

Proposed Downtown Los Angeles
Auxiliary Transit & Satellite Parking System
(People Mover System)

August 1973

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SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

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August 29, 1973

JACK R. GILSTRAP
GENERAL MANAGER

TO: Members of the Board of Directors

FROM: Jack R. Gilstrap

SUBJECT: Status Report on Proposed Bunker Hill People Mover Project

Attached for your review is a comprehensive report on the present status of one of the somewhat less conspicuous projects the District has been working on for several years now - the Bunker Hill Peripheral Parking/People Mover Project.

As far back as October 1970, the RTD Board gave the general go ahead to the staff to work toward developing this program with the several parties involved. In November 1970, the Board was briefed on the status of the people mover project which included a rather complete background report prepared by Development Research Associates (DRA) for the Community Redevelopment Agency (CRA). As requested by the Board at that time, Mr. Richard Mitchell, Administrator of the CRA, described the project to the District's Board in February 1971. Dr. William R. Eager, Vice President of DRA, introduced slides of the project and described it in some detail.

It is a comment on the complicated nature of our business to observe that RTD has been negotiating this long with the Community Redevelopment Agency and the City of Los Angeles on this joint project which would build two major parking facilities in the central area, one approximately a mile west of Bunker Hill and the other about a mile east and would link the two with a medium scale, overhead people mover.

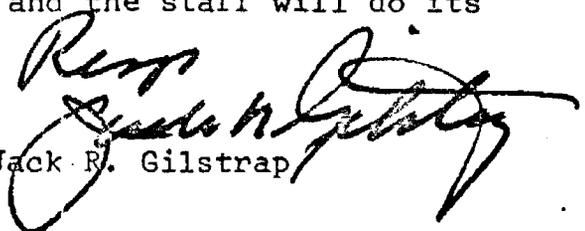
As simple as the program might seem, it is actually quite complicated in its financing and in the allocation of responsibilities among the parties involved.

The District staff feels, however, that the basic contract that has evolved, while not totally to our liking, is acceptable.

August 29, 1973

This report is being sent to you so that you might have the opportunity to carefully go over the entire matter even before it is brought to the Board for initial consideration. In the attached report, we have tried to flag the major issues and provide you as much background information on these matters as feasible. The joint agency contract now under consideration, of course, is also attached for your study.

We are committed to the CRA and City Staff to bring this matter to you for tentative consideration now; therefore, it will be scheduled for review by Board committees at your next meeting. If you have questions you wish to pose prior to the committee meeting, please call and the staff will do its utmost to answer them.


Jack R. Gilstrap

Attachment

23956157

STATUS REPORT

PROPOSED DOWNTOWN LOS ANGELES
PEOPLE MOVER SYSTEM

Officially Titled

Downtown Los Angeles
Auxiliary Transit and Satellite Parking System

Southern California Rapid Transit District

Rapid Transit and Surface Planning

August 1973

Projector Coordinator
Dan Miller

Background Memo

PROPOSED PERIPHERAL PARKING AND PEOPLE MOVER PROJECT

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THREE AGENCY AGREEMENT

The primary concerns of the District staff involved in review of the agreement can be grouped into three areas:

(1) the organization created whereby the three agencies can establish policy and manage the project, (2) the responsibilities delegated to each agency for construction and operation of the combined peripheral parking and people mover system, and (3) the matter of protection for the District against deficits incurred in the operation of the people mover transit system.

Proposed Organization

The proposed agreement specifies that control of the combined people mover and peripheral parking garage will be through a three agency board consisting of the principals of each agency. A Downtown Auxiliary Transit Development Board is created, consisting of Chief Administrative Officer (CAO) of the City of Los Angeles, the Administrator for the Los Angeles Community Redevelopment Agency (CRA), and the General Manager for Southern California Rapid Transit District (SCRTD). The Development Board will manage the program through a program management committee, if created, and through a program manager, subject to approval of major milestones by each agency.

As a minimum, four points of progress must be approved by the governing body of each of the three agencies. Section five of the Agreement specifies these four points:

- (a) Determination of the feasibility of the program followed by the adoption of the initial program plan, schedule, and financial plan including the proposed financial obligations of the parties.
- (b) The filing of grant applications.
- (c) The selection of the system's concept and system's contractor.
- (d) Issuance of revenue bonds.

The agreement provides that a program manager shall be appointed by the Development Board. The program manager, who may be an employee or an independent contractor of one of the three agencies, will be responsible for administration of the program. (Section 4b)

Responsibilities Assigned Each Agency

The Agreement provides that the District will have primary responsibility for the design and construction of the people mover system. The CRA will have primary responsibility for the design and construction of the garages.

The Agreement specifies that the Development Board shall designate the party responsible for calling bids or proposals

and letting contracts for each element of the combined transit and parking project, consistent with the section (Section 7) which designates the agency which has primary responsibility for each of the enumerated tasks or elements. With regard to the transit system (people mover) Section 7 assigns the District primary responsibility for the concept, design specifications and construction for the following: guideway vehicle bed, including control elements; control systems, vehicles, and maintenance, storage and power facilities. The District and the CRA are assigned joint primary responsibility for the guideway supporting structure and for the stations.

The agreement provides that the District shall operate the transit system.

In the financing of the transit system portion of the project, the Agreement makes provision for effecting appropriate procedures between the three agencies in the application for and receipt of funds from federal and state grants. The Agreement does not, however, speak to the type of grants involved nor to the source of any local matching share funds that will be required. (Section 8)

In the financing of the peripheral parking garages, the Agreement specifies that CRA shall issue revenue bonds. These

bonds will be secured by a long term lease of the transit and parking system from the CRA to the city. The amount of the revenue bonds issued by CRA shall be subjected to the approval of the City Council.

Upon completion of the transit system and for the life of the revenue bonds, (a 25 year bond issue is now projected) the agency will lease the transit system to the city. The Agreement provides that the city in turn shall lease the transit system to the District to operate and maintain. Similarly, the city may lease the parking structures to the District for maintenance and operation. When the revenue bonds are retired, the city may either deed the transit system to the District or continue to lease the system to the District for maintenance and operation.

Disposition of Revenues and Protection to the District Against Operating Deficits

The Agreement is silent as to disposition of revenues. There is no mention of agency responsibility and procedure for receipt and disbursement of parking revenues and transit system revenues (if any). The Agreement's silence on this subject has the effect, of course, of leaving a decision on this question for future negotiation.

This matter was discussed at the most recent three agency meeting of July 25, regarding the proposed people mover agreement. Mr. Gilstrap attended this meeting along with the Chief Administrative Officer for the City of Los Angeles, Dr. Erwin Piper and the CRA Administrator, Dick Mitchell. It was noted at this meeting that the matter of disposition of revenues was an issue to be resolved between the City of Los Angeles and RTD. At this meeting, Mr. Gilstrap indicated that he was satisfied with the language of proposed agreement. He further stated he thought it appropriate to leave the matter of financing operations to subsequent agreements with the city.

BACKGROUND INFORMATION
PROPOSED PEOPLE MOVER SYSTEM

Summary

What

The People Mover Proposal consists of a 1.57 mile, two directional small car auxiliary transit system operating generally over aerial guideway structures that would be located in or adjacent to public streets. The people mover line would have two stations within the Bunker Hill project and two terminal stations located approximately a half mile outside the west and east boundaries of the Bunker Hill project. Each terminal station would connect directly with a 4000 car peripheral parking garage.

Purpose and Function

The people mover is intended to intercept automobile trips destined to the Bunker Hill area and thus relieve the mounting traffic congestion in the area. The people mover line would also serve a distribution or feeder function for the planned mass rapid transit lines converging on downtown Los Angeles.

Costs and Funding

CRA estimates the people mover system would cost 38 million dollars and the parking garages and related facilities would cost 42 million dollars, for an 82 million combined

project cost. The parking structures are proposed to be funded from revenue bonds sold by the CRA. Two thirds of the people mover cost (\$25.3 million) is proposed to be funded with a capital grant from the Urban Mass Transportation Administration (UMTA). CRA proposes that the one third local matching share (\$12.7 million) for the people mover would be funded by CRA through the role of tax allocation bonds.

RTD's Role in Project

District would have primary responsibility for the design and construction of the people mover line. The District would apply jointly with the CRA and the City of Los Angeles for two thirds funding from UMTA for construction of the people mover line. The District would operate the people mover line through lease or operating agreement with the City of Los Angeles.

People Mover Description

The type of people mover technology (PMT) planned for the proposed east-west line consists of a medium car supported on a two way fixed guideway. Except for a short section in the subway through the upper portion of Bunker Hill, the guideway will be built as an aerial structure.

The proposed system consists of 1.57 miles of guideway, two stations within the Bunker Hill project and two terminal stations that directly connect with the peripheral parking garages. Each garage will hold 4000 cars. Each of the two terminal stations and garages will be located approximately one half mile outside the west and east boundaries of the Bunker Hill project. The east side garage will be located on the east side of the central business district in the proposed Central City East Redevelopment area. It will have access from the San Bernardino, Pomona and Santa Ana Freeways. The west side garage will be located west of the Harbor Freeway and south of the Hollywood Freeway. It will have convenient access to the Hollywood Freeway.

Within Bunker Hill, the west Bunker Hill station will be located adjacent to the mezzanine level of a building to be constructed at 3rd and Figueroa Streets. The east Bunker Hill station will be located in subway in the vicinity of 3rd and Olive Streets.

The system will be designed to handle 4000 persons per hour from each garage, or 8000 passengers per hour for the system. To achieve this capacity, off-line stations are proposed which permit alternate loading and unloading from both sides of the station platform. It's estimated that a fleet of 40 vehicles, each vehicle seating 16 passengers, operating on this type of line, can transport approximately 4000 people per hour per terminal at a headway or spacing of 30 seconds.

With a maximum speed of 30 mph, the average speed of the cars for the trip between terminal stations would be 20 mph, which average time includes 15 seconds waiting time (dwell time) at the two stations in Bunker Hill. Travel time from the garage to the nearer Bunker Hill station would take only about two minutes, with another minute required to reach the farther station.

The peripheral parking garages are being designed to incorporate the terminal stations in the center of the garages, so as to permit the most convenient interface between the station and the parking facility. Within the Bunker Hill project, connections between the people mover line and the projected rapid transit station and the elevated pedestrian walkways will be provided. Additionally, the west garage is being designed to provide for access to the people mover by persons who may transfer from RTD buses on Beverly Boulevard.

As a potential source of additional project revenues, space for private concessions may be provided in each of the garages.

The program schedule as revised in February 1973 is shown below. The schedule calls for sale of the revenue bonds for construction of the parking facilities in 1976.

Full operation of the east and west side legs of the people mover system together with the garages is scheduled for 1980. The grant award date may have to be programmed for 1975 with some shortening of the scheduled construction period.

PROGRAM SCHEDULE

	CALENDAR YEAR						
	1973	1974	1975	1976	1977	1978	1979
PRELIMINARY STUDIES & ENGINEERING	-----						
GRANT AWARD		△					
SYSTEM DESIGN		-----					
CONSTRUCTION BIDS & BOND SALE			-----				
BOND APPROVAL			△				
CONSTRUCTION				-----			
TEST						-----	-----
OPERATION							-----

Funding of People Mover Systems in Major Centers

The rapid transit consultant team has recommended to the District that people movers or distribution systems within centers be funded from some form of local benefit zone financing. The District staff has considered the ramifications of funding local systems within centers and concurs in this recommendation.

Accordingly, tax assessment districts, tax increment financing used by redevelopment agencies, or other forms of tax revenues raised entirely within the center are deemed the appropriate taxing vehicle for financing construction of distribution systems within centers.

District staff efforts in working with the CRA staff in the development of a Bunker Hill people mover proposal are in line with this recommended policy. The local one third matching share for the cost of the people mover system is proposed to be funded by CRA from tax allocation bonds, the details of which are discussed below.

Bunker Hill Project

The Community Redevelopment Agency, as the redevelopment agency for the City of Los Angeles, is responsible for all of the 133 acres of redevelopment within the Bunker Hill boundaries. Within the project, CRA's goal of one billion dollars in new development for the completed project in 1985 represents the largest Federal--private outlay for any single urban renewal project in the United States. About thirty percent of this investment either has already been built or has been committed. To date the public cost for Bunker Hill amounts to 99 million dollars, of which 83.5 million dollars has been funded by CRA. However, about 50 million dollars from proceeds of land sales to developers will be returned to CRA, leaving a net project cost of about 50 million dollars.

The Bunker Hill Redevelopment Project was conceived in the early 1950's to reverse the urban deterioration that was spreading from the historic Bunker Hill area of downtown Los Angeles. The redevelopment plan was adopted by the City Council in March, 1959. In 1965, the Connecticut General Life Insurance Company became the first developer to commit itself to the project with the construction of Union Bank in Bunker Hill. That building opened its doors in 1967. This 42 story headquarters building and other developments in Bunker Hill began a major transformation of the area immediately south of Bunker Hill into the new high-rise office center of downtown Los Angeles. Quicker and greater developer interest in key parcels for commercial use, which lead to amendments to Bunker Hill Plan in 1968 and 1970 by the City Council, are testimony to the project's growing significance as a vital link between the developing office - retail district on the south and the civic cultural center on the north.

The impetus for reversing the urban sprawl in Los Angeles came in 1959 when the long standing 13 story limit on building height was removed. During the 1960's, new construction in the downtown area averaged \$100 million a year and produced in one decade nearly twice the office space built downtown in the first 50 years of this century. The pace has further accelerated to a point where the six million square feet of office space constructed downtown since 1970 or presently under construction is nearly equal to the office space built during the entire decade of the sixties. Commercial building floor area within Bunker Hill is projected to more than triple

in the next ten years. Presently 2.6 million square feet of office space is in use or under construction, whereas by 1985 an additional 9 million square feet of office space is projected for Bunker Hill.

The need for relief from the mounting traffic congestion resulting from this rapid building growth is clear. In response to this need for improved accessibility to the Bunker Hill project, the CRA has proposed the development of two 4,000 car fringe parking garages, located about one half mile to the west and east end of the Bunker Hill project boundaries, connected with the Bunker Hill project by a people mover line. The parking spaces thus provided would serve in lieu of on-site spaces otherwise required.

Purpose of People Mover and Compatibility with Planning for Downtown Los Angeles

The primary initial function of the proposed people mover line and related parking facilities is to intercept autos destined to the Bunker Hill project at the periphery of downtown Los Angeles. Persons parking in the two peripheral parking garages would then complete their trips using the people mover line. They would disembark at either of the two stations proposed to be located within the Bunker Hill project and walk to their final destination. Transfer to an expanded minibus route or to "horizontal elevators" within the project could be an additional option available to the Bunker Hill commuters.

The proposed Bunker Hill people mover line is one of a network of people mover lines planned for downtown Los Angeles.

The CRA has expressed an interest in developing additional lines in the CBD. The initial east-west line as well as the planned network of lines will perform an important function when a mass rapid transit system is constructed. The people mover lines will then serve as a distribution system for the rapid transit system. Convenient transfer points will be provided between the people mover stations and the mass rapid transit stations.

The proposed people mover east-west line and the eventual network of lines are a part of the downtown element of the Los Angeles General Plan, referred to commonly as the Central City Plan. This plan, now before the planning committee of the Los Angeles City Council, proposes five auxiliary transit lines, the first of which consists of this east-west line from Bunker Hill east and west to peripheral garages. Also supportive of the proposed east-west line and eventual network are two other reports: (1) Downtown Auxiliary Rapid Transit (DART), prepared by the Transportation Committee of the General Plan Advisory Board, April 1970, and (2) Central City Los Angeles Peripheral Parking Program, prepared by Wilbur Smith & Associates for the Board of Parking Commissioners.

People Mover Costs and Financing

CRA capital cost estimates (in rounded figures) for the combined peripheral parking and people mover system are as follows:

Parking structures and related facilities	\$44.0 million
People Mover	<u>38.0 million</u>
	\$82.0 million

The parking structures are proposed to be funded from revenue bonds sold by the CRA. Two thirds of the people mover cost (\$25.3 million) is proposed to be funded with a capital grant from the Urban Mass Transportation Administration (UMTA). The one third local matching share (\$12.7 million) for the people mover would be funded by CRA through the sale of tax allocation bonds. The tax allocation bonds would be repaid from tax increment revenues flowing to CRA.

Parking demand studies conducted by consultants to CRA, including the 1973 Wilbur Smith & Associates report, indicate that by 1980 there will be sufficient parking demand from buildings within Bunker Hill to fill 7000 plus spaces at \$1.50 a day or \$33.00 per month (at 1973 prices) divided evenly between the proposed east and west peripheral garages. This projected demand takes into account the existing, committed and planned additional parking spaces to serve Bunker Hill through 1980.

Although the CRA studies indicate an adequate free market demand will exist to fill the parking garages, it is expected that developers will be required to lease parking spaces in the peripheral garages. This requirement for leased parking

space will be in lieu of a portion of the developer's otherwise required on-site parking.

CRA's cash flow analysis projects a revenue bond issue for construction of the garages of \$62 million which includes approximately \$20 million for funded interest, (during the life of the bonds). The financial analysis by CRA predicts that the revenues generated from the parking structures and people mover system are sufficient to retire the parking structure bonds within the proposed 25 year period.

Project revenues will be derived almost exclusively from parking. Persons parking in the garages will pay a single charge (either daily or monthly) with the cost of the people mover ride included in the parking charge. Only the comparatively small number of users who live near the garages and walk to the terminal stations or who transfer from a connecting bus line, would pay a fare to ride on the people mover line.

The CRA estimates that project revenues will pay for the operating and maintenance costs of both the parking and people mover portions of the project, in addition to meeting debt service on the parking structure bonds. As mentioned above in the discussion on the proposed three agency agreement, the disposition of revenues and the method by which RTD would be reimbursed for the cost of operation of the people mover will be the subject of a subsequent agreement between RTD and the City of Los Angeles.

As mentioned in the section outlining the proposed three agency agreement, the revenue bond issue for construction of the garages would be repaid from revenues derived from the operation of the parking structures. These bonds would be secured by a long term lease of the transit and parking system from the CRA to the city.

RTD Participation in People Mover Program

History of Program

The District has been working with the Los Angeles Community Redevelopment Agency (CRA) and the Chief Administrative Officer (CAO) of the City of Los Angeles during the last two years in the development of a planned east-west people mover line that would link the Bunker Hill Urban Redevelopment Project with two peripheral parking garages on the edge of downtown Los Angeles. The CRA, concerned about projected core area congestion when Bunker Hill is fully developed, proposed a demonstration east-west people mover line. As the agency responsible for the planning, construction and operation of a rapid transit system for the region as well as the operation of the regional bus system, RTD proposed to apply to the Urban Mass Transportation Administration (UMTA) for a 100 percent funded demonstration grant for construction of the people mover line, exclusive of the cost of the peripheral parking garages. It was proposed that the City of Los Angeles would be involved in the project through financial backing of the revenue bonds proposed to be sold by CRA for construction of the two garages.

In reaching a consensus between the three agencies as to the responsibilities of each party, three dates are worthy of mention at this time.

- April 24, 1972. The District filed a letter of intent to file a formal application to UMTA for a demonstration grant to cover design and construction of the final segment of a complete secondary distribution (people mover) system to be constructed in core area of downtown Los Angeles.
- May 23, 1972. Letter to Mayor Yorty from Board President Topping documenting agreement between Messrs. Topping, Gilstrap and CRA Board Chairman Z. Wayne Griffin and CRA Administrator Dick Mitchell, as to basic responsibilities of the City, CRA and RTD in the design, construction and operation of the people mover program.
- July 25, 1973. Most recent three agency meeting on proposed people mover agreement with Messrs. Gilstrap, Piper and Mitchell in attendance. Mr. Gilstrap indicated his satisfaction with agreement and his readiness to recommend adoption of the agreement to the RTD Board. As recommended by the staffs of the CRA and the RTD it was also agreed to abandon plans for a demonstration grant application in favor of a capital grant application to UMTA with CRA to provide the local share money for the people mover portion of the combined transit and parking project.

Technical and Administrative Work Accomplished to Date

Work on the people mover project has progressed at three different levels: (1) preliminary planning and engineering design work conducted by CRA staff and consultants (2) UMTA grant application developed by CRA and RTD staffs; and (3) three agency people mover agreement.

Studies conducted for CRA include analysis of parking demand, station location and preliminary design for the two Bunker Hill stations, route alignment and preliminary design of the west peripheral parking garage and terminal station. Work is continuing in all these areas.

The CRA and RTD staffs have completed two drafts of an UMTA demonstration grant application. With the decision to apply for an UMTA capital grant, the staffs of the two agencies will proceed to complete the extensive additional data required for a capital grant application.

During the last year, the RTD, the CRA and the city have been amending and reviewing successive agreement drafts, which outline the basic financial, construction and operating responsibilities and rights for each party. The latest draft, dated April 4, 1973, is attached herein to this memorandum.

SPECIAL STAFF CONCERNS
PEOPLE MOVER PROPOSAL

To repeat what was said in the summary of the most important elements of the people mover agreement, the staff has paid particular attention to the (1) proposed organization for the project, (2) RTD's responsibilities in the design and construction of the people mover and (3) the question of reimbursement to the District for operation of the people mover.

Reimbursement for Operating Costs

It appears the most important of these three issues is the potential liability to the District for transit system operating deficits. If the agreement were to provide for reimbursement from parking revenues to the District for operation of the transit system, then the District would stand to incur no financial liability of any kind in the project. In this event, the District's primary responsibility would be to assure that the transit system is adequately designed for safe, reliable and economical operation and that projected capital costs are realistic. Mistakes or errors in judgement in these areas would tend to discredit the District as to its engineering, technical and management competence but there would be no risk to the District of any financial loss.

Since the agreement is silent as to the disposition of revenues, a decision on this question will be left for future negotiation with the City of Los Angeles. In the absence of any commitment to the District in the basic agreement regarding

reimbursement for transit operating costs, the District needs to concern itself with two basic issues. First, are CRA's financial projections sound which indicate that there will be adequate parking and transit revenues to pay transit and parking, O&M costs and to fund the interest costs and retire the debt? Secondly, is the City of Los Angeles likely to enter into an agreement (perhaps on the order or existing minibus contract) to reimburse the District for actual costs incurred in the maintenance and operation of the people mover system?

Financial Feasibility

CRA's latest cash flow analysis indicates that the 62 million dollar revenue bond issue would be sold in 1976 and completely retired twenty-five years later in the year 2000. At that time, the project's net income would be approaching 7 million dollars annually. Some pertinent data behind this rather optimistic financial projection is included below. Individuals on the RTD staff have had discussions with Mr. Irwin Rowe, Technical Program Manager for the project at CRA, regarding whether the projected revenues were too high and/or whether the costs of operation were too low.

Parking Demand

The staff has paid particular attention to the Wilbur Smith study projecting demand for the peripheral parking garages. For downtown Los Angeles, taken as a whole, the study indicates that when all presently planned parking is constructed but without the peripheral parking garages, parking supply and demand

Capital Costs

	(Million) 1972 Dollars	(Million \$) Inflation	Annual Rate of Inflation	
Transit System	\$ 28.97	\$ 9.10	-Construction	-8%
Parking System	33.25	10.51	-Right of Way	-4%
			-Demo, Reloc. Improvements	-8%
Total	\$ 62.22	\$ 19.61	-Engrg. & Design	-4%
			-Program Mgmt.	-4%

Operating Costs

	(Million \$) First full year of Operation (1980)	Costs in 1990	Annual Rate of Inflation
Transit System	\$ 1.23	\$ 1.92	4% (+ Load Facto
Parking System	.67	1.00	4%
Total	\$ 1.90	\$ 2.92	

Revenues

	(Million \$) First Full year of Operation	Revenues in 1990	Annual Rate of Inflation
Transit System	\$.30	\$.60	5¢/5 years
Parking System	4.60	6.60	4%
Weekends	.90	.90	NA
Total	\$ 5.80	\$ 8.10	

Net Income

	First full year of Operation	1985	1990	2000
Parking & Tran- sit System	3.9	4.5	5.2	7.0
Rate of Increase				

NOTE:

- (1) Transit fares increase 5¢ per trip every 5 years.
- (2) In-Out parking increases 5¢ per hour every 3 years.
- (3) \$1.50 per day parking for 22 days equals \$33 per month.

will be in approximate balance for 1985. However for Bunker Hill and for the area extending about 3 blocks east and about 5 blocks south, a parking deficiency is projected for 1985. The report notes (p. 18): "It is estimated that approximately 15,000 spaces above those presently planned within the study area will be needed to serve these areas of high demand.... The greatest potential parking space is located in the area bounded by Seventh Street, Figueroa Street, Third Street and Broadway."

In projecting parking demand for the peripheral parking garages, an average of 5 percent per year increasing parking costs was assumed. As to travel time estimates for use of the people mover system, a separate minibus route (which has been discussed with RTD staff as to operational feasibility) was also assumed which would operate during commute hours with a routing convenient for making transfers to and from the people mover system. Of the 6800 daily long term (all day) parkers estimated to use the peripheral parking garages in 1980, approximately 65 percent would be from Bunker Hill. The commercial core, defined as the area east to Los Angeles Street and south to Olympic Boulevard, would provide 30 percent of the parkers. The Civic Center would provide the remaining 5 percent of the parkers.

Capital Costs

In the area of estimated capital costs for the transit system portion of the project, RTD estimates are 8.6% percent

higher than those of CRA as indicated below.

Transit System Cost Estimates
(millions of dollars)

Item	CRA Cost Estimates	RTD Cost Estimates	Amount RTD Higher
Guideway (including tunnel)	\$ 7.00	\$ 7.00	\$ -0-
Prop. Power and Substations	1.00	1.50	+ .50
Stations (four) including fare coll.	5.20	5.25	+ .05
Vehicles	2.50	2.75	+ .25
Controls & Communications	2.00	3.00	+1.00
Maintenance-Shop & Equipment	1.00	1.00	-0-
Engineering	3.00	3.00	-0-
Program Management	1.20	1.50	+ .30
Right-of-Way (Outside Bunker Hill)	3.31	3.31	-0-
Demolition, Improvements, Relocation	0.96	0.96	-0-
Contingencies	1.80	2.40	+ .60
TOTAL (1973 Prices)	\$28.97	\$31.67	\$+2.70
Anticipated Inflation	9.10	9.96	+ .86
TOTAL (actual prices)	\$38.07	\$41.36	\$+3.29

Organization for the Project

Ideally the engineering aspects of the program might be strengthened with a simpler organizational structure in which engineering controls for the project were placed exclusively with RTD, but such an arrangement was not acceptable to the other parties. This was particularly so in that under the present financing plan CRA and the City will provide all the local funds required and RTD will make no direct financial contribution.

EPA Requirements

The staffs of both CRA and RTD have discussed the possible effect of the proposed Environmental Protection Agency (EPA) requirement to reduce total amount of parking available in downtown Los Angeles. Current thinking is to adopt the strategy that the construction of the peripheral parking garages by intercepting cars at the edge of the central business district will reduce CBD core area congestion and air pollution and therefore is in line with EPA goals. Interception of the car destined to the CBD at fringe parking lots, along a radius ten to twenty miles from the CBD can be considered preferable to interception at the edge of downtown Los Angeles in accomplishing EPA's objective of achieving a reduction in total vehicular mileage. However, there will always be many persons who need their car in traveling to downtown. The peripheral parking garages and people mover system will make it possible for these persons to travel to the CBD by auto without driving and parking in the heart of the downtown area.

Proposal for Private Financing and Construction of People Mover

In July 1973, VTN Corporation and Westinghouse Electric Corporation proposed to CRA a means whereby the people mover could be financed and constructed through a not for profit development corporation (NFPC) as provided for by existing state law. Members of the RTD staff were also present for the formal presentation held on July 31.

The NFPC would enjoy tax exempt status on its earnings so long as they were used to expand the integrated people mover and land development system. An attractive 12 1/2% rate of return on investment is projected in the proposal. The system capital costs, estimated by VTN to be \$64 million for the combined parking and people mover system, would be amortized over thirty years and the debt retired. Upon retiring the debt of the privately financed system, that system would be dedicated to the appropriate public agency.

At the July 31 meeting, CRA received the VTN/Westinghouse report for further study and analysis. At this time, the private financing proposal is too nebulous to allow it to interfere with the plans provided for in the latest three agency draft agreement. While RTD and CRA staff review in more detail the VTN/Westinghouse proposal, CRA is continuing in its schedule to present the public financing proposal as outlined in the agreement to the City Council as soon as RTD and CRA boards can approve the proposed three agency agreement.

DGM:mo
Planning Department
August 20, 1973

THE COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF LOS ANGELES, CALIFORNIA

727 West 7th Street, Suite 400, Los Angeles, California 90017 (213) 683-7520

APR 6 1973

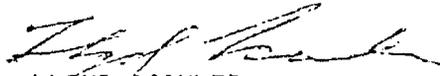
Mr. George L. McDonald
Manager of Planning & Marketing
Southern California Rapid Transit
District
1060 S. Broadway
Los Angeles, California 90015

Dear Mr. McDonald:

Pursuant to our most recent discussion, enclosed is a copy of The Proposed Agreement Between The City of Los Angeles, The Community Redevelopment Agency of the City of Los Angeles and The Southern California Rapid Transit District for Development of the Downtown Los Angeles Auxiliary Transit and Satellite Parking System, as revised to April 4, 1973.

I have either underscored or made marginal notes relative to all changes in this latest revision.

Sincerely,



LLOYD SCOULER
Deputy Administrator
for Administration

Enclosures

cc: Robert O. Ingman

M. Vortak

AGREEMENT BETWEEN THE CITY OF LOS ANGELES,
THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES,
AND THE SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT,
FOR DEVELOPMENT OF THE DOWNTOWN LOS ANGELES
AUXILIARY TRANSIT AND SATELLITE PARKING SYSTEM

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AGREEMENT BETWEEN THE CITY OF LOS ANGELES,
THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES,
AND THE SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT,
FOR DEVELOPMENT OF THE DOWNTOWN LOS ANGELES
AUXILIARY TRANSIT AND SATELLITE PARKING SYSTEM

THIS AGREEMENT, dated _____, 1977, is between the CITY OF LOS ANGELES, a municipal corporation duly organized and existing under the laws of the State of California (hereinafter called "City"), THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under the laws of the State of California (hereinafter called "Agency"), and the SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT, a public body, corporate and politic, duly created, established and authorized to transact business and exercise its powers under the laws of the State of California (hereinafter called "District"); the "City", "Agency", and "District" are hereinafter sometimes referred to as "Parties".

WHEREAS, City, Agency and District seek to cooperate in creating a plan of development for the design, acquisition, construction and operation of an auxiliary transit and satellite parking system, with a Base System initially serving the Bunker Hill Urban Renewal Project, but which can be expanded into a network in downtown Los Angeles to complement trunk line transit and other transportation facilities;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

Section 1. Purpose

This Agreement is made pursuant to the powers generally of each party to aid, cooperate and act with the other parties, and including, without limitation, Section 2(11) (u) of the Charter of City, Section 30702 of the Southern California Rapid Transit District Law, and Sections 33220, 33445 and 33448 of the Community Redevelopment Law. The Agreement seeks to identify the responsibilities of the respective parties in the development of an initial

auxiliary transit and satellite parking system, and to set forth the basic processes by which design, acquisition, construction, operation and maintenance of said systems will be undertaken. The initial development thus contemplated shall be a system hereinafter referred to as the "Base System", more particularly described as follows:

The Base System is part of the Bunker Hill Multimode Traffic Circulation Concept, as described in the Agency's "Design for Development for Bunker Hill", which Design for Development was required by the City Council in Section 12 of Ordinance No. 135900 dated January 12, 1968, which ordinance approved the amended Redevelopment Plan for the Bunker Hill Urban Renewal Project. The Design for Development was adopted by the Agency on January 6, 1971, and approved by the City Planning Commission on January 7, 1971. The multimodal circulation system described therein, provides for buses, mass and secondary transit, private vehicles, and pedestrians; each being related to the others but separable from the others in terms of function, safety and convenience of the users. The Base System is to be constructed generally within the area as shown on the Map (included in the heavy black line) attached hereto as Exhibit "A" (hereinafter referred to as the "Area").

All references and provisions relating to the design and location of the Base System in this Agreement are intended to be descriptive only, and shall not be considered as limitations on the Base System actually to be developed hereunder.

This auxiliary transit and satellite parking system is made up of but not limited to elements grouped as follows:

People Mover

Transit System

Guideways and related right of way

Control systems

Vehicles

Maintenance, storage and power facilities and

related right of way

Stations and related right of way

Satellite Parking

Garages and related right of way

Access facilities and related right of way

In addition, appropriate concession and air-rights developments may be designed and utilized in furtherance of the development of the Base System.

The Base System may be developed in phases to satisfy the projected requirements for transportation and parking facilities within the Area as they occur. Each phase of the development may be individually financed, but shall be operated as a combined system when and as each phase is added to previously built phases of the Base System.

The Base System is intended to be constructed as described in Exhibit "B" attached hereto.

Section 2. Term

This Agreement shall become effective as of the date hereof and shall continue in full force and effect for a period of fifty (50) years from the date hereof or until all revenue bonds including any issues or series thereof and issued pursuant hereto and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made as set forth in the proceedings for the issuance thereof, whichever date is earlier; provided, however, that this Agreement shall terminate five (5) years from the date hereof in the event no revenue bonds have been issued or no grant funds have been received on or before that time.

Section 3. Downtown Auxiliary Transit Development Board

(a) There is hereby created a Downtown Auxiliary Transit Development Board (hereinafter called "Development Board") which Development Board will act for the parties regarding development and operating policy for the Base System, subject to the approvals by the parties provided for in Section 6.

(b) The Development Board shall be composed of three members. The chief administrative officers of the Agency and of the District shall be the members for those parties. The City Administrative Officer shall be the member for the City. Each member on each member's option may appoint on a standing basis an alternate to act for him.

(c) Meetings of the Development Board

The Development Board shall provide for its regular, adjourned regular and special meetings. The days upon which, and the hours and places at which, any regular meeting shall be held shall be fixed by resolution and a copy of such resolution shall be filed with each party hereto.

(d) Ralph M. Brown Act.

All meetings of the Development Board, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code).

(e) Minutes.

The Secretary of the Development Board shall cause to be kept minutes of the meetings, both regular, adjourned regular and special, and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Development Board.

(f) Quorum and Vote Needed to Act.

A majority of the Development Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. Development Board actions shall be by vote of a majority or more of the three members.

(g) Officers.

The Development Board shall elect a Chairman and vice Chairman at its first meeting and thereafter at the first meeting held in each succeeding calendar year the Development Board shall elect or re-elect its Chairman and vice Chairman. In the event that the Chairman or vice Chairman so elected ceases to be a member of the Development

Board, the resulting vacancy shall be filled at the next regular meeting of the Development Board held after such vacancy occurs. In the absence or inability of the Chairman to act, the vice Chairman shall act as Chairman. The Chairman, or in his absence the vice Chairman, shall preside at and conduct all meetings of the Development Board.

(h) The Development Board is empowered to act only as a board and the members for the purposes of this Agreement may not act individually or for the Development Board without prior authorization by the Development Board.

(i) The Development Board shall designate a Secretary, and may adopt, from time to time, such rules for the conduct of its meetings and affairs as may be required.

Section 4. Program Management

(a) Program Management Committee

(1) The Development Board may create a Program Management Committee responsible to the Development Board, which Committee if created will on behalf of that Board provide continual direction to the Program Manager. The Development Board may adopt, from time to time, such rules for the conduct of the affairs of the Committee as may be required.

(2) The Program Management Committee will consist of three members. One member of the Program Management Committee shall be appointed by each member of the Development Board and shall serve at the pleasure of the appointing member. Each member of the Program Management Committee will be an employee of the same Party as the member of the Development Board making the appointment.

(b) Program Manager

A Program Manager shall be appointed by the Development Board and report to the Program Management Committee if such a committee is created or if not then to the Development Board. The Program Manager shall be responsible for administration of the program. The Program Manager shall be an employee or an independent contractor of one of the Parties to this Agreement. The Program

Manager may utilize services of the Agency, District and City and of technical and management consultants as may be appropriate, subject to the approval of the Development Board. Services of the parties may include, but are not limited to contract administration, accounting, system and design specifications, traffic studies, rights-of-way studies, site acquisition, report preparation, proposal evaluation, quality control and public relations.

Services provided by the Parties shall be paid for as determined by the Development Board and by the Party providing the service and subject to Sections 9 and 10 of this Agreement.

This agreement not only provides a framework of relationships and assigns responsibilities, but also presumes close cooperation and coordination between the parties at appropriate levels in the planning and executing of the work required to achieve its ends. The appointment of a Program Manager does not relieve any of the parties or the Program Manager of the obligation to assure the fullest practical flow of information regarding the work under their control or guidance.

Section 5. Specific Approval by Parties

The program shall be subject to the specific approval of the governing body of each party at the following points:

(a) Determination of the feasibility of the program followed by the adoption of the initial program plan, schedule, and financial plan including the proposed financial obligations of the parties.

(b) The filing of grant applications.

(c) The selection of the systems concept and Systems Contractor.

(d) Issuance of revenue bonds.

Such matters shall be so submitted by the Agency Administrator to the Agency governing body, by the District Administrator to the governing body of the District, by the City Administrative Officer through the Mayor to the City Council.

Section 6. Procedures for Choosing Contractors

(a) Systems Contractor

The Development Board, consistent with Section 7 of this agreement, shall cause to be prepared such procurement specifications and invitations for proposals as are appropriate for choosing a Systems Contractor upon open competitive conditions, or when required by law, under applicable competitive bidding procedure. Proposals shall include preliminary design drawings and specifications for the vehicle and control system including guideway elements as well as the design criteria and estimate of costs for the guideway supporting structures, stations, maintenance, storage, and power facilities. Each proposal shall also include an estimate of the amount for which the Proposer will as System Contractor construct and furnish in place the vehicle and control system.

Upon review of the proposals, the Development Board shall recommend a Systems Contractor to the governing bodies of the Parties as provided under Section 5(c) of this agreement.

Upon approval of the System Contractor by the Development Board and all of the governing bodies, the District shall award the appropriate contracts subject to Sections 9 and 10 of this Agreement.

(b) Architectural and Engineering Contractors

The Development Board, consistent with Section 7 of this agreement, shall cause architectural and engineering contractors selected under open competitive conditions based upon appropriate criteria to design guideway supporting structures, stations, satellite parking facilities, and maintenance, storage and power facilities, and to prepare related construction specifications and bid documents, subject to the system specifications and design criteria previously prepared.

SENTENCE
DELETED
SEE REFERENCE
OF THIS SEC.

167
Agreement. →

In lieu of using independent, separate architectural and engineering contractors to design guideway supporting structures, stations, satellite parking facilities, and maintenance, storage, and power facilities, and to prepare related construction specifications and bid documents, the Development Board is authorized to cause such design and preparation to be accomplished by the Systems Contractor, and for that purpose to include the appropriate criteria for that purpose with the procurement specifications and invitations for proposals to be used in selecting a Systems Contractor pursuant to subsection (a) of this Section 6.

The architectural and engineering design criteria and the documents for proposals for those portions of the system not approved under (a) above, shall be approved by the Development Board.

The party or parties designated by the Development Board consistent with Section 7 of this agreement shall review the respective proposals and the party or parties designated by the Development Board shall award the necessary contracts, subject to (1) Sections 9 and 10 of this agreement, and (2) the approval of the Development Board.

WORD
"AFFORDABLE"
DELETED

(c) Construction Contractors

Upon approval of said architectural and engineering construction specifications and bid documents by the Development Board, the party or parties designated by the Development Board, consistent with Section 7 of this agreement, shall call for bids or proposals to let construction contracts which must as a matter of law go to competitive bid or which may go to contract under open competitive conditions. Subject to any construction management services which may be otherwise provided for, the party or parties calling for bids shall award the construction contract or contracts to the lowest responsible bidder, subject to (1) the approval of the Development Board and (2) Sections 9 and 10 of this agreement.

(d) Additional Agreements

Additional agreements may be required between the party having custody and responsibility for funds legally available for all or part of any or all contracts provided for in this section and the party having the responsibility for the execution and primary guidance and backup of such contracts.

(e) Award of Contracts

Subject to Sections 9 and 10 of this Agreement and with the unanimous approval of the Development Board, the Development Board may designate some party to this Agreement other than the party designated in subsection (a) of this Section to award contracts for the Systems Contractor and likewise may designate some party to this agreement other than the parties designated in subsections (b) and (c) of this Section 6 to award contracts for Architectural and Engineering Contractors and Construction Contractors.

Section 7. Responsibilities of the Parties

for Technical Guidance and Backup.

(a) The parties shall have responsibility for primary technical guidance and backup for the various elements of the base system as indicated below, under the administration of the Program Manager and subject to coordination by the Program Management Committee if created, and the approval of the Development Board:

(1) Grants

People Mover	District
Satellite parking	Agency or City as appropriate

(2) Issuance of revenue bonds Agency

(3) Concept, design specifications

and construction of:

Transit system	
Guideway Vehicle Bed	District
including control elements	

Guideway Supporting Structures	Agency <u>and District</u>
Control systems	District
Vehicles	District
Maintenance, storage and power facilities	District
Stations	District and Agency
Garages	
Structure	Agency or City as appropriate
Access facilities	City or Agency as appropriate
(4) Invitations for proposals for systems contractor and proposal evaluation	District
(5) Right of way acquisition and relocation	Agency or City as appropriate
(6) Demolition	Agency
(7) Public Improvements and utilities	Agency
(8) Environmental impact studies	Agency, District or City as appropriate
(9) Operating and maintenance manuals for people mover	District
(10) Checkout and acceptance of People Mover Satellite parking	District Agency or City as appropriate

"SITE ENGINEERING"
"AGENCY"
"DELETED"

(b) The party or parties having primary responsibility shall recognize the interests as well as the secondary and collateral responsibilities of the other party or parties by active and periodic coordination and consultation.

Section 8. Federal and State Grants

The Parties shall undertake to effect appropriate procedures for jointly submitting applications for any federal or state grant funds available to assist the development of the Base System. The District will make the primary contacts with the Department of Transportation and will coordinate other contacts with the Department of Transportation. The Agency will make the primary contacts with the Department of Housing and Urban Development and will coordinate other contacts with the Department of Housing and Urban Development.

Section 9. Control and Expenditure of Funds

The Agency shall have the custody and responsibility for disbursement of (1) funds loaned or supplied by the Agency including proceeds from the sale of revenue bonds by the Agency, (2) grant funds to the extent such funds can legally be in the custody and responsibility of the Agency, and (3) any other funds to the extent such funds can legally be in the custody and responsibility of the Agency. Any funds which legally or under conditions imposed by the provider of funds cannot be in the custody of the Agency shall be in the custody of the party authorized to have custody.

The Agency shall appoint a Fiscal Officer authorized to receive and disburse the above funds. The Agency's Fiscal Officer is authorized to disburse funds loaned or supplied by or through the Agency only upon the approval of the Development Board and only as and if the Agency determines that the proposed expenditures of funds are appropriate and legally valid. The Agency's Fiscal Officer is authorized to disburse funds loaned or supplied by or through the City or the District only upon the approval of the Development Board and only as and if the City or the District (as the case may be) determines that the proposed expenditures of funds are appropriate and legally valid. The Fiscal Officer shall be an employee of the Agency.

Any funds to be used for the purposes of this Agreement, but not to be in the custody and responsibility of the Agency, shall be in the custody of the Fiscal Officer of the party authorized to have custody of such funds. Such party's Fiscal Officer is authorized to disburse funds loaned or supplied by or through such party or by or through any other party only upon the approval of the Development Board and only as and if such party determines that the proposed expenditures of funds are appropriate and legally valid.

Section 10. Initial Financing

Agency hereby agrees to advance and to some extent has advanced moneys estimated to be \$4,000,000 upon request of the Development Board for such purposes as but not limited to planning preliminary engineering, right of way procurement, and program management. The Agency shall advance such moneys only and as if the Agency determines that the proposed expenditure of the moneys is appropriate and legally valid.

The Agency and the District prior to and/or after the execution of this Agreement, have expended or will expend those funds and/or other funds for similar purposes. Any or all of such expenditures shall be considered as advances if consistent with the provisions of this Agreement, subject to approval of the Agency.

Such advances shall be reimbursed out of any grant, bonds or other funds usable for that purpose in the total amount of any such advances.

Section 11. Revenue Bonds

As appropriate and legally valid in the judgment of the Agency for the purposes of this Agreement, the Agency shall issue revenue bonds pursuant to Article 5 of Chapter 6 of the Community Redevelopment Law and, more particularly, Sections 33445 and/or 33448 of said law. The bonds will be secured by available revenues pursuant to the Community Redevelopment Law, including revenues obtained by the Agency from the lease (or sublease) of the Base System to the City, as contemplated by Section 13 hereof. The amount of revenue bonds to be issued by the Agency shall be subject to approval of the Council of the City, as being necessary to carry out the purpose of this Agreement. No term or condition for the issuance of any such revenue bonds shall be such as to restrict City in the quiet use and enjoyment or operation of the Base System leased to the City pursuant to Section 13 hereof, as long as City pays to Agency the rental therefor required by any such lease and discharges all of the obligations required under the terms and conditions of any such lease. The bonds may be issued in several issues or in series to correspond with the appropriate phasing of the plan of development of the Base System.

Services of bond counsel, financing consultant, the systems contractor, the architectural and engineering contractors, insurance consultants or any other ancillary consulting functions working on the Base System and/or financing, or of any of the Parties, may be used by the Development Board. The fees and expenses of said consulting functions or services shall be paid from the proceeds of the revenue bonds, or any other available source, and the Parties shall be reimbursed from said proceeds or any other available source for any portion of said fees and expenses which they have paid prior to the issuance of such revenue bonds.

The Agency shall advance or pay out bond proceeds only as and if the Agency determines that a proposed expenditure is appropriate and legally valid under the bond resolution.

Section 12. Acquisition of Real Properties

City and Agency shall cooperate in the acquisition of real properties for the Base System. Agency has acquired or it is contemplated it will undertake acquisition, by condemnation or other available means, of (1) necessary or appropriate real properties which are within the Bunker Hill Urban Renewal Project, and (2) necessary or appropriate real properties which are exterior to that project area. It is contemplated that those properties which cannot be obtained by the Agency for this project pursuant to the Community Redevelopment Law because of legal or other limitations, would be acquired by the City by condemnation or other available means. The acquisition of necessary real properties shall be subject to the availability of funds under this Agreement.

Condemnation by Agency or City shall be recommended by the Development Board and subject to authorization by the appropriate party.

Upon acquisition of said real properties by City, City shall ground lease to the Agency said real properties, for the duration of this Agreement, and for a consideration of \$1.00; provided, however, that City may reserve such rights and easements as are reasonably necessary or appropriate and which do not interfere with the purposes of this Agreement.

Section 13. Lease of the Base System to the City

Upon completion of all or relevant portions of the Base System, the Agency shall lease (or sublease) to the City the Base System, including the real properties, by increments or as a whole, for a term at least as long as the period of time during which revenue bonds referred to in Section 11, and secured by the revenue produced by said lease, shall be outstanding.

Such lease of the Base System to the City shall not result in a merger of the interest of the Agency under the ground lease of any portions of the real properties from City to Agency, so long as any obligations of the Agency secured by the revenues of said lease are outstanding.

Section 14. Maintenance and Operation of the
Base System by District

The City shall enter into a sublease with the District or a separate operational agreement or agreements with the District whereby the District shall assume the responsibility to maintain and operate the Base System people mover. The City may enter into similar agreements with the District regarding some or all of the satellite parking garages.

The sublease or operational agreement or agreements shall not be inconsistent with this Agreement or with the District's outstanding Trust Indenture dated as of January 1, 1958 during its life.

Section 15. Disposition of Base System

When none of the revenue bonds referred to in Section 11 remain outstanding, and upon termination of said lease, the portion of the Base System not owned by City shall be transferred to City, and all appropriate acts to effect said transfer shall be taken by relevant Parties.

City (1) may subsequently elect to transfer any or all of the Base System to the District; or (2) shall enter into a lease or an operational agreement or agreements with the District whereby the District shall continue to assume the responsibility to maintain and operate the Base System people mover. The City may enter into similar leases or agreements with the District regarding some or all of the satellite parking garages.

Section 16. Liability and Insurance

(a) Until either the Base System has been sublet to District by City or a contract has been executed between City and District for the operation and maintenance of the Base System as provided for in Section 14 hereof, each party (Agency, City or District) shall indemnify and hold harmless the other parties from and against any and all claims and liabilities of every kind and nature arising from the activities for which each party is responsible under this Agreement. In this connection, each party shall, at its cost and expense, provide and maintain public liability insurance in such amounts as it determines, which insurance shall name the other parties as additional insureds.

(b) Commencing with the subletting of the Base System to District by City or the execution of a contract between City and District for the operation of the Base System by District, as provided in Section 14 hereof, and until termination of this Agreement, District shall indemnify and hold harmless Agency and City from and against any and all claims and liabilities of every kind and nature arising from the operation of the Base System. In this connection, District shall, provide and maintain in full force and effect appropriate insurance in appropriate amounts, which insurance shall name Agency and City as additional insureds.

Section 17. Notices

Notices hereunder shall be sufficient if delivered to:

City

Agency

District

Section 18. Miscellaneous

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement is made in the State of California under the Constitution and laws of such State, and is to be so construed.

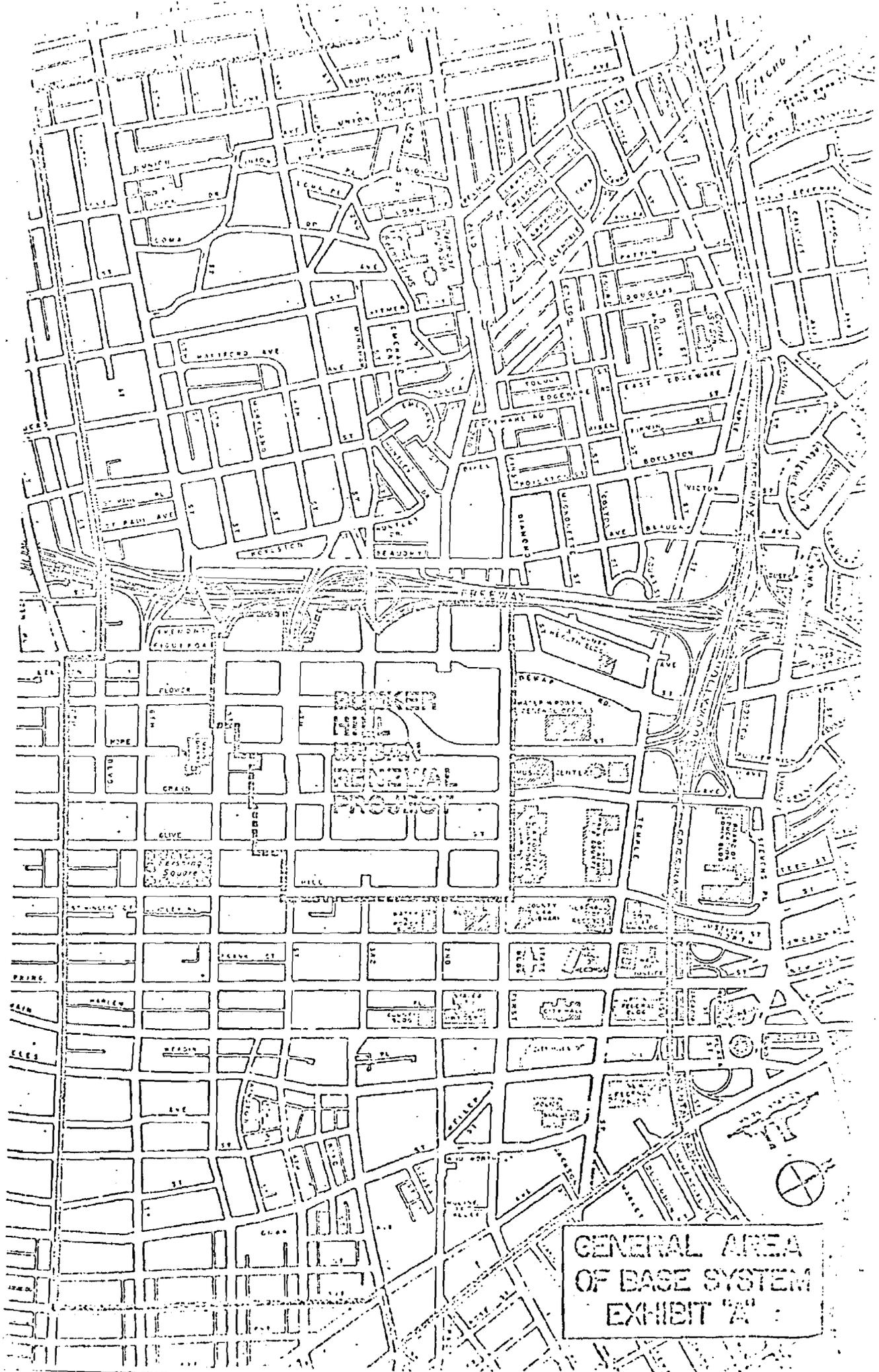
Section 19. Partial Invalidity

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall, to any extent, be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Section 20. Successors

This Agreement shall be binding upon and shall insure to the benefit of the successors of the Parties.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.



BRICK
HILL
MILITARY
PROJECT

GENERAL AREA
OF BASE SYSTEM
EXHIBIT 'A'

EXHIBIT B

BASE SYSTEM

GENERAL PERFORMANCE AND DESIGN CRITERIA

1. Two people mover stations located within Bunker Hill.

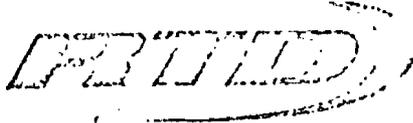
It is contemplated that an appropriately located station will permit the auxiliary transit system to be expanded consistent with downtown area needs. It should accommodate people mover routes along east-west and north-south rights-of-way. Said station should also be designed for integration with any District transit station at Bunker Hill. Thus, the people mover system can ultimately act as a necessary distribution system within the downtown area for persons using the transit system, for persons using satellite parking structures, and for commuters within the central city.

2. A parking structure of approximately 4,000 spaces which interrelates with a people mover station, and control center and storage and maintenance facilities located to the west of Bunker Hill in the general vicinity of Glendale and Beverly Boulevards.

A second parking structure of approximately 4,000 spaces which interrelates with a people mover station located to the east of Bunker Hill in the general vicinity of Third and Los Angeles Streets.

Satellite parking structures will be located on the periphery of the downtown area. Each satellite parking structure will be located adjacent to major street arteries and sufficiently near freeway onramps and offramps to provide convenient access to the principal flows of traffic into the downtown area. The multilevel parking structures will have entrances from and exits to surrounding streets to accommodate the peak-period flow of vehicles. A series of elevators and escalators will provide rapid access to the people mover station interrelated with the parking structures.

3. An interconnecting people mover guideway along an east-west alignment connecting the stations interrelated with the parking structures and the people mover stations within the Bunker Hill Renewal Project area.



SOUTHERN CALIFORNIA
RAPID TRANSIT DISTRICT

1000 SOUTH BROADWAY • LOS ANGELES, CALIFORNIA 90015 • TELEPHONE (213) 749-6977

NORMAN TOPPING, DIRECTOR & PRESIDENT

May 23, 1972

The Honorable Samuel Yorty
Mayor of Los Angeles
City Hall
Los Angeles, California 90012

Dear Mayor Yorty:

In line with your request, Z. Wayne Griffin and I got together yesterday, along with Dick Mitchell and Jack Gilstrap to discuss the Bunker Hill people-mover project. I think you'll be pleased to know that we all agreed on the following major points of the local contract required before we can move ahead on the project:

1. Three party control through management board with program operation by program manager picked by management board.
2. Joint application for grant to DOT for transit system portion (including vehicles, controls, guideway, stations, R/W). RTD to be primary contact with DOT.

3. Overall direction of:	Lies with:
Design and construction of guideway	RTD
Design and construction of vehicles	RTD
Design and construction of controls	RTD
Design and construction of stations	RTD/CRA
Design and construction of parking garages	CRA/City
R/W acquisition	CRA/City
Relocation	CRA
Site Engineering	RTD/CRA
Demolition	CRA
Public Improvements, including Utilities	CRA

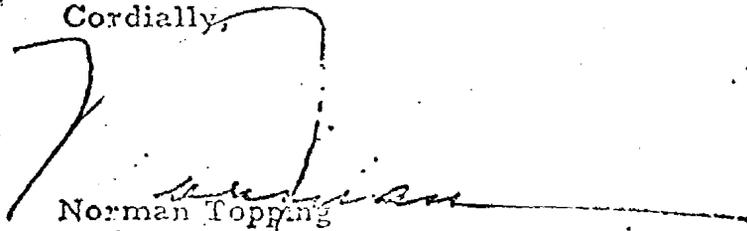
Any consultants which might be required by the City, CRA or RTD to help carry out their specific responsibilities mentioned above would, of course, work for and report to that agency.

May 23, 1972

It is also understood among us that RTD will operate the people-mover and peripheral parking service as required by enabling legislation passed last year in Sacramento and that local funding of the construction and operation of the project will be provided jointly by CRA and the City.

We are hopeful of entering into this local contract as soon as possible so that RTD can follow up our letter of intent and file a formal application on behalf of CRA and the City for a federal grant to build the people-mover. With the intense competition for such a project from urban areas all over the country, it is going to take an all-out, unified effort by all of us to bring this federally funded program to Los Angeles. I want you to know, we appreciate your personal interest in this matter.

Cordially,


Norman Topping

cc: Z. Wayne Griffin, CRA
Richard Mitchell, CRA
Jack R. Gilstrap, RTD
C. Erwin Piper, City of Los Angeles

bcc: Executive Staff

DEPARTMENTAL
SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

1080 SOUTH BROADWAY
LOS ANGELES

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SUBJECT IN THIS COMMUNICATION

DATE: August 2, 1973

TO: File

FROM: Dan Miller

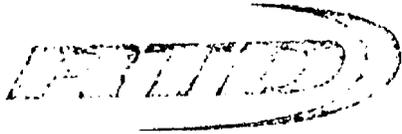
SUBJECT: Minutes of People Mover Meeting with Messrs Gilstrap, Piper and Mitchell attending at CRA July 25, 1973

For your information and file.



Dan Miller
Projects and Property Analyst

cc: J. Curtis
R. Gallagher
C. Haudenschild
G. McDonald
J. Scatchard
R. Powers



SOUTHERN CALIFORNIA
RAPID TRANSIT DISTRICT

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August 2, 1973

Mr. Irwin Rowe
Technical Program Manager
Community Redevelopment Agency
of the City of Los Angeles
727 West Seventh Street
Los Angeles, California 90017

Dear Irwin:

Attached is my summation of the most pertinent remarks made by persons in attendance at the July 25th people mover briefing held at CRA.

Sincerely,

Daniel G. Miller
Projects and Property
Analyst

DGM/dmg

Attachment

MINUTES

Bunker Hill

People Mover Briefing

Persons in Attendance:

CRA

Richard Mitchell
Lloyd Scouler
Irwin Rowe

L.A. City

Erwin Piper
Robert Ingman

RTD

Jack Gilstrap
George McDonald
Dan Miller

VTN

Martin Wallen

Agenda

All of the items shown on the attached agenda were covered at the meeting, although not in the order listed.

Cost Estimates

Irwin Rowe, with the aid of a viewgraph, briefed members in attendance on the complete people mover program.

Overall Costs

There was no change in the overall cost figures from those presented in previous briefings. Cost estimates are \$43.8 million for the parking structures and \$38.0 million for the people mover system, resulting in a combined net project cost of about \$81 million. This combined figure includes the cost of

funded interest.

Operating Costs

Mr. Rowe explained that operating and maintenance (O & M) costs were projected at 4% per year annual rate of inflation. Dan Miller noted that RTD staff concurred in the 1973 cost projected for this item but felt that at least a doubling of the inflationary rate would be more consistent with current industry experience. It was conceded, however, that since it is anticipated that the automated operation of the people mover system will require minimum personnel, the O & M costs constitute only a small portion of the total project cost.

Operating Revenues

Operating revenues are projected to increase 4% per year. Irwin Rowe stated that this is a conservative estimate based on recent inflationary trends in parking costs. Dan Miller noted that the increase in parking and transit fare rates is computed from a base year of 1973, thus, the actual monthly parking rate would be about \$2.00 per month in 1980 - an increase of 50¢ over the 1973 dollar figures shown in the presentation. Similarly, the 10¢ transit fare would have escalated to about 16¢ per ride by 1980, the first year of full operation.

Capital Costs

Dan Miller noted that CRA's capital cost estimates were about \$5 million lower than RTD's cost estimates. Irwin Rowe explained that CRA's figures were based on comparisons of CRA's

initial estimates with estimates submitted by several engineering firms and suppliers.

George McDonald recommended that in view of the availability of tax allocation bond financing from CRA for the one-third local match funding, RTD's higher cost estimates should be used in the UMTA's capital grant application. Jack Gilstrap commented that because the application for the UMTA capital grant would be primarily in RTD's name, it would be important to RTD that the capital cost estimate not be on the low side. Mr. Scouler commented that the application would be filed jointly by all three agencies.

UMTA Capital Grant Application

Mr. Scouler outlined the change in thinking on the part of RTD and CRA staffs about abandonment of plans for demonstration grant in favor of a capital grant. Mr. McDonald stated that RTD concurred in this change of strategy.

Three Agency Agreement

Mr. Scouler began the conversation in regard to the agreement by explaining that he understood the area of primary concern to the District was a provision that project revenues (people mover and parking combined) be drawn off first to pay operating costs prior to capital and debt service payments to the bond holders. Further, that in the event there were insufficient funds to cover operating costs, monies would be provided from a source outside of RTD, thus, insuring the District against a possible

deficit operation of the people mover system. Mr. Scouler stated that CRA Counsel believed it inappropriate to include sections in the basic agreement which spoke to this question. These matters would be better handled in subsequent agreements after the basic agreement is signed. Mr. Scouler added that this is a matter between RTD and the City and that if it was acceptable to the City, it would be agreeable to CRA to include this subject in the basic agreement. Mr. Scouler also noted that as a back up source of funding for the project, CRA could agree to commit tax increment funds to supplement project revenues.

In response, Mr. McDonald answered in the affirmative, that the District's principle area of concern in regard to the agreement was protection against possible operating deficits of the people mover system.

Dr. Piper responded that he would never recommend to the City entering into an agreement that would be open-ended with regard to District operating costs for the people mover system. Mr. Gilstrap commented that he envisioned the contract with the City for people mover operation based on actual cost incurred, similar to the existing contract for the downtown Mini-bus loop service.

Mr. Ingman pointed out that the City will lease the people mover system from the CRA until the bonds are retired. At the same time the City would be required to enter into a sub-lease

agreement with RTD for operation of the people mover system, with an option to also sub-lease the operation of the garages to RTD.

Mr. Ingman stated it was his belief that the City would have to carefully scrutinize the separate agreements that the City would have to negotiate with both the CRA and RTD to protect the City's financial interest. In any event, however, he stated that these questions should be resolved in subsequent agreements after the project has finally been approved by the governing bodies of each of the three participating agencies.

In response to question by Mr. McDonald as to who is responsible for providing operating costs of the combined system in the event there are insufficient system revenues, Mr. Scouler indicated that CRA studies indicate the project is financially feasible. Mr. Scouler stated that the financial analysis conducted by CRA consultants and CRA staff indicate there will be adequate revenues to fund the operating costs of the garages and the transit system as well as to retire the bonds. It was agreed by Mr. Ingman that the City must be convinced of the financial soundness of the project before it could consent to enter into the proposed agreement.

Mr. Gilstrap indicated that he was satisfied with the language of the agreement. He further stated he thought it appropriate to leave the matter of financing operations to subsequent agreements with the City.

Mr. Mitchell and Dr. Piper concurred as to the adequacy of the draft agreement of April 4, 1973, in this respect.

Mr. Ingman, however, did request an interpretation from Bond Counsel as to the meaning of the paragraph in Section 14, which refers to the District's Trust Indenture of January 1, 1958. Mr. Gilstrap agreed to request the written opinion from the District's Bond Counsel - O'Melveny & Myers.

Recommended Schedule of Events

Mr. Gilstrap indicated RTD's readiness to recommended adoption of the agreement and proposal to the RTD Board. The earliest opportunity for RTD Board approval would be in mid August 1973.

Proposed Extension of People Mover System
to Interface with Hollywood Freeway

Martin Wallen of VTN, Traffic Consultant to CRA, reported on a meeting he had recently with Haig Ayanian, Director of Transportation, District 7, Cal DOT. Martin noted RTD's concurrence, in a letter of December 15, 1972, to Mr. Rowe, of designing the West Terminal Station and Garage so that the people mover line could be extended to the Hollywood Freeway. Mr. Ayanian endorsed the concept and indicated his interest in studying the technical and financial feasibility of the proposal. Mr. Wallen indicated that Mr. Ayanian directed that a study be undertaken of the possibility of funding the complete costs of the bus loading and unloading facilities adjacent to the freeway from highway funds. Mr. Wallen stated that there appeared a possibility of using

Cal DOT's funding of the necessary freeway modifications and bus interface facilities, as the local share money with which to obtain two-thirds UMTA financing for the combined people mover extension, station and bus interface facilities.

