

Regional Connector Transit Corridor
Los Angeles, California
Preliminary Engineering
(Rating Assigned November 2011)

Summary Description	
Proposed Project:	Light Rail Transit 1.9 Miles, 3 Stations
Total Capital Cost (\$YOE):	\$1,342.54 Million
Section 5309 New Starts Share (\$YOE):	\$671.27 Million (50.0%)
Annual Forecast Year Operating Cost:	\$16.59 Million
Ridership Forecast (2035):	88,200 Average Weekday Trips 17,600 Daily New Trips
Opening Year Ridership Forecast (2019):	76,200 Average Weekday Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium-High
Local Financial Commitment Rating:	Medium

Project Description: The Los Angeles County Metropolitan Transportation Authority (LACMTA) is planning the Regional Connector project to improve connections between light rail lines in downtown Los Angeles. The proposed project would connect the existing Metro Gold and Blue lines and the Exposition Line, which is under construction. The Regional Connector would travel underground through downtown Los Angeles extending from the Metro Blue Line terminus at Flower and 7th Streets, continuing north under Flower Street, then east under 2nd Street and connecting with the Gold Line at 1st and Alameda Streets. Four new light rail vehicles would be purchased to augment the existing fleet. Service would be provided at 2.5-minute peak and 5-minute off-peak headways.

Project Purpose: The proposed Regional Connector project is located within the Los Angeles central business district (CBD), which has extensive bus and rail service, yet there is no quick and reliable way to cross the CBD without making multiple transfers. LACMTA operates three existing light rail lines that provide service to the CBD including the Gold Line to Pasadena, the Gold Line Eastside extension, and the Blue Line to Long Beach. The Exposition Line, currently under construction, will use the same downtown terminus as the Blue Line, providing additional service to the CBD. Currently, the Blue and Gold lines are not connected, meaning that passengers must transfer twice, utilizing the heavy rail subway to make a trip involving both lines. The Regional Connector project would create a direct connection between the light rail lines and improve travel time and mobility for transit riders through the CBD. By providing improved connectivity between lines and additional capacity, the Regional Connector project would also support LACMTA's regional rail system expansion plans.

Project Development History, Status and Next Steps: Following completion of an alternatives analysis in January 2009, and the publication of a Draft Environmental Impact Statement (EIS) in September 2010, the LACMTA board selected the locally preferred alternative in October 2010. The project was approved into preliminary engineering in January 2011. Completion of the Final EIS and receipt of a Record of Decision is anticipated in early 2012. LACMTA anticipates approval into final design in mid 2012, receipt of a Full Funding Grant Agreement in mid 2013, and start of revenue operations in 2019.

Significant Changes Since Last Evaluation (November 2010): The project’s capital cost decreased from \$1,366.97 million to \$1,342.54 million. Based on further design work, costs for stations, vehicles, site work, systems, and financing decreased, while real estate costs and the amount of contingency included in the budget increased. The New Starts funding request decreased from \$819.60 million (60 percent) to \$671.27 million (50 percent).

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 New Starts	\$671.27	50.0%
Regional Improvement Funds (STP)	\$16.10	1.2%
State:		
Proposition 1A High Speed Rail Bonds	\$114.86	8.6%
Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account	\$175.52	13.1%
State of California Letter of No Prejudice Reimbursement Funds	\$73.96	5.5%
Local:		
Bonds Backed by Measure R Sales Tax	\$160.00	11.9%
Local Agency Funds	\$89.83	6.7%
Lease Revenue	\$41.00	3.1%
Total:	\$1,342.54	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

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LAND USE RATING: Medium-High

The land use rating reflects the population and employment densities within ½-mile of proposed station areas:

- Average population density across all station areas is 11,200 persons per square mile. Total employment served is at least 125,000 jobs.
- The project corridor is centered on Figueroa and 2nd Streets, which have existing high density commercial, residential and mixed use development, and recently had several buildings converted from commercial to high-density residential land uses.
- Many of the proposed station locations have good pedestrian accessibility and existing sidewalks interconnected with the surrounding communities.
- Parking rates vary from \$9 to \$40 per day and on-street parking is generally scarce.

ECONOMIC DEVELOPMENT RATING: Medium-High

Transit-Supportive Plans and Policies: Medium-High
(50 percent of Economic Development Rating)

- Land uses in the corridor are governed by the City of Los Angeles. The Southern California Association of Governments (SCAG) has adopted regional growth strategies including the Compass Blue Print Vision (2004) and the Regional Comprehensive Plan. The City of Los Angeles Citywide General Plan Framework also promotes transit supportive land uses at station areas.
- The City of Los Angeles has developed station area plans to support transit-oriented, mixed-use development at the proposed Regional Connector stations, including the Los Angeles Land Use/Transportation Policy and the Central City Community Plan.
- The State of California passed Senate Bill SB 375, which provides a regulatory incentive for communities to develop coordinated transportation and land use strategies that can reduce greenhouse gas emissions.
- The City of Los Angeles zoning code allows for high density commercial, residential, and mixed-use development within the central business district (CBD). Pedestrian friendly design is promoted in design guidelines and the development review process, and not through zoning regulations.
- LACMTA has overseen 13 joint development projects since 1993, and nine additional projects are in negotiations.

Performance and Impacts of Policies: Medium-High
(50 percent of Economic Development Rating)

- There have been a number of successful transit-oriented design (TOD) projects at existing Metro light rail stations, setting precedent for TOD at future extension stations. The character of most of the recent development in the CBD is consistent with pedestrian/transit-supportive design principles.
- In addition to Metro's joint development program, the City's Community Redevelopment Agency has been a partner in delivery of over 120 TOD projects in 34 areas, resulting in more than 7,500 housing units and 3.5 million square feet of employment.
- There are several underutilized parcels and parking lots around the proposed Regional Connector station areas that could be redeveloped into transit supportive land uses.

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Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 New Starts Share (20% of summary financial rating)	Medium	The New Starts share of the project is 50.0 percent.
Project Capital Financial Plan (50% of summary financial rating)	Medium	
Capital Condition (25% of capital plan rating)	Medium	The average age of Los Angeles County Metro Transit Authority's (LACMTA) bus fleet is 7.2 years, which is consistent with the industry average. The most recent bond ratings, issued in 2011, are as follows: Moody's Investors Service, A1; Fitch's, AA; and Standard & Poor's Corporation, A.
Commitment of Funds (25% of capital plan rating)	Medium	Approximately 11.5 percent of the non-Section 5309 New Starts funds are committed or budgeted. Sources of funds include Proposition 1A High Speed Rail Bonds, Proposition 1B funds, Measure R Qualified Transportation Improvement Bonds (QTIBs), state Letter of No Prejudice (LONP) Reimbursement funds, other local agency funds, and lease revenues.
Capital Cost Estimates, Assumptions and Financial Capacity (50% of capital plan rating)	Medium-Low	Assumptions on sales tax revenues are more optimistic than historical data. The capital cost estimate is optimistic.
Project Operating Financial Plan (30% of summary financial rating)	Medium	
Operating Condition (25% of operating plan rating)	Medium	LACMTA's current ratio of assets to liabilities as reported in its most recent audited financial statement is 3.59. LACMTA has cut service in the past two years.
Commitment of Funds (25% of operating plan rating)	High	Over 75 percent of operating funding is committed, while the remainder is budgeted. The main revenue sources are fare revenues, Propositions A and C funds allocating general funds to transit purposes, Transportation Development Act Article 4 local agency general funds, and Measure R sales tax revenues.
O&M Cost Estimates, Assumptions, and Financial Capacity (50% of operating plan rating)	Medium-Low	Assumed growth in operating expenses, farebox collections, and sales tax revenues is optimistic compared to historical experience. The operating cash flow assumes a balanced budget, with no accrual of an operating surplus or reserve.

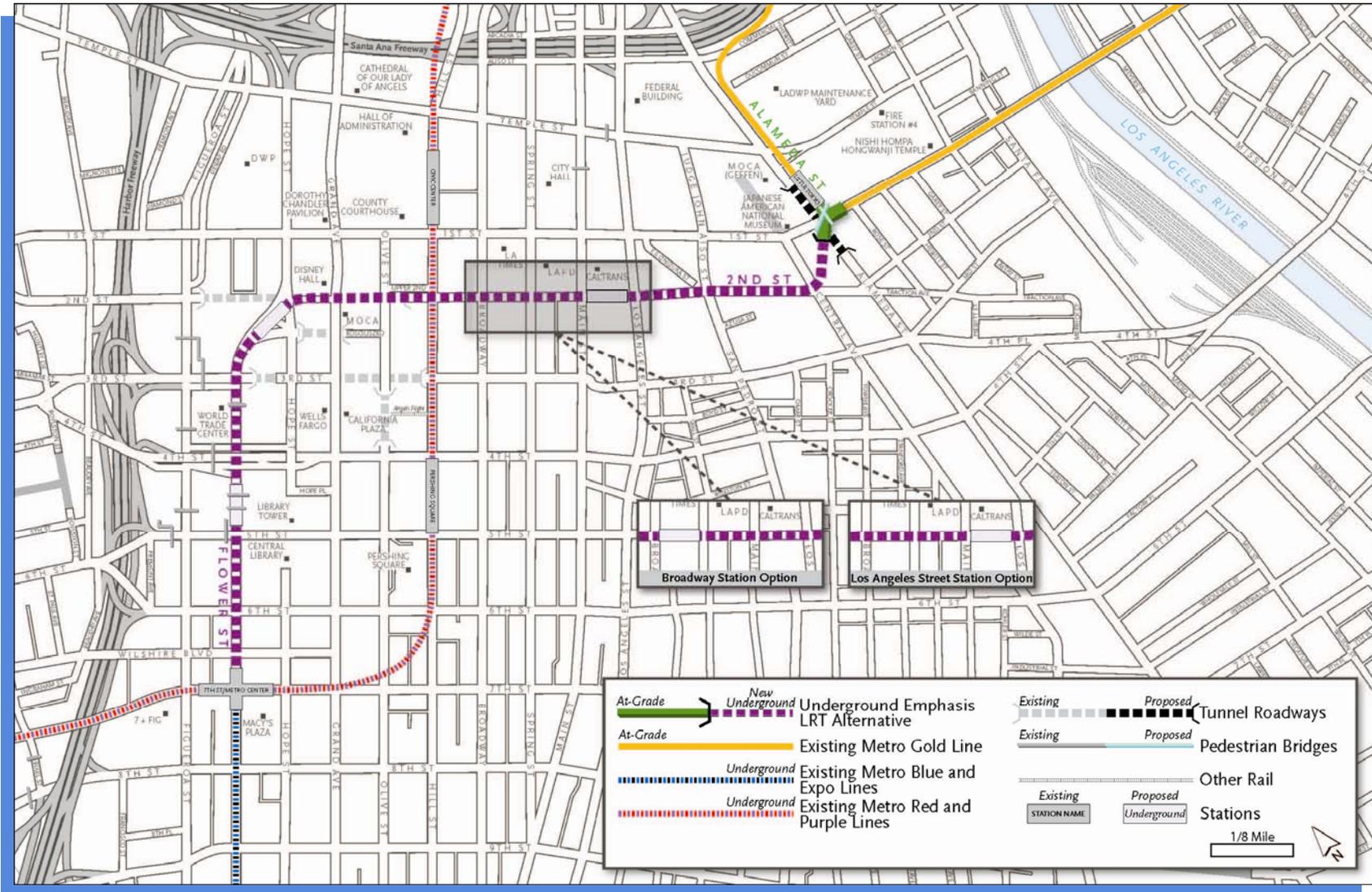


Figure 2-9. Underground Emphasis LRT Alternative