



Board Report

File #: 2023-0380, **File Type:** Motion / Motion Response

Agenda Number: 28.

REGULAR BOARD MEETING MAY 25, 2023

Motion by:

DIRECTORS BUTTS, HORVATH, AND NAJARIAN

Advancement of the Inglewood Transit Connector Project Motion

The Inglewood Transit Connector (ITC) Project will address a critical gap in the region's transportation network by connecting the Metro K Line to the Kia Forum, Sofi Stadium, Hollywood Park, and the Intuit Dome, as well as to the City of Inglewood's (City) major housing, employment and retail hub. In addition to addressing a "first/last" mile gap, the 1.6-mile automated transit system is anticipated to dramatically reduce greenhouse gases through a reduction in millions of vehicle miles traveled, create thousands of construction and permanent jobs, and further economic investment in a Metro Equity Focused Community.

In April 2021, the Metro Board of Directors voted unanimously to direct the Chief Executive Officer to develop and implement a collaborative and coordinated Federal Transit Administration (FTA) engagement strategy to secure federal grants, including Capital Investment Grants (CIG) and any available federal funding that may be committed in support of the 2028 Olympic and Paralympic Games for the Inglewood Transit Connector Project.

In July 2022, the City and Metro officially established a Joint Powers Authority (JPA), which is solely dedicated to overseeing the design, construction, financing, operation, and maintenance of the ITC Project.

Over the past year, the Project has made significant strides, having received compliance with the California Environmental Quality Act and a Finding of No Significant Impact in compliance with the National Environmental Policy Act. The City has also secured \$765 million in local, state and federal funding, and has been working closely with the FTA to secure federal transit funds to complete the project.

Acting as the procurement agent for the Project, the City has qualified and engaged three developer teams who are anticipated to bid on the project. The City and JPA are seeking approval from FTA to enter the engineering phase of the project by this Summer in order to begin construction in early 2024, with the goal of completing the project in time to provide passenger service for the 2028 Olympic and Paralympic Games.

The City and JPA are working in concert with the FTA to identify and reduce project risks, refine project scope and develop strategies that seek to prevent cost overruns. Still, the FTA, as well as the JPA, the developer teams, and their financing partners, all seek assurances that there will be sufficient financial resources throughout the design and construction phases, which go beyond conservative contingency allocations, to include a “backstop” in the event that unforeseen circumstances arise. The full funding of the backstop, at a level that represents at least 10% of total project costs, is required to meet the criteria for the federal grant.

The South Bay Cities Council of Governments (SBCCOG) has continued to demonstrate their support for moving the ITC Project forward. On April 28, 2023, the SBCCOG unanimously voted to reallocate all available Subregional Equity Program (SEP) Funds, which had previously been prioritized for the Centinela Grade Separation Project (Centinela Project), to serve as a backstop for the ITC Project.

While the SBCCOG’s previous objective in allocating SEP funds to the Centinela Project was to address specific traffic congestion challenges within the City, the grade separation project predated the concept of the ITC, which is now in an advanced stage of predevelopment. Advancements in the design of both projects revealed that the ITC Project will deliver greater regional mobility benefits, increased transit ridership and a more effective solution to reduce vehicle miles traveled and greenhouse gas emissions for the South Bay and region at-large.

Moreover, in addition to the SEP funds, a portion of the City’s current Measure R grant may also be required to fully fund the FTA’s backstop requirement.

SUBJECT: ADVANCEMENT OF THE INGLEWOOD TRANSIT CONNECTOR PROJECT MOTION

RECOMMENDATION

APPROVE Motion by Directors Butts, Horvath, and Najarian that the Board direct the Chief Executive Officer to:

- A. Program up to \$108M in Sub-Regional Equity Program Funds allocated to the South Bay Council of Governments to serve as a backstop for the Inglewood Transit Connector Project, in accordance with the Board-approved Subregional Equity Program Guidelines; and
- B. Amend the Measure R Agreement 22-024 by and between the Los Angeles County Metropolitan Transportation Authority ("LACMTA") and City of Inglewood ("City") for the Inglewood Transit Connector (the "Project"), (Project ID# MRINGITC and FTIP# LA99ITC101) to clarify that backstop funding is a potentially eligible use of the funding source.