



Metro

**EXECUTIVE MANAGEMENT & AUDIT COMMITTEE
JANUARY 19, 2006**

SUBJECT: FLYAWAY BUS SERVICE BETWEEN UNION STATION AND LOS ANGELES INTERNATIONAL AIRPORT

ACTION: AUTHORIZE THE EXECUTION OF A RIGHT OF ENTRY PERMIT/HOLD HARMLESS AGREEMENT

RECOMMENDATION

Authorize the Chief Executive Officer to execute a three-year Right of Entry Permit/Hold Harmless Agreement (the "Agreement") with Los Angeles World Airports ("LAWA"), which Agreement will: (a) allow LAWA to use portions of Patsaouras Transit Plaza (the "Transit Plaza"), the USG parking garage and Terminal 31 to support LAWA's operation of its FlyAway-branded bus service ("FlyAway Service") between Union Station and Los Angeles International Airport ("LAX").

RATIONALE

LAWA desires to operate its FlyAway Service between Union Station and LAX. This service would provide a direct bus service link between Union Station and all arrival and departure terminals at LAX thus reducing freeway trips to and from LAX. The proposed FlyAway Service is modeled after LAWA's successful Van Nuys FlyAway program, and is one of several similar services LAWA intends to roll out throughout the County over the next ten years. LAWA anticipates operating the proposed FlyAway Service on fifteen-minute headways during peak periods and on thirty-minute headways at all other times.

In that it will be situated at Union Station, a major transit hub, the proposed FlyAway Service will offer easy connection to the Metro Red and Gold Lines, Metro bus service, and Metrolink and Amtrak rail service. FlyAway service patrons will also be able to park on the P-4 level of the USG parking garage at the garage's standard parking rates, or be dropped off/picked up on the Transit Plaza in the area fronting on the East Portal.

The proposed Agreement will provide LAWA with exclusive use of the kiosk located at the southerly end of the Transit Plaza for selling FlyAway Service bus tickets, providing FlyAway Service information, and monitoring FlyAway Service-related activities on the Transit Plaza. The Agreement will also provide LAWA with non-exclusive use of the following areas for the following purposes:

- Berth #9 on the Transit Plaza, which is situated adjacent to the kiosk, for boarding and alighting of FlyAway Service buses;

- The area located in and around the kiosk as a waiting area for FlyAway Service patrons;
- That portion of the Transit Plaza fronting on the East Portal for use as a vehicular drop off/pick up area for FlyAway Service patrons;
- Terminal 31 for the purpose of laying over no more than two (2) FlyAway Service buses awaiting access to Berth #9; and
- The P-4 level of the USG parking garage for FlyAway Service-related parking.

The term of the Agreement will be three years and it will be terminable by either party upon ninety-days notice.

LAWA anticipates that the FlyAway Service will initially result in approximately 50 additional cars per day using the USG parking garage, with such use growing to up to 180 additional cars per day by the end of the three-year term of the Agreement. Accommodating this increase in parking demand requires the P-4 level of the garage to be opened. This level of the garage is currently closed to public use to save on operational costs. Initially, use of the P-4 level of the parking garage will be restricted to FlyAway Service-related parking.

Metro staff is currently finalizing plans for a security-hardening project for the Transit Plaza and the USG parking garage. The goal of this project is to separate public parking and vehicular circulation from the area immediately adjacent to and beneath the Metro headquarters building. The current scope of work and budget for the security-hardening project does not contemplate any security-hardening improvements on the P-4 level of the parking garage, since when the current scope of work and budget were prepared, it was anticipated that the P-4 level of the garage would remain closed.

Opening the P-4 level of the parking garage to meet the increased parking demand resulting from the proposed FlyAway Service now requires that certain security-hardening improvements be made to this level. Though the precise nature of these improvements has yet to be determined, they will, for the most part, likely consist of: (a) closing the garage's northerly ramp between the P-3 and P-4 levels; and (b) installing a k-rail barrier on P-4 that will preclude vehicular access to that portion of P-4 situated beneath the Metro headquarters building. Metro estimates the cost of these improvements to be no more than \$50,000, which cost shall be borne by LAWA.

FINANCIAL IMPACT

LAWA will be solely responsible for the cost associated with: (a) FlyAway Service bus operations, (b) tenant improvements to the kiosk, (c) pre-opening cleaning and deferred maintenance with respect to level P-4 of the parking garage and the kiosk,

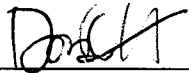
(d) FlyAway Service wayfinding and informational signage, and (e) security hardening on P-4 of the USG parking garage. Metro will incur additional operating costs associated with opening the P-4 level of the USG parking garage and providing additional maintenance, repair and utilities to support LAWA's FlyAway Service operation. These additional costs, however, will be offset by the additional parking revenue generated by the FlyAway Service or will be reimbursed by LAWA at the end of the 3-year Agreement term. Such additional operating costs for FY06 are estimated to total \$50,000 and sufficient funds are included in the FY06 Budget in Cost Center 6510, Project 610061, and Account 50308. Since the proposed Agreement is a multi-year contract, the Director of Real Estate will budget the funds necessary to cover such costs in future years.

Metro will receive a \$1,000 per year fee from LAWA under the Agreement. In addition, Metro will receive additional parking revenue from FlyAway service patrons as a result of FlyAway Service-related parking in the USG garage. Metro conservatively estimates that FlyAway Service-related parking will average 75 to 100 cars per day over the term of the Agreement. At this level of use, Metro should receive a total of between \$44,000 and \$210,000 in additional parking revenue, net of budgeted expenses, over the term of the Agreement.

ALTERNATIVES CONSIDERED

No alternatives to the recommended action were considered.

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