

**Board Report**

File #: 2020-0255, **File Type:** Informational Report

Agenda Number: 5.

**PLANNING AND PROGRAMMING COMMITTEE
MAY 20, 2020**

SUBJECT: SAN GABRIEL VALLEY TRANSIT FEASIBILITY STUDY

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

RECEIVE AND FILE the response to Board Motion Item 8.1 (Attachment A, Legistar File 2020-0172) on the February 2020 Board report, Eastside Transit Corridor Phase 2 (Attachment B, Legistar File 2020-0027) directing staff to:

- 1) Prepare a feasibility study to evaluate high-quality transit service options to serve the San Gabriel Valley, and
- 2) Include recommendations for a Funding Plan for the San Gabriel Valley and Gateway Cities subregions that encompasses Measure R and Measure M funding for Eastside Transit Corridor Phase 2 to demonstrate subregional equity.

ISSUE

In February 2020 the Board approved the staff recommendations to withdraw the SR 60 and Combined Alternatives from the Eastside Transit Corridor Phase 2 project (Attachment B) and directed staff to prepare an independent feasibility study that evaluates options to serve the mobility needs of the San Gabriel Valley. The Board approved a Motion (Attachment A) directing staff to return in May 2020 with a plan for the feasibility study and the development of a high-quality transit service option in the San Gabriel Valley subregion including a Funding Plan that encompasses Measure R and Measure M funding. The Board identified \$635.5 million of Measure R funding for improvements to be identified in the San Gabriel Valley transit feasibility study and to be consistent with the funding years in the Measure R Expenditure Plan.

As a result, Metro staff has initiated the development of the technical and outreach scope of services for the San Gabriel Valley transit feasibility study. The feasibility study is anticipated to commence in Fiscal Year (FY) 2021, with an approximate 18-month schedule, and would identify short- and long-term solutions that serve the mobility needs in the San Gabriel Valley. In response to the Board motion, Metro staff has developed a Funding Plan within the parameters identified in the Board motion.

BACKGROUND

Numerous transit alternatives within the San Gabriel Valley and Gateway Cities have been evaluated as part of the Eastside Transit Corridor Phase 2 project. In 2007, the alternatives analysis identified various alternatives including light rail transit (LRT) and bus rapid transit (BRT). Two LRT alternatives, SR 60 and Washington Boulevard, were studied in the 2014 Eastside Transit Corridor Phase 2 Draft Environmental Impact Statement/Environmental Impact Report (DEIS/EIR). Due in part to concerns regarding the SR 60 Alternative raised by the community, stakeholders, and Cooperating Agencies, the Metro Board deferred the selection of a locally preferred alternative and directed staff to carry out additional technical work to address the issues.

Since that time, Metro conducted additional technical analysis and reinitiated the environmental process. The constraints along the SR 60 freeway became more evident with further technical analysis and in February 2020, the Metro Board approved the withdrawal of the SR 60 and Combined Alternatives from the Eastside Transit Corridor Phase 2 environmental study.

Stakeholders and communities along the SR 60 corridor have shown a vested commitment and support for transit in the southern San Gabriel Valley. Metro recognizes the mobility challenges that exist within the San Gabriel Valley and the need to connect the communities in eastern Los Angeles County to the regional transit network. Metro will continue to work with key stakeholders and the communities in the San Gabriel Valley to evaluate and identify mobility solutions.

Funding

Measure M provides \$3.976 billion to the Eastside Transit Corridor Phase 2, to be expended in two cycles:

- Cycle 1 includes \$1.086 billion of Measure M and \$3 billion estimated project cost for one alignment with a 2029 groundbreaking date and an expected opening date from 2035-37
- Cycle 2 includes \$2.89 billion of Measure M and \$3 billion estimated project cost with a 2053 groundbreaking date and an opening date from 2057-59

Measure R and Measure M did not provide for splitting the corridor into two concurrent projects. Measure R provided for one corridor to be built with funds conceptually attributable to both sub-regions. Measure M provided additional funding to allow two projects to be constructed, but at different points in time. One project was to proceed earlier in the Measure M plan (\$3 billion in FY29-35) and a second to go forward later (\$3 billion in FY53-57), when future sales tax and State funding are projected to be available.

DISCUSSION

The February 2020 Board action directed staff to commence an independent feasibility study focused exclusively on a San Gabriel Valley transit project to replace the previous SR 60 Alternative. Metro staff has initiated the development of the scope of services for technical and outreach services and will procure professional services to assist with this effort. The anticipated duration of the study is approximately 18 months. The feasibility study will identify short- and long-term solutions that serve

the mobility needs in the San Gabriel Valley. The feasibility study will allow Metro to continue to work with the San Gabriel Valley Council of Governments, the SR 60 corridor cities, key stakeholders, and the communities in this area to identify alternative transit solutions including but not limited to BRT, LRT, and monorail. These solutions will be developed in close coordination with stakeholders in the San Gabriel Valley.

The study will build upon the analysis and alternatives developed during early work on the Eastside Transit Corridor Phase 2 planning process and will identify alternatives to serve the SR 60 corridor cities and potentially the communities near the Los Angeles County/San Bernardino County border. Additionally, the feasibility study will identify opportunities to potentially provide new connections to the Foothill section of Metro L (Gold) Line as well as Metrolink and/or Foothill Transit lines. The potential alternatives will be evaluated in order to identify the most promising transit solutions for the subregion. This effort will be supported by a complementary professional services contract for community and stakeholder engagement utilizing the Communications Bench.

In response to the Board Motion Item #8.1, Metro staff are recommending a funding plan to address the parameters included in the Board motion and provide \$635.5 million of funding for the San Gabriel Valley during the "funding years" of the Measure R Expenditure Plan.

Consistency with the Equity Platform

The project is consistent with Metro's Equity Platform and will work to provide a reliable and high-quality transit alternative to the communities of eastern Los Angeles County to help solve the mobility challenges in the San Gabriel Valley and meet the mobility needs of the area's residents and businesses. The feasibility study will incorporate Equity Focused Communities and other demographic data to identify and solve mobility challenges consistent with the Equity Platform. Additionally, the study will incorporate the principle of "listen and learn" and will include comprehensive and meaningful engagement opportunities.

FINANCIAL IMPACT

San Gabriel Valley Transit Feasibility Study- The FY20 budget does not include funding for the proposed San Gabriel Valley transit feasibility study. Staff has identified initial funding sources from Cost Center 4310 (Mobility Corridors Team 1) and is currently working to identify available funds for inclusion in the proposed FY21 budget. Authorization for this study to proceed without delay is subject to the identification and approval of funding in the FY21 budget. Since this is a multi-year program, the Cost Center Manager and Chief Planning Officer will be responsible for budgeting in future years.

San Gabriel Valley Short- and Long-Term Transit Improvements- In response to the Board Motion, Metro staff is recommending a Funding Plan that addresses the following requirements of the motion:

- a) Honor the commitment of \$635.5 million made to the San Gabriel Valley subregion as part of Measure R documentation;
- b) The commitment will be consistent with the funding years in Measure R;

- c) Include recommendations for funding and cash flow that encompasses all Measure R and Measure M funding for the project; and,
- d) Ensure financial capacity to move the project forward as a Pillar Project.

These requirements are generally understood to require that \$635.5 million is made available to the satisfaction of the San Gabriel Valley subregion (i.e., for a transit project that is for the benefit of or is spent within the boundaries of the subregion) during FY22-35, considers funding for both cycles of the project, and does not inhibit the funding of cycle 1.

Given requirement c) above, the commitment could be funded from the cycle 2 Measure M funds, if the Board would support defunding cycle 2. The defunding may reduce the ultimate scope of the cycle 2 project. However, there are several restrictions and important considerations regarding the cycle 2 funds including:

- The Measure M cycle 2 funds (the "Gold Line Eastside Ext. Second Alignment" project funding in the Measure M Expenditure Plan) are not eligible for construction until FY53;
- The cycle 2 funding is programmed in the Metro Long Range Transportation Plan (LRTP) financial forecast during FY50-57;
- The cycle 1 funding plan is based on preliminary cost estimates from the Expenditure Plan and relies on assumed State grant funding that has yet to be pursued or awarded;
- Moving the Measure M cycle 2 funds from FY50-57 to FY22-35 (the Measure R funding years identified in the Expenditure Plan) will take away funding from both the cycle 2 project and other Board-approved Measure M projects and programs scheduled for FY22-35; and,
- Metro has a policy that the acceleration of Measure M funding cannot negatively impact other Measure M projects.

In order to overcome the ordinance restriction on cycle 2 construction spending, the ordinance can be amended. This would reallocate funding from cycle 2 to cycle 1 in a clear and transparent manner. Alternatively, Metro could consider the trading or swapping of funding as a workaround to the construction spending restriction; however, this creates an administrative need to account for the use of funds that increases the risk of noncompliance with the ordinance, and may not be entirely consistent with the ordinance provisions that specify the amount of Measure M funding by project.

The Funding Plan recommendations are as follows:

1. Retain all funding assigned to the cycle 1 project per the 2019 LRTP financial forecast;
2. Pursue an amendment to the Measure M ordinance that creates a new project or program

(e.g., "San Gabriel Valley Eastside Transit Commitment") with \$635.5 million of Measure M transit funding, exclude the funding for this new commitment from the Measure M inflation adjustments allowed by the ordinance, and reduce Measure M funding for the "Gold Line Eastside Ext. Second Alignment" by approximately \$700 to \$750 million (the precise amount to be determined at the time of the amendment);

3. Pursue a Board action that requires the approval of the San Gabriel Valley subregion of the use of Measure M funding for the commitment;
4. Pursue a Board finding that the addition of \$635.5 million for a new San Gabriel Valley Measure M transit commitment, and corresponding reduction of approximately \$700 to \$750 million from the cycle 2 project does not negatively impact other Measure M projects; and,
5. Defer any of the recommendations upon the completion of the San Gabriel Valley transit feasibility study.

The amount of the reduction in cycle 2 Measure M funding is greater than the \$635.5 million commitment in order to mitigate the financial impact of the acceleration of Measure M funds. The acceleration of funding for the commitment comes at a cost - it will likely result in additional debt financing for Measure M projects and programs, with associated interest cost. The relatively larger reduction in cycle 2 funding in FY50-57 provides capacity to fund the expected additional interest cost.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This response to the Board Motion supports the Metro Vision 2028 Strategic Plan. Specifically, the project supports Goals #1 and #3 of the Strategic Plan: Goal #1. Provide high-quality mobility options that enable people to spend less time traveling and Goal #3. Enhance communities and lives through mobility and access to opportunity.

By continuing efforts that provide high-quality mobility options, enhance communities and lives through mobility and access to transit, and addressing mobility challenges in San Gabriel Valley, Metro is continuing to work towards equitable and accessible transit services, reduce travel times and roadway congestion, and enhance connections to the regional transit network.

ALTERNATIVES CONSIDERED

The Board could decide to delay this action. This is not recommended as this would delay the initiation of the San Gabriel Valley transit feasibility study.

NEXT STEPS

Staff will continue to develop the scope of services for technical and outreach services required to produce the San Gabriel Valley transit feasibility study. Metro staff will report back to the Board with a request for approval proceeding the procurement process and a budget amendment, if required.

ATTACHMENTS

Attachment A - Metro Board Motion Item 8.1 (Legistar File 2020-0172)

Attachment B - Metro Board Report Item 8 (Legistar file 2020-0027)

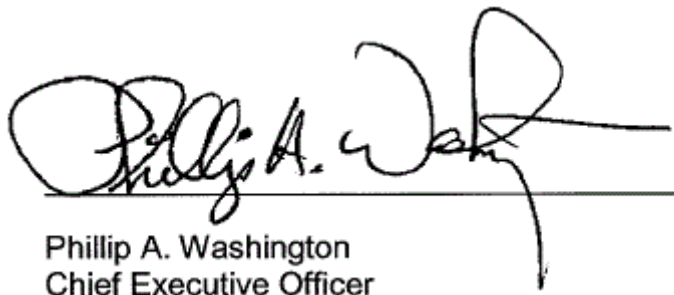
Prepared by: Eva Moir, Manager, Transportation Planning, Countywide Planning & Development,
(213) 922-2961

Lauren Cencic, Senior Director, Countywide Planning & Development, (213) 922-7417

David Mieger, SEO, Countywide Planning & Development, (213) 922-3040

Laurie Lombardi, SEO, Countywide Planning & Development (213) 418-3251

Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington
Chief Executive Officer