



Board Report

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Agenda Number: 33.

CONSTRUCTION COMMITTEE APRIL 21, 2022

SUBJECT: METRO DIVISION 1 INDUSTRIAL STREET VACATION AND CITY OF LOS ANGELES 7TH STREET STREETScape IMPROVEMENTS NEGOTIATED FUNDING AGREEMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute a Funding Agreement with the City of Los Angeles for the 7th Street Streetscape Improvements project in the negotiated amount of \$3,500,000.

ISSUE

Metro and the City of Los Angeles have partnered together and entered into a negotiated settlement agreement. Board action is requested to execute the Funding Agreement with the City of Los Angeles based on Metro's review of the Industrial Street Vacation Conditions. On November 24, 2021, the City Council adopted the City Engineer's Vacation of Industrial Street between Alameda Street and Central Avenue Report with four of the thirteen Conditions Metro objected deleted in exchange for \$3,500,000. Execution of the Funding Agreement would fulfill Metro's commitment as it relates to the four deleted Conditions of the City's Engineer Report.

BACKGROUND

The Metro Board approved the *Division 1 Land Acquisition and Expansion* project in February 2001 which included vacating Industrial Street between Alameda Street and Central Avenue.

On February 24, 2004, the Board approved the acquisition of the parcels through Eminent Domain located on the West side of Alameda Street, between Industrial Street and 7th Street in Los Angeles, required for the construction and operation of the *Division 1 Land Acquisition and Expansion* project.

Metro originally initiated VAC E1400917, which expired on January 14, 2008. As part of Metro's Vacation request, the City approved Revocable Permit R-0450-0096 issued on December 10, 2004. Metro is currently operating under this permit and utilizing a major portion of Industrial Street for Division 1 operations. Metro had significant objections to the proposed Conditions.

Metro applied for a new Vacation request and initiated VAC E1401257. The City's Engineer Report dated November 18, 2020, contained thirteen Conditions for approval very similar to VAC E1400917.

Again, Metro had significant objections to some of the proposed Conditions which were detrimental not only to the proposed *Division 1 Master Plan* improvements but also to its basic bus operation.

Metro worked with the City Council District Office 14 staff to seek a reasonable solution and not further impact Division 1 operations. As a result, Metro and City agreed to Adopt the City Engineer’s Report with the Conditions 5, 6, 12 and 13 of said City Engineer Report deleted in exchange for \$3,500,000 from Metro for implementation of the *7th Street Streetscape Improvements* project, specifically for improvements directly adjacent to the Division 1 facility from Alameda Street to Kohler Street. Specifically, Conditions 5 and 6 required proposed Division 1 property dedications of 10 feet along Alameda Street and three feet along 7th Street, for an approximate total property loss to Division 1 of 8,100 square feet (a land value of at least \$1.5 million) as well as circulation and parking space for approximately 20 Metro buses. Attachment A lists the conditions removed in exchange for the \$3,500,000, and Attachment B includes a parcel plat depicting the Metro properties and Industrial Street.

In general, the City’s *7th Street Streetscape Improvements* project would modify 7th Street between Figueroa Street and Alameda Street into a multimodal corridor to improve pedestrian and bicyclist safety by installing protected bike lanes with concrete curbs, transit islands, street lighting, crosswalks enhancements, Americans with Disabilities Act compliant curb ramps, and provide pedestrian amenities like street trees, and street tree grates.

DISCUSSION

Division 1 is not only our oldest operating division but also a constrained and impacted bus maintenance and operations division due to its size. In addition, Division 1 consistently ranks as one of Metro’s important operating bus division in our quarterly system and service evaluations due to its Central City location. Considering its critical geographical location, the Division has two (2) employee parking lots where the parameter chain link fence is planned for a replacement with a Cochrane security fencing to provide employees with a safer and secure work environment. Division 1 operates 24/7, runs 7 bus lines, and is occupied by 475+ staff, 223 revenue vehicles, and 26 non-revenue vehicles. The personnel listed below, assigned to this location perform various critical operations activities on a daily basis to deliver service that is safe, reliable, clean and meets the needs of the communities we serve.

Personnel

Transportation		Maintenance	
Management	2	Management	3
Supervisors	6	Supervisors	11
Support Staff	7	Bus Operators	348
Mechanics	64	Support Staff	2
Service Attendants	34		
Total	113	Total	364
Grand Total			477

Routes

Routes Served by Division 1	
016	Downtown LA - Century City Via West Los Angeles
018	Wilshire Western Station-Montebello
020	Downtown LA - 6th - Main
045	Lincoln Heights - Downtown LA- Rose
053	Downtown LA - CSU Dominguez Hills
062	Downtown LA - Hawaiian Gardens
066	Wilshire Ctr-Downtown LA-Montebello

In 2015 and after a considerable work effort, Metro finalized the *Division 1 Master Plan* and many of the following proposed critical improvements were deferred due to the delayed Industrial Street Vacation approval, specifically the recommended Conditions:

- Optimize Bus Storage Capacity to 210 Spaces
- Improved Site Circulation
- Modernization of Existing Facilities & Removal of Obsolete Facilities
- New & Expanded Bus & Chassis Wash Facilities
- Expanded Materials Handling On-Site Storage Capacity
- New Dedicated Facilities Maintenance Functions

These necessary improvements are considerable and will take time to design and construct. Currently, VAC E1401257 Conditions expire on November 24, 2023. This does not leave Metro with time to implement the imposed Conditions. Therefore, the recommended action would allow Metro to fulfill four of the Conditions contained in the City’s Engineer’s Report per the negotiated settlement.

This collaboration with the City is necessary to mitigate the impacts of the recommended Conditions to one of Metro’s most important bus operating divisions. The Industrial Street Vacation is critical to combining the lots currently operating within a public street bisecting Division 1, not only dividing the facility but also bus operations. The negotiated settlement of \$3,500,000 was based on Metro’s and City’s cost estimate to implement the adjacent improvements from Alameda Street to Kohler Street and produces a favorable position for Metro by eliminating the requirement for planning, design, and construction of significant infrastructure improvements within the public right of way. Additionally, the settlement funds will be used in support of the City’s 7th Street Streetscape Improvements Project which will improve pedestrian and bicyclist safety features along the 7th Street bus routes, encourage modal shift and provide more convenient access to Metro bus routes, and improve the transit experience for riders and operators by reducing interaction between vehicles, pedestrians, and buses. Metro’s support of this project aligns with the agencies goals to provide high quality mobility

options that reduce travel times and to improve trip experiences for all users of the transportation system. More important than the cost of the settlement is the fundamental principle that the specific Conditions related to street dedications would significantly impact an already constrained Division 1 Bus facility's efficiency and operation. A loss of circulation and parking spaces for approximately 20 Metro buses would not only significantly impact Division 1 bus operations but also defeats the purposes and objectives of the *Division 1 Land Acquisition and Expansion Project*, the *Division 1 Master Plan* and the *Division 1 Industrial Street Vacation*.

DETERMINATION OF SAFETY IMPACT

The Industrial Street Vacation will have a positive impact on the safety of our Division 1 employees because currently this part of Industrial Street is used by unhoused individuals creating various safety hazards adjacent to our Compressed Natural Gas equipment.

FINANCIAL IMPACT

Upon Board approval of the recommendation, the required \$3,500,000 will be transferred from Bus Lane restriping project which is underrunning its projected FY22 cashflow budget.

Impact to Budget

The funds required for this negotiated settlement is within the Board authorized FY22 annual budget thus has additional impact to budget. The funding source is Proposition C 25% which is eligible for street work.

EQUITY PLATFORM

There are no anticipated equity impacts because of the recommended action. This project is expected to complete the Industrial Street Vacation process initiated in 2004. At that time, equity was afforded to the property owner, and they engaged and had a voice in the decision-making process with regards to the acquisition of their property.

Since 2001, the project team initiated a robust public engagement campaign that included a public hearing and stakeholder briefings regarding the *Division 1 Land Acquisition and Expansion* project. These outreach efforts will continue with the adjacent property owners until the Vacation process is completed in November 2023.

The Industrial Street Vacation will be constructed within the current and proposed Metro-owned right-of-way. Every effort will be made to avoid, minimize, and/or mitigate construction impacts to adjacent property owners. The recommended action is intended to improve operating and maintenance conditions at Division 1, thereby supporting bus service operations at a critical Metro facility. Further, a beneficial part of the Industrial Street Vacation is the proposed gain of 30-foot-wide section of Industrial Street for an approximate total of 3,600 square feet of property, a land value of \$725,000, for the private use of our neighbors, the Skid Row Housing Trust and Central Hotel.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The project supports Strategic Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization. The Funding Agreement positions Metro to succeed in implementing the Industrial Street Vacation Conditions. The Funding Agreement represents a prudent business practice to create a more effective and efficient bus operation. By vacating Industrial Street and combining the lots, we are finally getting the maximum value of the asset we acquired in 2004 on behalf of LA County taxpayers.

ALTERNATIVES CONSIDERED

The Board could decide not to approve the recommended Funding Agreement. This alternative is not recommended. For the last 18 years, Metro has sought various alternatives to the proposed Industrial Street Vacation Conditions and the approved negotiated settlement represents the best outcome for Metro. A decision to not go forward would not only cause the Industrial Street Vacation to expire but also put the much-needed *Division 1 Master Plan* improvements in an uncertain state.

NEXT STEPS

Upon Board approval, staff will execute the Funding Agreement with the City of Los Angeles. In addition, staff will return to the Board within the next few months to request full funding and approval for the Industrial Street Vacation to complete the remaining nine Conditions by November 24, 2023.

ATTACHMENTS

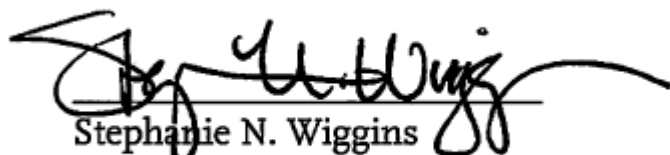
Attachment A - Deleted Conditions 5, 6, 12 and 13 of City Engineer Report
Attachment B - Industrial Street Vacation from Alameda to Central

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