable neighborhoods. *MBS* envisions a future where transportation and mobility drive long-term environmental stewardship, social change, and economic prosperity across our agency and countywide.

MBS envisions a sustainable LA Metro operating at least as close to cost neutral as possible by setting goals to generate revenue, reduce costs, and identify alternative financing and funding opportunities. *MBS* is aligned with the City and County of Los Angeles' respective Sustainability Master Plans as well as those of the sustainability and resiliency plans of our region's sister agencies. The strategies here include those of the Climate Action and Adaptation Plan as adopted by the Board in the Summer 2019.

Finally, *MBS* aligns with the new financial parameters resulting from the impacts brought about by the COVID-19 pandemic and considers the goals of the *Long-Range Transportation Plan*, *Goods Movement Strategic Plan*, and other relevant plans that will also go to the Board for approval.

DETERMINATION OF SAFETY IMPACT

This Board action will enhance the safety standards for Metro. The implementation of the actions outlined in *MBS* will also contribute to improvements to Metro's system resilience, the comfort and safety of passengers, and the region's air quality and environment which will have a positive impact on the health and safety of our staff, riders, and surrounding communities. Staff is also developing a framework on the synergy of the sustainability program with that of Metro security guidelines.

FINANCIAL IMPACT

Adoption of this plan establishes the sustainability strategies and actions to be implemented to reduce Metro's environmental impact (like criteria air pollutants and greenhouse gas emissions) while reducing operational costs. The program plans, capital projects, and related activities are designed to monetize environmental benefits where proceeds are re-invested back into the program.

Such monetized value has been previously leveraged to produce agency revenue in the form of carbon credits, advanced mitigation credits, renewable energy credits and similar instruments. Any proceeds have been directed to the Board adopted Green Fund which the Board intended to be exclusively used for Metro's sustainability programs.

Where appropriate, management of the monetized benefits, Green Fund and costs associated with this plan will be overseen by the Chief Sustainability Officer.

Impact to Budget

There is no net impact to Bus and Rail Operating Budgets as well as capital programs. The source of funds for the implementation of *MBS* will be included in ECSD's budget under Project Numbers 450001 - Energy Conservation Initiatives, 450002 - Sustainability Design Guide, 450003 - Sustainability Environment, and 450004 - Carbon Emissions Greenhouse Gases in Cost Center 8420 Environmental Compliance and Services, Account 50316 Professional and Technical Services. Capital project life of project (LOP) budgets will be established for capital work associated with *MBS* implementation. LOP funding will be a mix of eligible and available local funds such as Proposition A 35%, Measure R, Measure M, Green Fund, or other funds appropriate for sustainability related capital projects.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This sustainability strategic plan supports Strategic Goals 2, 3, and 4 by optimizing the delivery and performance of Metro's transportation system through incorporation of sustainability, equity, livable neighborhoods, environmental compliance, and other sustainable principles and practices throughout Metro's organization and the transportation system.

ALTERNATIVES CONSIDERED

The Metro Board of Directors could decide not to adopt *MBS*. Staff does not recommend this alternative.

The current Metro Sustainability Implementation Plan was adopted by the Board in 2008. Over a decade of new climate data, technologies, lessons learned, and changed financial and funding landscape has made the MSIP's relevance and effectiveness moot. Our agency's continuing commitment to sustainability and resiliency include:

- Appointment of our Metro Chief Sustainability Officer in 2019;
- Investments in emerging technologies and programs through an annual allocation of funding for a sustainability capital programs;
- Development and implementation of a Green Bonds Initiative with cumulative proceeds of potentially over \$2B;
- Financial analysis and implementation of revenue generating programs totaling over \$100M in the last three years; and
- Continued exploration, invention, and implementation of innovative ideas at the frontline to reduce operational costs, increase cost-effectiveness, and promote agency efficiency in all that we do in procurement, planning, design, construction, and operations and maintenance

require a more robust, timely, relevant, and even more visionary plan than what is currently available to us.

The *MBS* facilitates the most holistic approach in the governance and implementation of our sustainability efforts across the agency and allows the optimization of limited resources at the highest level of financial value added and fiscal responsibility.

NEXT STEPS

Upon Board adoption, the Chief Sustainability Officer and his staff are committed to working across internal departments and with external partners and stakeholders to implement the *MBS* strategies and actions to achieve our sustainability and resiliency goals. The CSO will report annually on the progress using the sustainability metrics identified in the plan.

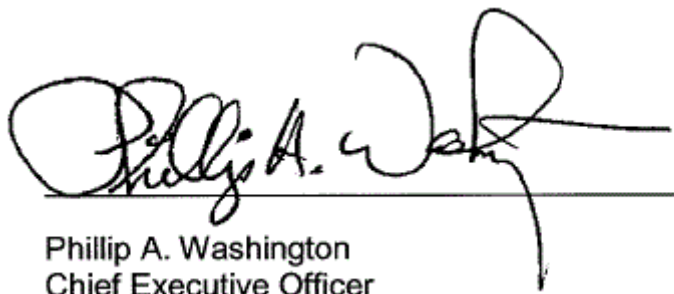
ATTACHMENTS

Attachment A. Moving Beyond Sustainability

Attachment B. Public Comment Matrix

Prepared by: Cris B. Liban, Chief Sustainability Officer, (213) 922-2471

Reviewed by: James De La Loza, Chief Planning Officer, (213) 922-2920
Richard Clarke, Chief Program Management Officer, (213) 922-7557



Phillip A. Washington
Chief Executive Officer