

Westside Subway Extension
Los Angeles, California
Preliminary Engineering
(Rating Assigned November 2011)

Summary Description	
Proposed Project:	Heavy Rail Transit 8.9 Miles, 7 Stations
Total Capital Cost (\$YOE):	\$5,662.35 Million <small>(includes \$534.0 million in finance charges)</small>
Section 5309 New Starts Share (\$YOE):	\$2,399.52 Million (42.4%)
Annual Forecast Year Operating Cost:	\$134.65 Million
Ridership Forecast (2035):	78,700 Average Weekday Trips 24,300 Daily New Trips
Opening Year Ridership Forecast (2022):	65,600 Average Weekday Trips
Overall Project Rating:	Medium
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium

Project Description: The Westside Subway Extension project, sponsored by the Los Angeles County Metropolitan Transportation Authority (LACMTA), would extend the existing LACMTA heavy rail system from its terminus at the Wilshire/Western Subway Station to the Veterans Affairs West Los Angeles Medical Center, located west of Interstate 405. The alignment would be entirely underground and primarily follow Wilshire Boulevard. The project scope includes the procurement of 104 new heavy rail vehicles and improvements to the existing Division 20 Rail Maintenance and Storage Yard to accommodate the additional vehicles.

Project Purpose: The corridor between downtown Los Angeles and Santa Monica along Wilshire Boulevard has very high levels of congestion, even with extensive bus service. LACMTA currently operates routes 720 and 920 rapid bus services at two-minute peak headways westbound and five-minute peak headways eastbound, in addition to local route 20 bus service. These routes currently carry over 60,000 riders daily. To accommodate existing travel demand, LACMTA is planning bus-only lanes along Wilshire Boulevard that will improve the reliability of existing rapid bus service. However, even with the bus-only lane, the long planned extension of heavy rail service is the most effective option for improving transportation capacity in the corridor, which has the highest density of population and employment in Los Angeles County. By providing frequent and reliable high-capacity rail service, the Westside Subway Extension will improve travel times and transit capacity from West Los Angeles, Beverly Hills, Century City, and Westwood/UCLA to Downtown Los Angeles, North Hollywood, Union Station, and other areas of Los Angeles County.

Project Development History, Status and Next Steps: Following completion of an alternatives analysis in January 2009 and 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 expected in early 2012. LACMTA anticipates approval to enter final design in mid 2012, receipt of a Full Funding Grant Agreement in mid 2013, and start of revenue operations in 2022.

Significant Changes Since Last Evaluation (November 2010): The project’s capital cost estimate increased from \$ 5,340.1 to \$5,662.35 during preliminary engineering to reflect finance costs and revisions to station locations to accommodate geological issues, access points, and right-of-way. In addition, the revised financial plan includes a requested Transportation Infrastructure Finance Innovation Act (TIFIA) loan of \$640.8 million that had not previously been assumed, and the amount of New Starts funding requested also increased.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 New Starts	\$2,399.52	42.4%
Transportation Infrastructure Finance and Innovation Act (TIFIA) loan	\$641.00	11.3%
State:		
State of California Letter of No Prejudice Reimbursement Funds	\$98.75	1.7%
Local:		
Bonds Backed by Measure R Sales Tax	\$2,369.31	41.8%
Local Agency Funds	\$154.75	2.8%
Total:	\$5,662.35	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 12,700 persons per square mile. Total employment served is at least 300,000 jobs, including 125,000 in the central business district (CBD).
- Ranging from west to east, existing land uses in the station areas include the Los Angeles Central Business District and three large employment centers including Beverly Hills, Century City, and Westwood. The corridor, centered on Wilshire Boulevard, includes high density commercial, residential and mixed-use development, and is surrounded by neighborhoods with a mixture of dense single-family and multi-family neighborhoods. Other land uses include a major university (University of California at Los Angeles), a Veterans Administration Hospital, and the Rodeo Drive commercial district.
- 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 City of Beverly Hills, and Los Angeles County. 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 and the City of Beverly Hills General Plan also promote transit-supportive land uses at station areas.
- The Cities of Los Angeles and Beverly Hills have developed community and station area plans to support transit-oriented, mixed-used development at the proposed Westside Subway transit stations, including the Los Angeles Land Use/Transportation Policy and the Citywide General Plan Framework, as well as the Beverly Hills General 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 zoning codes of the Cities of Los Angeles and Beverly Hills allow for high-density commercial, residential, and mixed-use development along Wilshire Boulevard and the proposed Westside Subway Station areas. 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*

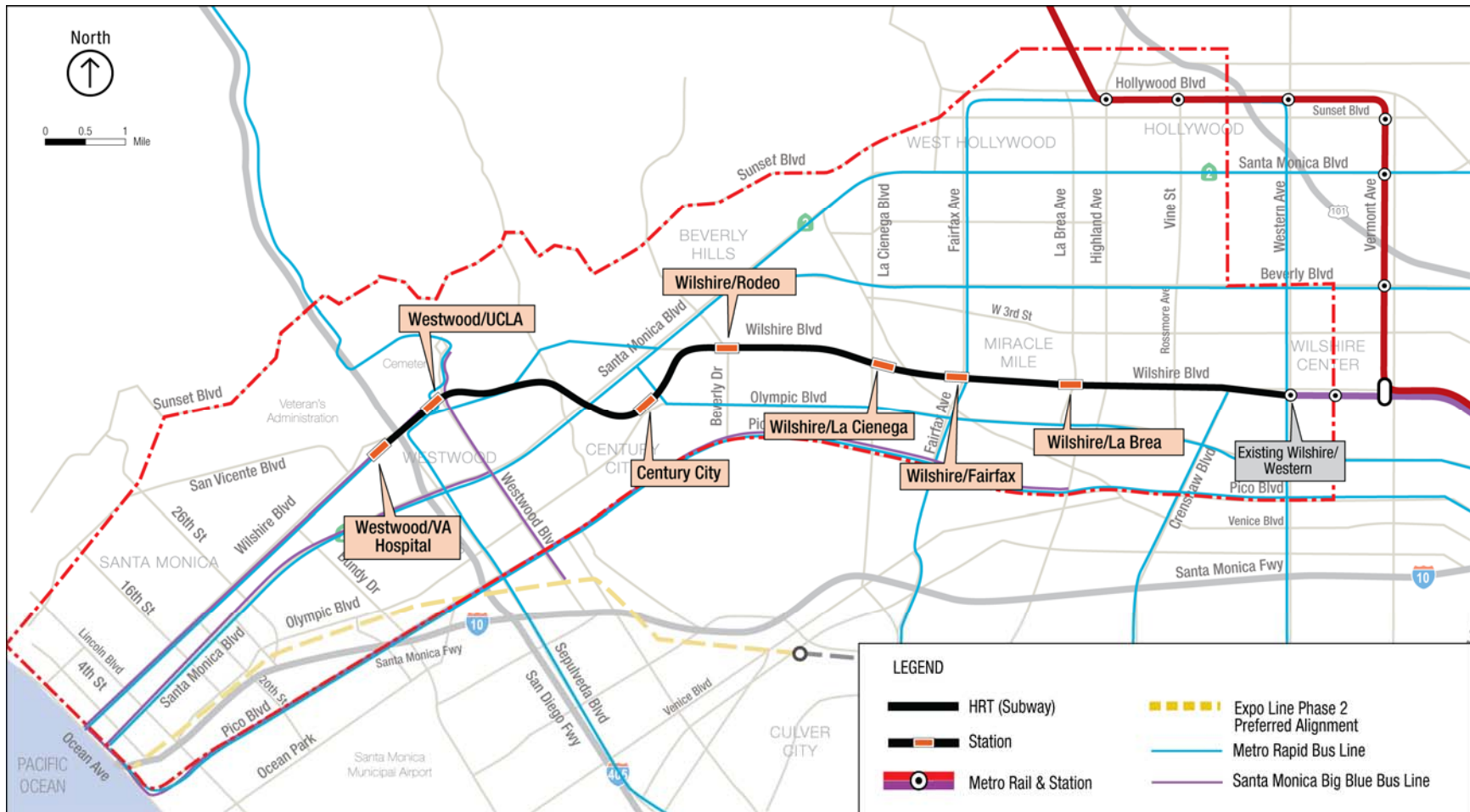
(50 percent of Economic Development Rating)

- There have been a number of successful transit-oriented development (TOD) projects in the Wilshire Boulevard corridor at existing stations, setting precedent for TOD at future extension stations. Eleven mixed-use projects have been completed recently in the proposed Westside Extension Corridor. The character of the most recent development in the corridor appears to be in keeping 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.
- The corridor currently has low vacancy rates and high demand for additional office, commercial, and residential space. Market rates are 20 percent higher in the corridor than elsewhere in the region.

**CA Los Angeles, Westside Subway Extension
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Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 New Starts Share (20% of summary financial rating)	Medium-High	The New Starts share of the project is 42.4 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-High	Approximately 46 percent of the non-Section 5309 New Starts funds are committed. Sources of funds include Measure R Qualified Transportation Improvement Bonds (QTIBS), state Letter of No Prejudice (LONP) Reimbursement Funds, Local Agency Funds, and Measure R Transportation Infrastructure Finance and Innovation Act (TIFIA) loan proceeds.
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 reduced 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.

<p>O&M Cost Estimates, Assumptions, and Financial Capacity (50% of operating plan rating)</p>	<p>Medium-Low</p>	<p>Assumed growth in operating expenses, farebox collections, and sales tax revenues is optimistic compared to historical experience.</p> <p>The operating cash flow assumes a balanced budget, with no accrual of an operating surplus or reserve.</p>
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Westside Subway Extension

Representative Alignment from Admin Final EIS/EIR

Los Angeles, California

