



Board Report

File #: 2025-0131, File Type: Budget

Agenda Number: 24.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE APRIL 17, 2025

SUBJECT: METRO TRANSIT OPERATIONS DOWNTOWN HUB

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

ESTABLISH a Life-of-Project (LOP) budget of \$102.0 million for the Metro Transit Operations Downtown Hub, a coordinated relocation and expansion of several existing Metro offices and training locations to one or more new locations in the downtown Los Angeles area.

ISSUE

Metro's ongoing construction efforts for transit system expansion continue to deliver on Measure M's promises, with seven major Transit Infrastructure Development (TID) projects slated to open by 2028. This directly increases space needs for several Metro departments due to FTE growth and staff displacements from multiple existing Metro office space locations.

In addition, Metro Rail training is currently decentralized, and training takes place at multiple locations throughout Metro's service area. This presents challenges for employees, as the required training modules are held in separate locations up to 20 miles apart. Establishing a centralized Metro Rail Training Center would result in efficiency improvements, reduction of travel time during training, and the ability to complete all required training in a single location.

To address these immediate and future needs concurrently, and to support the long-term operations of the transit system we are building, staff seeks Board approval of a Life-of-Project Budget for the Metro Transit Operations Downtown Hub. Project activities will include acquiring and developing one or more properties in downtown Los Angeles, relocation, and facility improvement costs.

BACKGROUND

Several ongoing agency initiatives are driving an immediate and significant increase in space needs due to the displacement of staff from existing work sites and continuing progress on delivering Metro's Transportation Infrastructure Development (TID) program.

- Displacement of staff due to Rail and Bus Operations Control (ROC/BOC) construction
- Displacement of staff due to Division 20 expansion required to support the additional rail

- vehicles required for revenue service on PLE 1, 2, and 3
- Changes in Program Management space needs due to new construction projects (Division 20 expansion) and project closeouts (PLE 1)

In addition, Metro Rail's regulatory requirements to conduct annual training of personnel working in and around the rail network and infrastructure are currently decentralized. Safety training, wayside worker protection (WWP), and job-specific skills training are spread across LA County at several locations. This practice negatively impacts effectiveness and productivity, as some training locations are over 20 miles apart. Training is required for all disciplines that perform their duties to operate, maintain, and secure the rail system and includes employees from all labor unions:

- Train Operators (SMART)
- Rail Transit Operations Supervisors (AFSCME)
- CCTV Observers (TCU)
- Right-of-Way Maintenance personnel - Traction Power, Track, Signals, Rail Communications, Facilities Maintenance, Custodians (ATU)
- Rail Fleet Services personnel - Technicians, Service Attendants (ATU)
- Rail Management (Non-Contract)
- Metro Transit Security (Teamsters)

DISCUSSION

Displacement of Staff Due to ROC/BOC Construction

The new Rail Operations Control and Bus Operations Control (ROC/BOC) facility project, which addresses long-term needs for Metro Transit Operations, is currently in the preliminary engineering phase. Metro's current ROC facility, located at Willowbrook/Rosa Parks Station along the A Line, has limited space and can only accommodate system expansion through the opening of the East San Fernando Valley (ESFV) project. All Measure M projects with subsequent opening dates, including the Southeast Gateway Line, require a new ROC as the existing ROC will be at capacity. Furthermore, co-locating the ROC and BOC in the same facility allows for better coordination between bus and rail operations, particularly as new Bus Rapid Transit (BRT) projects come online. The new ROC/BOC facility will be built to support expanded Metro Transit Operations through 2070 and is a critical piece of delivering the vision of Measure M.

This facility is planned to be located at the existing Division 10 site on Mission Street in downtown LA, a Metro-owned property with close proximity to the existing fiber communications infrastructure required for ROC/BOC operations. The geographic location of the site within LA County is ideal for safety and security: Division 10 has a favorable threat assessment due to the lot being below grade and surrounded by Mission Street, the Metrolink right-of-way, and the I-5 and I-10 freeways. Furthermore, entry to Division 10 is limited to Mission Street on the north via two controlled-access driveways, further enhancing security controls. The chosen site for the ROC/BOC is secure, centrally located, and within close proximity to Metro Headquarters at the Gateway building.

Based on early architectural studies for the project site, Maintenance of Way (MOW) staff must be

relocated from Division 10 to accommodate the new ROC/BOC. The current project schedule requires relocation of Maintenance of Way (MOW) staff by 2027, before ROC/BOC begins construction activities. The prioritization of relocating MOW staff from Division 10 has been an important topic in Early Intervention Team (EIT) discussions, serving as a clear example of Metro's commitment to advancing early actions that will minimize future project risks and impacts.

The relocation of the displaced staff from Division 10 is critical to current and future Metro Rail Operations, as this site represents the systemwide headquarters for two MOW sub-departments: Rail Communications and the Track Department. Rail Communications is responsible for various systems and technologies for transmitting information and controlling operations systemwide for Metro Rail, ensuring safe and efficient train movement. Meanwhile, the Track Department is responsible for the daily maintenance of all Metro Rail tracks and equipment.

The current facility is approximately 20,000 square feet, with an additional 24,000 square feet of the parking lot used for parts storage. Currently, 75 Rail Communications staff and 12 Track Department staff are assigned to the Division 10 facility. Due to the TID project openings planned for 2025 through 2028, MOW anticipates adding 21 staff to this location in FY26, plus up to an estimated 31 additional staff in FY27 and FY28 to support expansion through the Olympics. Including these expansion employees, there are a total of 139 staff to be displaced from the Division 10 MOW facility by 2027.

Displacement of Staff Due to Division 20 Expansion

To accommodate the increased number of heavy rail vehicles required for the operation of all three segments of the Purple Line Extension (PLE), Operations is developing plans to expand the maintenance shop at Division 20. This project is in the early phases, with an engineering task order currently in progress. To free up space for the shop's expansion, 40 custodial staff and supervisors must be relocated.

Furthermore, the Division 20 expansion is a multiyear project, with staffing needs that will fluctuate along with project milestones. To support this construction project, office space is needed for an estimated 10 FTEs in the Program Management Office (PMO), plus up to 8 working spaces for consultant support. The estimated total space needed for the custodial and PMO groups is 10,000 square feet.

Displacement of Program Management Staff from PLE Field Offices

The PLE 1 Project plans for a Revenue Service Date (RSD) in Fall 2025, resulting in a reduced construction staff need at the Integrated Project Management Office (IPMO). The IPMO is a 15,000-square-foot leased office space located at 5055 Wilshire Boulevard, and the current lease extension expires December 31, 2025. Closeout activities will occur after the RSD, requiring continued staff presence at a substantially reduced footprint. However, renewal of the current office space is not preferred, as staffing needs will be reduced to positions related to project closeout and final coordination with Operations. The estimated need for the PLE 1 staff at closeout is 2,000 square feet for 5 to 8 employees.

Metro Rail Training Center

Creating a Metro Rail Training Center allows the training for various departments, union positions, and crafts to be held in one location rather than at three distinct Rail Divisions across LA County. A combined training center would allow employees to receive safety, wayside worker protection (WWP), and job-specific skills training in a single location. There are currently 6 instructors assigned to training Metro Rail staff at Rail Divisions.

Metro also leases space in the service area for MOW Training, MOW Engineering, Transit Vehicle Engineering, and Transit Operations staff. Job specific training for Signal Inspectors and Traction Power Inspectors include 5 instructors, 4 classrooms and computer labs, and a shared instruction office assigned to support TID project openings through 2025.

The centralized training location would result in improved efficiency in scheduling personnel for required annual and skills training, and the proximity of different training modules would encourage better coordination between rail departments, providing cohesive skills enhancement training that benefits all personnel. Furthermore, a new Metro Rail training facility provides a valuable opportunity to develop enhanced facilities for hands-on training. For example, MOW does not have training facilities where they can practice replacing ties, replacing fasteners, or welding tracks, and therefore staff must learn in the field while working on the active right-of-way. The Metro Rail Training Center would include dedicated training tracks that allow personnel to practice and demonstrate skills on real equipment in an environment that simulates the real-world operating conditions of trains, tracks, power systems, switches, overhead catenary systems, and cables with no impacts to active rights-of-way.

Existing Metro training locations have been considered for placement of the Metro Rail Training Center. For example, the Metro Training & Innovation Center is currently developing a new 15,000 square foot training facility adjacent to the SEED School of Los Angeles County's South LA campus. While this property has the physical capacity to accommodate the Metro Rail Training Center, its geographical location near the 110 freeway and Manchester Boulevard lacks proximity to Metro Rail infrastructure required for job-specific skills training. This location is not preferred for the establishment of a centralized Metro Rail Training Center, due to significant challenges in accessing track, overhead catenary systems, power systems, and heavy maintenance equipment in close proximity to the classroom setting.

Due to regulatory requirements, initial training and periodic retraining are required for all employees who work directly on Metro Rail, including Transportation, Traction Power, Track, Signals, Rail Communications, and Rail Fleet Services staff across all five labor unions. Currently, over 1,700 employees receive initial training or retraining from Metro Rail trainers. A centralized Metro Rail Training Facility would have far-reaching benefits for trainers and employees, furthering Metro's mission of putting people first and providing the best possible service to our customers.

Other Metro Operations departments that share the leased MOW training space include MOW Engineering, an Operations subdepartment that manages power systems and other rail infrastructure. This department has 17 Engineers and 17 Consultants assigned to the facility. Due to ongoing Metro Rail expansion, 6 additional staff will be added in the near term. Transit Vehicle

Engineering, the leading technical support team for all bus and rail vehicles operated by Metro, has 12 staff members assigned to the leased facility. This department provides world-class engineering expertise supporting the bus and rail fleets' State of Good Repair through the development of technical documentation, failure investigations, reliability-centered maintenance, asset configuration control, and research/development. Lastly, 32 Transportation Operations Supervisors (TOS) are assigned to the MOW training facility.

Continuing to lease space for these groups require rental payments in perpetuity, and thus total costs would eventually exceed the cost of property acquisition. This approach would also be subject to rent increases imposed by the property owner, making space costs unpredictable over the long term. Therefore, relocation to a Metro-owned property is preferred to extending current lease agreement. The space need is approximately 40,000 square feet and to support a total of 89 staff and consultants.

Coordinated Solution: Metro Operations Downtown Hub

To coordinate the solutions to the staff displacements and increased space needs described above, Metro staff proposes co-location of all groups in one or more shared facilities. By consolidating multiple locations and terminating leases in favor of property acquisition, Metro seeks to improve financial and operational efficiencies. Furthermore, coalescing office space for engineering staff, frontline staff, and training facilities will allow for quicker communication and better facilitate the exchange of ideas.

The total estimated space needed for the groups listed above is approximately 72,000 square feet, and the new facility or facilities would serve 300 Metro employees and consultants. Furthermore, the new Metro Rail Training Center would serve the initial and ongoing annual training of over 1,700 employees from all five labor unions.

Staff requests Board approval to establish an LOP budget of \$102M for the Metro Operations Downtown Hub, which includes the acquisition of one or more properties in the downtown Los Angeles area, relocation costs, and facility improvement costs.

DETERMINATION OF SAFETY IMPACT

This Board action will not have any negative impact on established safety standards.

FINANCIAL IMPACT

This action will establish a \$102,000,000 LOP budget for the Metro Transit Operations Downtown Hub. This will allow Metro to evaluate available properties and pursue negotiations, with the acquisition planned by the end of FY26. Since this is a multi-year project, the Project Manager, Cost Center Manager, Chief Financial Officer, and Chief Executive Officer will ensure the funds are budgeted in future fiscal years.

Impact to Budget

The proposed sources of funds for this action are Local Proposition A 35%, Measure R 2% Rail System Improvements, and Measure M 2% State of Good Repair. Proposition A 35% is eligible for rail operations. The use of these funding sources currently maximizes funding allocations given approved funding provisions and guidelines. Additional Federal, State, and Local funding will be pursued as opportunities become available.

No budget amendment is required for FY25. The FY26 proposed budget, currently under development, includes \$16.2M in funding within project number 290013.

EQUITY PLATFORM

Establishing the Metro Operations Downtown Hub will directly benefit all 300 positions to be assigned to the new facility or facilities, as well as over 1,700 Metro Rail personnel who will complete required initial and ongoing/annual training at the Metro Rail Training Center. This enhanced facility dedicated to hands-on centralized safety training is critical to protecting Metro Rail personnel from workplace-related injuries and ensures the continued safety of Metro Rail Passengers, furthering Metro's mission to put people first. Based on demographic information collected during onboarding, impacted Metro staff are 91% people of color.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. All Board items are assessed for their potential impact on VMT to ensure continued progress.

As part of these ongoing efforts, this item is expected to contribute to further VMT reductions.

While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations, as the relocation and expansion of Operations and Program Management staff is required to deliver Measure M projects through 2070. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project supports the following strategic goals:

- Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.

- Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system.
- Strategic Goal 3: Enhance communities and lives through mobility and access to opportunity.

The project's purpose is to relocate Metro staff displaced from their current offices due to TID projects required for ongoing Measure M and Measure R expansion, such as the new ROC/BOC facility to support transit operations through 2070 and the upcoming revenue service operations of all three segments of the Purple Line Extension (PLE). The new transit services provided will offer additional mobility options, improving the trip experience for Metro bus and rail riders systemwide.

ALTERNATIVES CONSIDERED

One alternative is to defer or delay the relocation of the various displaced Metro departments. However, doing so would significantly impact ongoing Measure M expansions, such as all three PLE segments and the new ROC/BOC facility to support Metro Transit Operations through 2070. Prioritizing the relocation of Operations-critical staff demonstrates proactive planning that will minimize future risks and costs, allowing Metro to realize long-term benefits from early engagement efforts.

An additional alternative is to maintain the current model of decentralized Metro Rail Training, in which required training modules take place in separate locations up to 20 miles apart. This is not preferred, as the improved efficiency of enhanced centralized training and better interdepartmental coordination would not be realized.

Another alternative is to expand leased space for permanent ongoing requirements that would result in making payments in perpetuity and thus expenses would eventually exceed acquisition costs in the long term. This option is also not preferred, as the property acquisition will meet a permanent and continuous space requirement for future Metro Operations. Therefore, property acquisition is preferred over long-term leasing as the most financially sound path forward.

NEXT STEPS

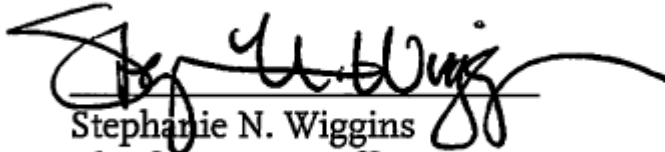
Following the Board's approval of the LOP budget, real estate activities will commence to identify, negotiate, and acquire one or more properties near downtown Los Angeles that are suitable for co-locating Metro Operations and Program Management staff, including compliance with CEQA under Section 15601(b)(3).

ATTACHMENTS

Attachment A - Metro Transit Operations Downtown Hub Summary

Prepared by: Koreyne Clarke, Director, Financial & Administrative Management Services (213) 922-2801
George Williamson, Deputy Executive Officer, Administration (213) 922-7443
Quintin Sumabat, Executive Officer, Operations Administration (213) 922-4922

Reviewed by: Conan Cheung, Chief Operations Officer, (213) 418-3034



Stephanie N. Wiggins
Chief Executive Officer