

Appendix I Economic Impacts Report

EASTSIDE TRANSIT CORRIDOR PHASE 2



May 2026

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Prepared for:

Charlene Lee Lorenzo, Director
Nick Hernandez, Transportation Program Specialist
Federal Transit Administration
Region 9 Office
888 South Figueroa Street, Suite 440
Los Angeles, CA 90017-5467

and

Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012
Project Email: eastsidephase2@metro.net
Phone: 213-922-3012

Prepared by:

CDM Smith/AECOM Joint Venture
600 Wilshire Boulevard, Suite 750
Los Angeles, CA 90017

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Acronyms and Abbreviations

2024 RTP	Connect SoCal 2024-2050 Regional Transportation Plan
ADA	Americans with Disabilities Act
am	Ante Meridiem
APN	Assessor's Parcel Number
BCA	Benefit-Cost Analysis
BEA	Bureau of Economic Analysis
BMP	Best Management Practices
CCP	Construction Careers Policy
CMAQ	Congestion Mitigation and Air Quality Improvement
CNT	Center for Neighborhood Technologies
COVID-19	Coronavirus Disease 2019
C/S/E/D	Contractor/Subcontractors/Employers/Developers
EA	Environmental Assessment
FLM	first/last mile
FTA	Federal Transit Administration
FY	Fiscal Year
H+T	Housing + Transportation
JD	Joint Development
LACMTA	Los Angeles County Metropolitan Transportation Authority
LRT	light rail transit
L RTP	Long Range Transportation Plan
LRV	light rail vehicles
MAP	Los Angeles County Department of Regional Planning Metro Area Plan

Metro	Los Angeles County Metropolitan Transportation Authority
MOW	Maintenance of Way
MRDC	Metro Rail Design Criteria
MSA	Metropolitan Statistical Area
MSF	maintenance and storage facility
NEPA	National Environmental Policy Act
NPM	National Environmental Policy Act Project Measure
O&M	operation and maintenance
OCS	overhead catenary system
PLA	Project Labor Agreement
pm	Post Meridiem
Project	Eastside Transit Corridor Phase 2 Project
RIMS	Regional Input-Output Modeling System
ROW	right-of-way
SCAG	Southern California Association of Governments
SLA	Metro Real Estate Asset Management for Surplus Land Act
TBM	tunnel boring machine
TOC	Transit oriented communities
TOD	Transit oriented development
TPSS	traction power substation
USDOT	United States Department of Transportation
VMT	vehicle miles traveled
\$	Dollars
%	Percent

1.0 INTRODUCTION

This impacts report discusses the Eastside Transit Corridor Phase 2 Project setting in relation to economics. It briefly summarizes the Project (Atlantic to Greenwood Alternative [Build Alternative] and the No Build Alternative), describes the regulatory setting and affected environment, and evaluates the environmental consequences of the alternatives.

The Build Alternative consists of 4.7 miles of reconfigured and new light rail transit (LRT) guideway to extend the Los Angeles County Metropolitan Transportation Authority (LACMTA/Metro) E Line east from the current terminus at Atlantic Boulevard in East Los Angeles to an at-grade terminal station at the Greenwood station in the City of Montebello.

The area of analysis (Study Area) is in eastern Los Angeles County and includes portions of the unincorporated community of East Los Angeles and the Cities of Commerce and Montebello. It has a diverse mix of land uses, including single- and multi-family residences, commercial and retail uses, industrial development, parks and recreational, health and medical uses, educational institutions, and vacant land. The Build Alternative would traverse densely populated, low-income, and heavily transit dependent communities with major activity centers within the Gateway Cities subregion of Los Angeles County. The specialized study area for economics is described in **Section 5.1**.

2.0 PROJECT ALTERNATIVES

2.1 Project Setting

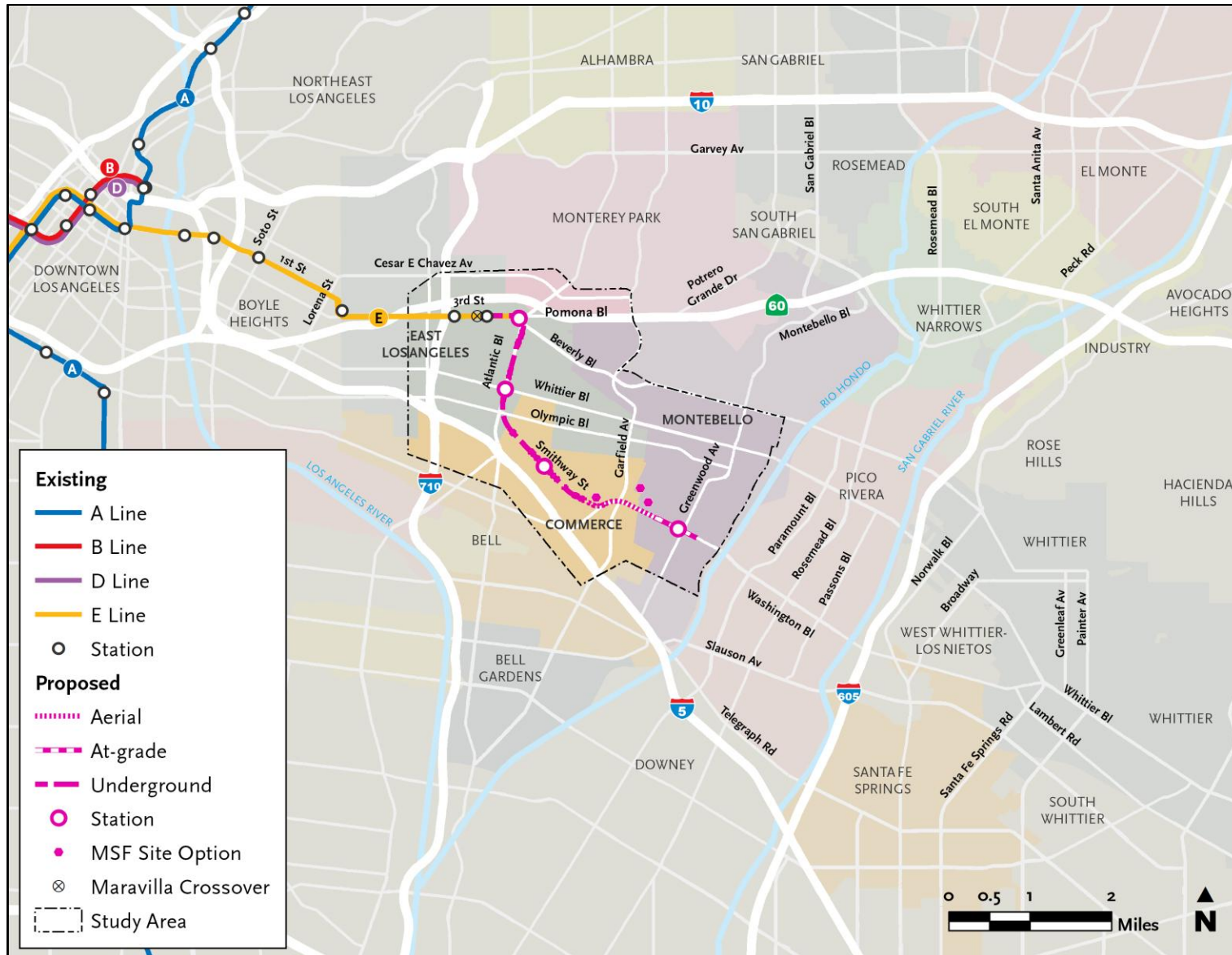
This Impacts Report evaluates potential environmental effects of the Build Alternative and No Build Alternative. The Study Area for the Build Alternative generally includes the area within a 0.5-mile to 2-mile radius from the Build Alternative's guideway's centerline.¹ The Study Area varies in distance from the alignment to encompass the area of localized effects and also include nearby boundaries of Cities and census tracts that are considered in the evaluation of topics such as land use and growth. It primarily encompasses a portion of the communities located along the Build Alternative alignment: the Cities of Commerce and Montebello and unincorporated East Los Angeles. A small portion of Monterey Park is located on the northwestern edge. **Figure 2.1** shows the Study Area boundaries.

As discussed in **Section 1.0**, the Study Area and surrounding region serve a diverse mix of uses. Major activity centers include East Los Angeles Community College, recreation areas, major retail and commercial centers (e.g., Citadel Outlets and the Historic Whittier Boulevard Shopping District), and medical centers. The Study Area is densely populated with low-income and transit dependent communities. In addition, many industrial and commercial properties utilize the arterials and freeways within the region for logistical freight activities.

2.2 Project Description

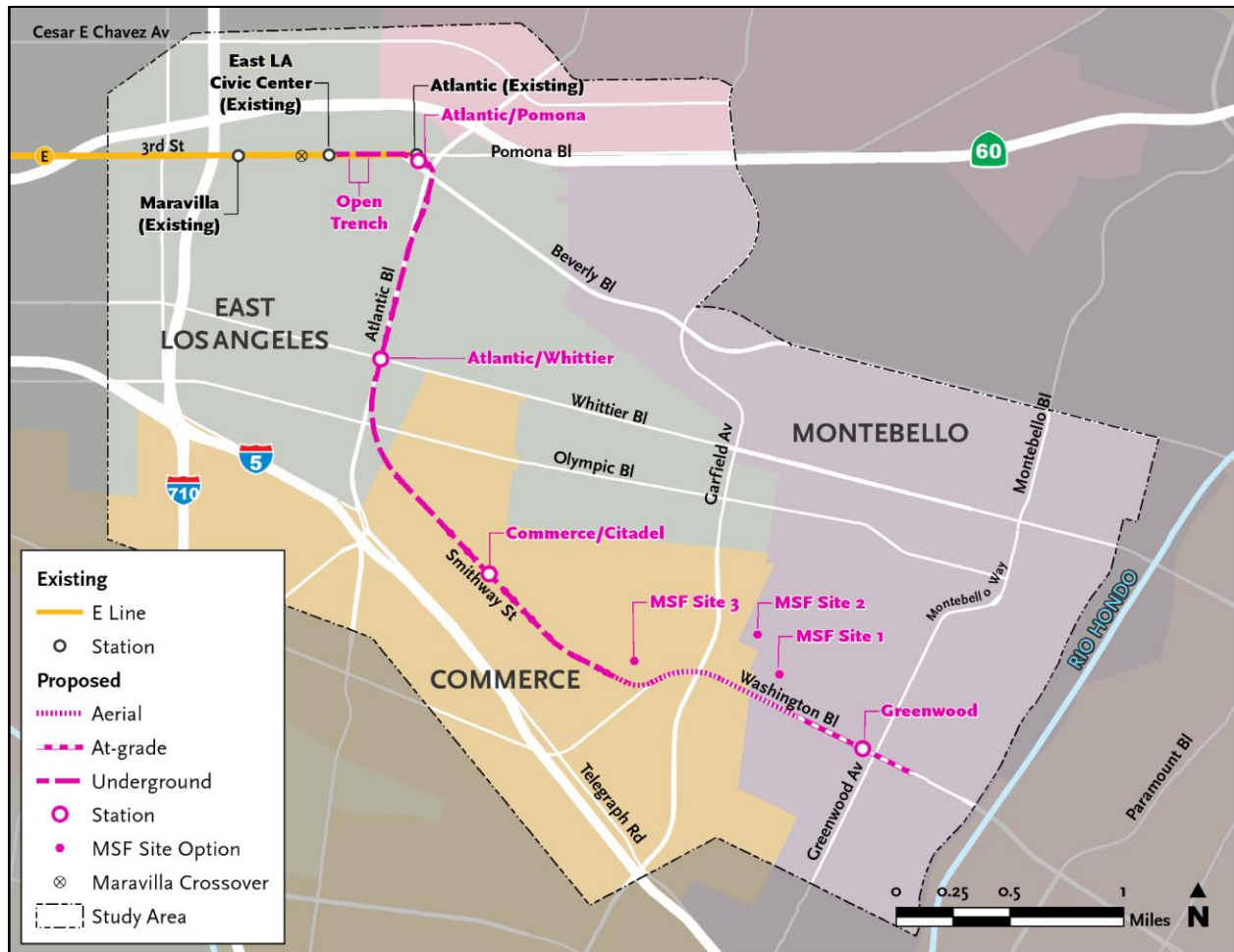
The Build Alternative is an electric-powered LRT service extension in eastern Los Angeles County. The Build Alternative would consist of 4.7 miles of reconfigured and new LRT guideway to extend the Metro E Line east from the current terminus at Atlantic Boulevard to an at-grade terminal station at the Greenwood station in the City of Montebello. The 4.7 miles would include reconfiguration of 0.4 miles of existing track for a transition to a new 4.3-mile extension. The configuration includes an approximately 3.1-mile underground guideway, 0.9-mile aerial guideway, and 0.7-mile at-grade guideway. It also includes a relocated underground Atlantic/Pomona station and three new stations. As discussed in greater detail below, the Build Alternative also includes guideway and system facilities to support vehicle operations, such as overhead catenary systems (OCS), radio communications, and train control houses that would be constructed along the alignment, a modification to existing tracks west of the proposed alignment extension (Maravilla Crossover); and a maintenance and storage facility (MSF). Three site options for the MSF are being evaluated based on project requirements, constructability, environmental impacts, operational efficiency, and compatibility with surrounding land uses, but only one would be selected. Of the evaluated MSF sites, two are in the City of Montebello (MSF Sites 1 and 2) and one is in the City of Commerce (MSF Site 3). **Figure 2.2** shows a close-up of the Study Area and the alignment with the proposed stations and MSF site options.

¹ According to the Federal Transit Administration (FTA), a guideway refers to a public transportation facility using and occupying a separate right-of-way (ROW) or rail line for the exclusive use of public transportation (FTA 2025). The Build Alternative guideway is the proposed rail line, including the underground, aerial, and at-grade configurations. The centerline refers to the center line between the guideway LRT tracks or structures that supports, contains, and physically guides the LRT vehicles.



Source: Metro; CDM Smith/AECOM JV 2026.

Figure 2.1. Study Area



Source: Metro; CDM Smith/AECOM JV 2026.

Figure 2.2. Study Area Close-up

2.2.1 Guideway Alignment

The Build Alternative includes revisions to the existing Metro E Line tracks west of the existing East Los Angeles Civic Center Station and a new guideway extension that begins east of the station in East Los Angeles (unincorporated Los Angeles County).

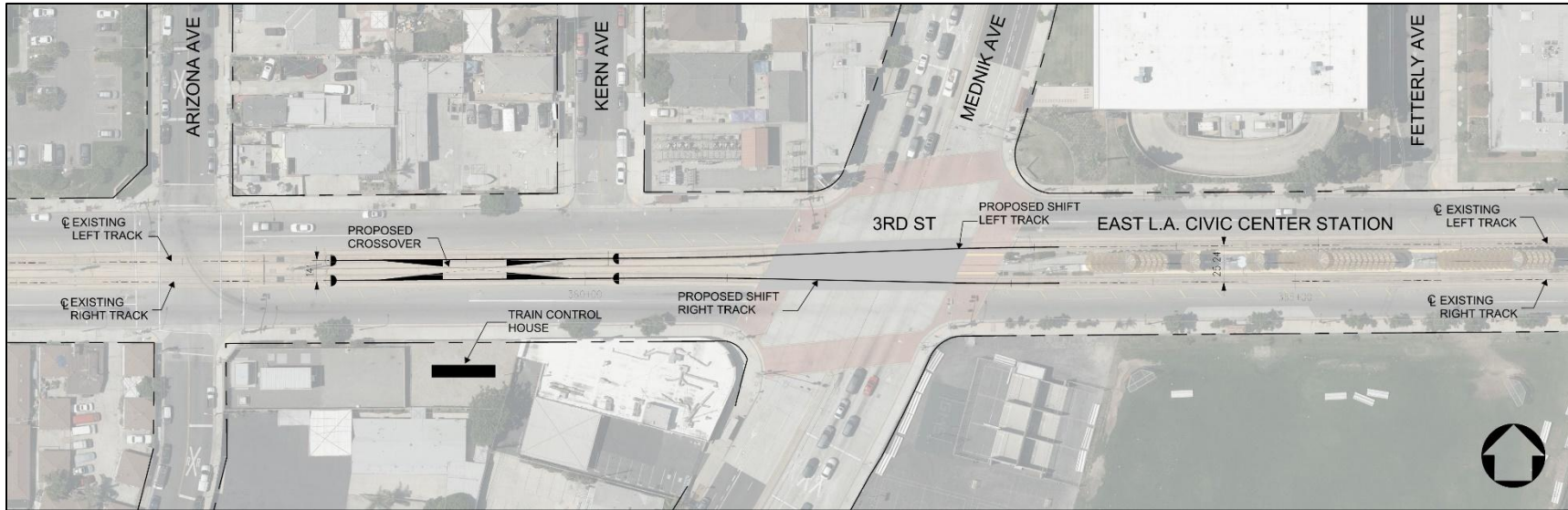
The existing tracks would be reconfigured to install a new at-grade double crossover² on 3rd Street between Arizona Avenue and Kern Avenue as shown in **Figure 2.3**. The new crossover, referred to as the Maravilla Crossover, is required to meet operational requirements of the guideway extension. Construction of the Maravilla Crossover would involve a minor shift of the existing track to the east and roadway resurfacing within the existing right-of-way (ROW). A train control house with electric power switches and auxiliary power room would be constructed at the vacant lot owned by Metro on the south side of 3rd Street between South Arizona Avenue and South Mednik Avenue (see **Figure 2.3**). This site is adjacent to an existing traction power substation (TPSS) that is surrounded by a block wall. The block wall would be extended to include the train control house site.

The new guideway would begin with a transition from the existing at-grade guideway to an underground guideway within an open trench extending from east of Civic Center Way to east of La Verne Avenue as shown in **Figure 2.4**. The trench would eliminate vehicle and pedestrian crossings of 3rd Street at La Verne Avenue and therefore, left turns to and from La Verne Avenue would be prohibited during construction and operation of the Build Alternative. Left turns would also be eliminated at Civic Center Way; however, the pedestrian crosswalk at this location would remain. To facilitate traffic movement to and from La Verne Avenue and Civic Center Way, eastbound traffic on 3rd Street would be allowed to make a U-turn on Wood Avenue to reverse direction. Westbound traffic would continue to be allowed to make a U-turn at Mednick Avenue to reverse direction. Additionally, a new access road would be constructed to allow Sheriff's Department vehicles to turn left from the Sheriff's Department driveway onto 3rd Street. A new high-visibility crosswalk would provide pedestrian access across 3rd Street between the existing pedestrian access at Civic Center Way and Woods Avenue.

Once underground, the guideway would follow 3rd Street to the proposed relocated underground Atlantic/Pomona station east of Beverly Boulevard. The underground guideway would then turn south, running east of Atlantic Boulevard until south of 4th Street and then underneath Atlantic Boulevard to approximately Verona Street and Olympic Boulevard. Then the underground guideway would curve southeast, running under Smithway Street near the Citadel Outlets in the City of Commerce.

After crossing Saybrook Avenue, the guideway would transition from underground to an aerial configuration. If MSF Site 1 or 3 is selected, the aerial guideway would continue east and merge into the center of Washington Boulevard at Gayhart Street. However, if MSF Site 2 is selected, the aerial guideway would continue east immediately to the north of Washington Boulevard then merge into the center of Washington Boulevard east of Garfield Avenue.

² Track crossovers allow a train to reverse direction and use adjacent track to continue operation. The Build Alternative includes the Maravilla Crossover and crossovers along the alignment extension.



Source: Metro; HNTB/Cordoba 2026.

Figure 2.3. Maravilla Crossover Exhibit



Source: HNTB/Cordoba 2026.

Figure 2.4. Conceptual 3rd Street Modifications

Under all three MSF site options, the aerial tracks would transition to an at-grade configuration between Vail Avenue and Maple Avenue. The alignment would remain at-grade in the center of Washington Boulevard until the intersection of Washington Boulevard and Greenwood Avenue in the City of Montebello, where it would shift slightly south of the center of Washington Boulevard. Revenue service would terminate at Greenwood station to the west of Greenwood Avenue and tail tracks would continue further east to Montebello Boulevard to allow for the LRT to reverse direction. The guideway and trackwork design would comply with the Metro Rail Design Criteria (MRDC).

2.2.1.1 Traffic Circulation Changes

Left turns would be eliminated at the intersection of Washington Boulevard and Maple Avenue where the at-grade alignment begins just west of the intersection. At the intersection of Washington Boulevard and Montebello Boulevard, two options for the guideway are being considered:

- Montebello Boulevard Option 1 (no left turn) – This option would remove left-turn pockets on Washington Boulevard and eliminate left turns onto Montebello Boulevard from both directions. Only through traffic movement and right turns would be allowed from Washington Boulevard at this intersection.
- Montebello Boulevard Option 2 (left-turn pocket) – This option would retain left-turn pockets on Washington Boulevard for traffic in both directions. This option would require widening Washington Boulevard and involves additional property acquisitions.

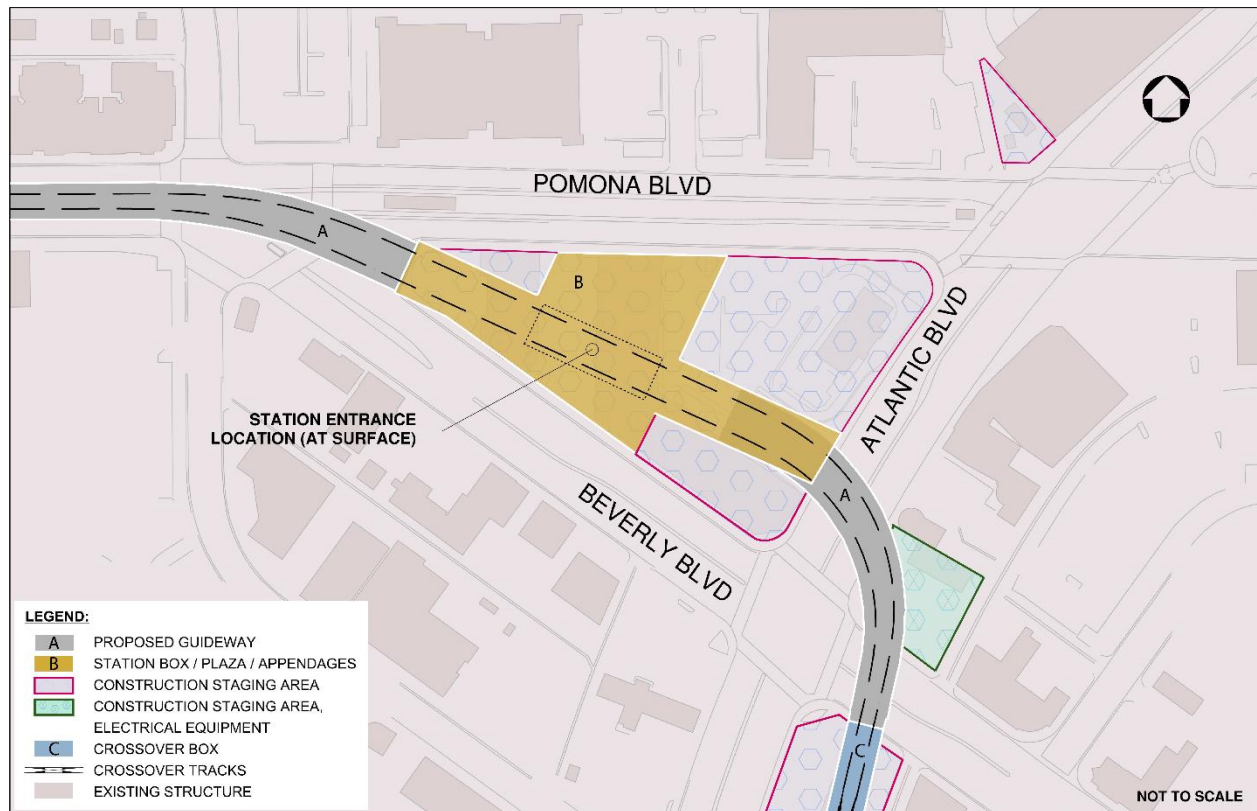
Additional changes to traffic circulation include a reduction in the number of traffic lanes on eastbound 3rd Street from two lanes to one between Civic Center Way and the new Sheriff's Department access road to accommodate the open trench and on Washington Boulevard between Saybrook Avenue and the eastern terminus from three lanes to two lanes to allow for the placement of columns to support the aerial guideway and for the right-of-way needs of the at-grade guideway. Unsignalized left-turns along the at-grade guideway would be prohibited. Minor changes to lane configurations at intersections may be required to accommodate new or modified traffic circulation patterns, such as along Washington Boulevard and near the intersection of 3rd Street and Atlantic Boulevard to accommodate the trench for the transition. There may also be new traffic signals or modifications to existing traffic signals to accommodate light rail movements and traffic circulation patterns at intersections and grade crossings and to facilitate pedestrian access to and from stations. Additional changes may include access changes at selected cross streets due to at-grade or aerial crossings and driveway widening at some industrial properties along Washington Boulevard.

2.2.2 Proposed Stations

The following stations would be constructed under the Build Alternative:

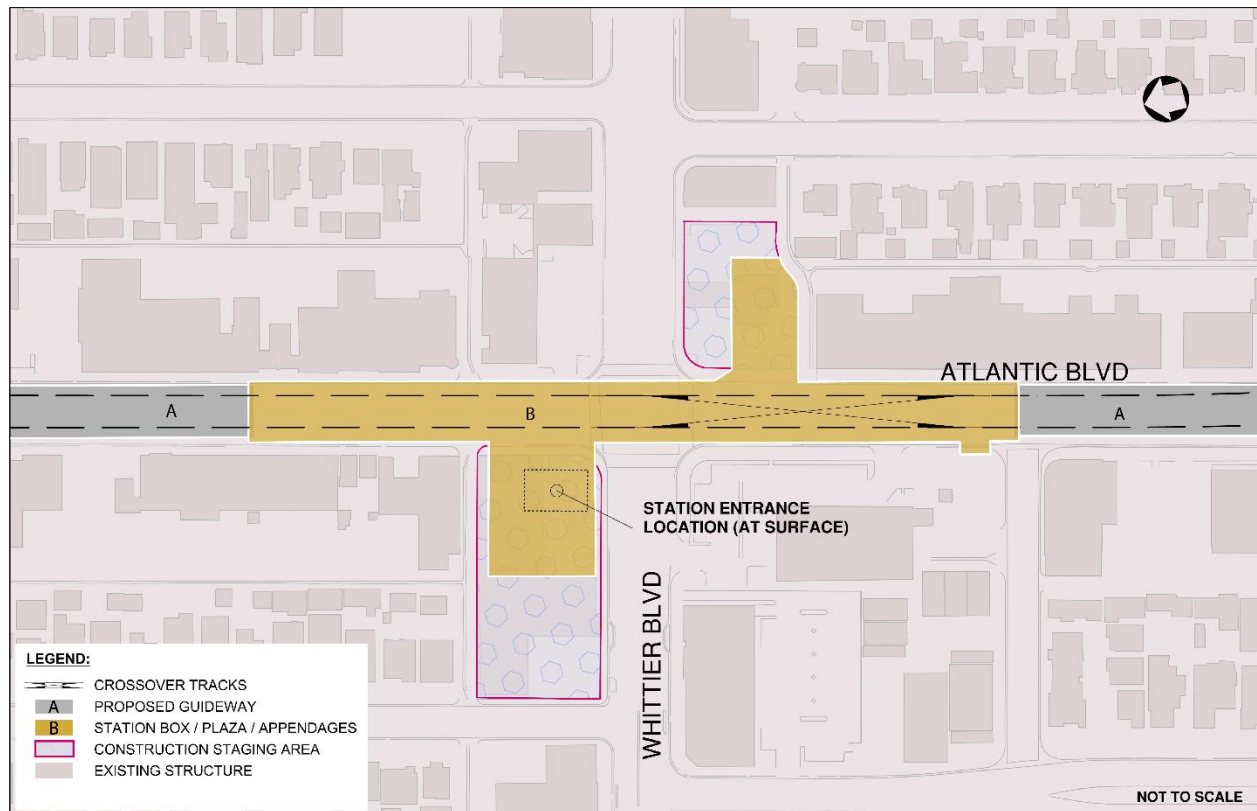
- Atlantic/Pomona – The Atlantic/Pomona station would relocate the existing at-grade Atlantic Station to an underground station with a center platform layout. This station would be located beneath the triangular parcel bounded by Atlantic Boulevard, Pomona Boulevard, and Beverly Boulevard. The existing parking structure with 280 parking spaces is located north of the 3rd Street and Atlantic Boulevard intersection would continue to serve this station. In coordination with Metro Art, efforts would be made, as feasible, to relocate the artwork from the existing Atlantic Station to the new Atlantic/Pomona station.
- Atlantic/Whittier – This station would be underground with a center platform located beneath the intersection of Atlantic and Whittier Boulevards in East Los Angeles. Parking would not be provided at this station. Access to the station would be provided via an entrance located on the northwest corner of the Whittier Boulevard and Atlantic Boulevard intersection.
- Commerce/Citadel – This station would be underground with a center platform located beneath Smithway Street near the Citadel Outlets in the City of Commerce. Parking would not be provided at this station. Access to the station would be provided via an entrance located south of Smithway Street west of Gaspar Avenue.
- Greenwood – This station would be at-grade with a center platform on Washington Boulevard located just west of Greenwood Avenue in the City of Montebello. This station would provide a surface parking facility with 270 to 370 proposed new surface parking spaces near the intersection of Greenwood Avenue and Washington Boulevard.

Conceptual station site plans are shown in **Figure 2.5** through **Figure 2.8**. Station public area designs and amenities would comply with the Systemwide Station Design Standards, Metro Art Program Policy, MRDC, and Architectural Standard and Directive Drawings. Design elements would include, but would not be limited to, station signs, entrance portal canopies at the underground stations, platform canopies at the at-grade station, plaza paving and landscaping, interior architectural finishes and furnishings, lighting, passenger telephones, sound attenuation features, customer information panels, real-time information digital screens, fare gates, fare vending machines, integrated public art, security cameras, and bike racks and lockers. Station entry portals with escalators and elevators would provide access to underground stations. Access to all stations would be compliant with the Americans with Disabilities Act (ADA) and would also have bicycle and pedestrian connections. Bicycle and pedestrian connections to the stations would comply with the Metro First/Last Mile (FLM) Guidelines and the MRDC. Details, including station area planning and urban design, would be determined during the Build Alternative's final design phase in compliance with Metro design standards and policies for Metro rail stations.



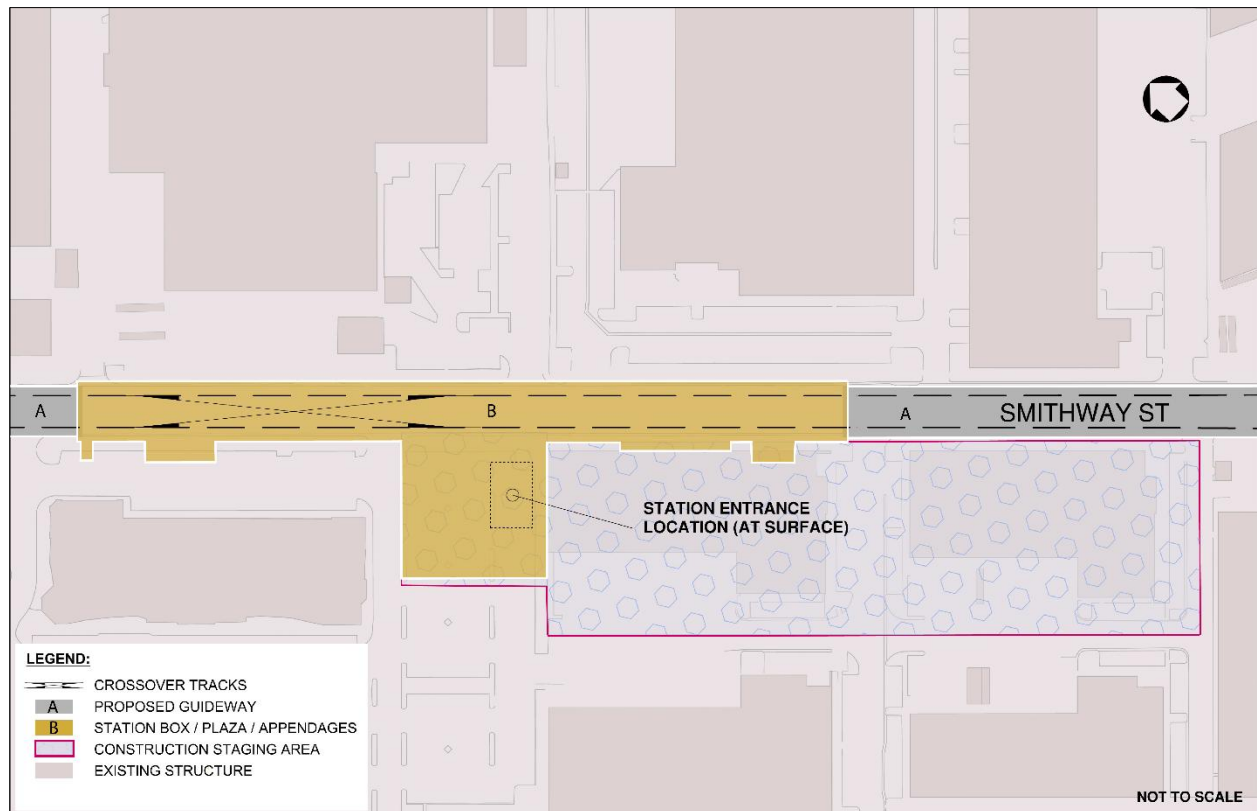
Source: Metro; HNTB/Cordoba 2026.

Figure 2.5. Atlantic/Pomona Station Conceptual Site Plan



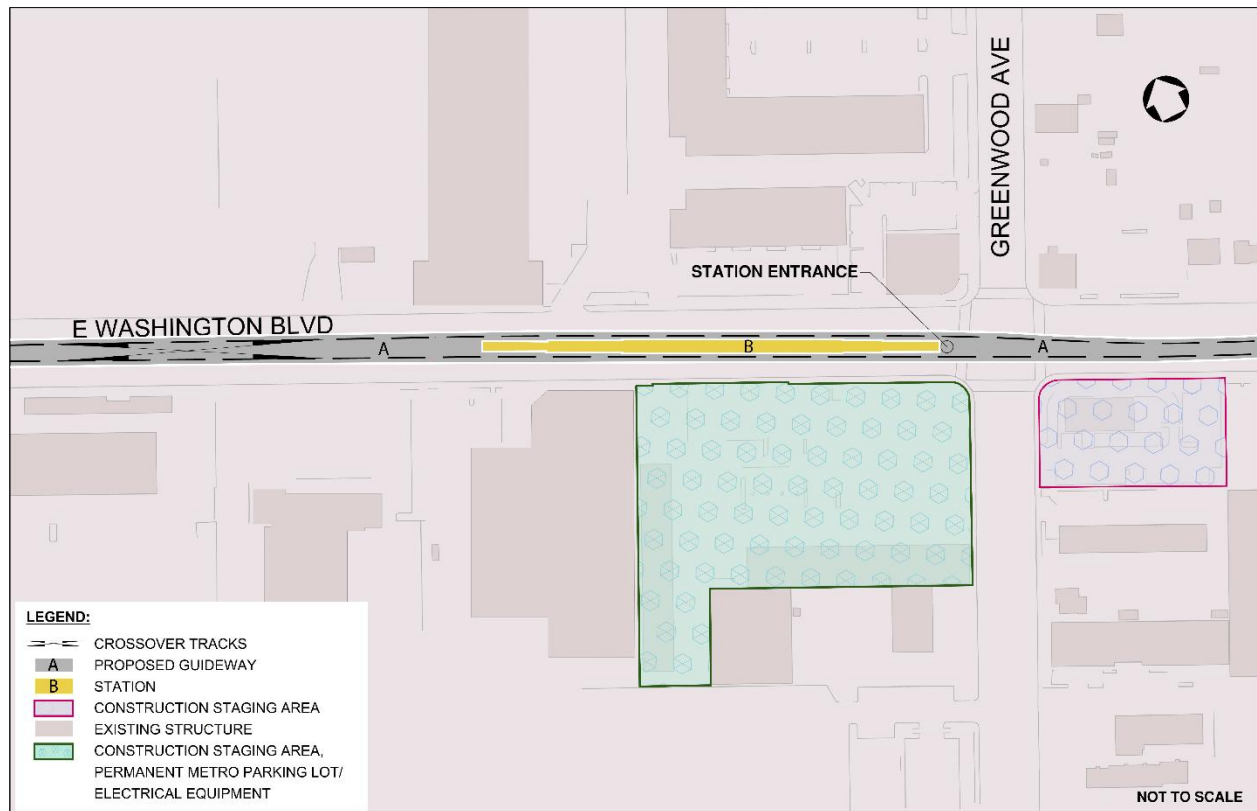
Source: Metro; HNTB/Cordoba 2026.

Figure 2.6. Atlantic/Whittier Station Conceptual Site Plan



Source: Metro; HNTB/Cordoba 2026.

Figure 2.7. Commerce/Citadel Station Conceptual Site Plan



Source: Metro; HNTB/Cordoba J2026.

Figure 2.8. Greenwood Station Conceptual Site Plan

2.2.3 Guideway and System Facilities

The Build Alternative would include additional elements to support vehicle operations, including but not limited to the OCS, tracks, crossovers, cross passages, ventilation structures, emergency fire exits, TPSS, train control houses with electric power switches and auxiliary power rooms, radio communications, an emergency generator, and the MSF. The Build Alternative would have an underground alignment of approximately 3.1 miles in length between La Verne and Saybrook Avenue. Ventilation shafts and emergency fire exits would be installed along the underground portion of the alignment as required by the current version of Metro's Fire Life Safety Criteria. These would be located at the underground stations and adjacent to the crossover following the Atlantic/Pomona station. The Build Alternative alignment would travel along the median of the roadway for most of the route. The precise location of railroad system facilities would be determined in a subsequent design phase.

2.2.4 Maintenance and Storage

2.2.4.1 Maintenance and Storage Facility (Sites 1, 2, and 3)

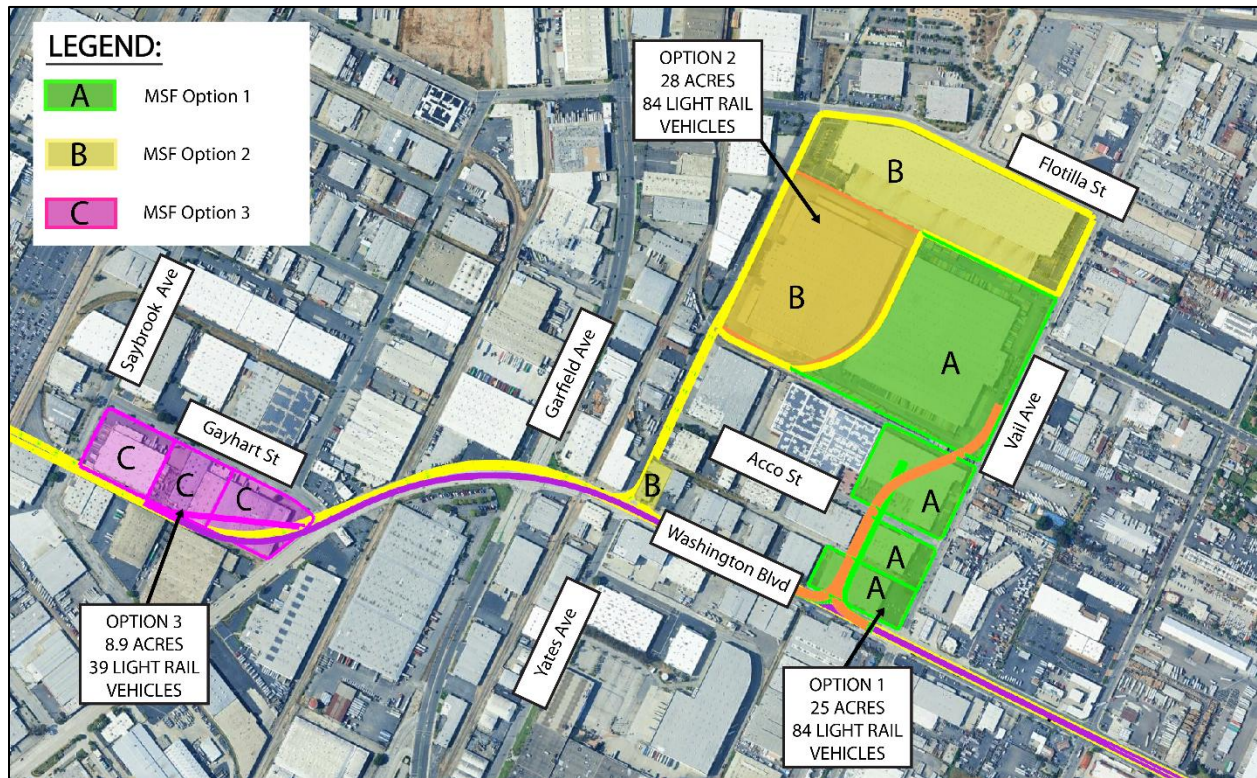
The Build Alternative would include equipment and facilities for cleaning and maintenance of rail cars and to store vehicles that are not in service. This would be supported by a new MSF that would be constructed in an industrial zone in the City of Montebello or in the City of Commerce.

Three site options for the MSF are evaluated in this report: MSF Sites 1 and 2 (25 acres and 28 acres in size, respectively) are in the City of Montebello and MSF Site 3 (9 acres in size) is in the City of Commerce. Only one of the three sites would be selected and constructed. The MSF would include equipment and facilities to clean and maintain rail cars, tracks, and other system components. The MSF would enable storage of light rail vehicles that are not in service and Metro's hi-rail service vehicles, and it would also provide office space for operation and administrative staff. MSF Sites 1 and 2 would have repair facilities and larger storage capacity as compared to MSF Site 3.

MSF Sites 1 and 2 would be north of Washington Boulevard and south of Flotilla Street. Specifically, MSF Site 1 would be west of Vail Avenue with mid-block yard lead tracks and MSF Site 2 would be west of MSF Site 1 with yard lead tracks on Yates Avenue. MSF Sites 1 and 2 would require yard lead tracks that connect to the main line at a wye junction (i.e., three-way junction). The yard lead tracks for MSF Sites 1 and 2 would connect to the mainline alignment in an aerial configuration and transition to at-grade as the track approaches the MSF.

MSF Site 3 would be located west of MSF Sites 1 and 2, at the tunnel boring machine launch (TBM) site at Gayhart Street, east of Saybrook Avenue. The tracks to the MSF would come off the mainline in the LRT ROW north of Washington Boulevard on the parcel east of Saybrook Avenue and south of Gayhart Street as the alignment transitions from an underground to an aerial configuration.

The evaluation of the MSF in this report refers to MSF Sites 1, 2, and 3. MSF Sites 1, 2, and 3 are discussed separately only when there is a difference in the analysis between the three sites. **Figure 2.9** shows the location of the three MSF site options, which are described in greater detail in the following sections.

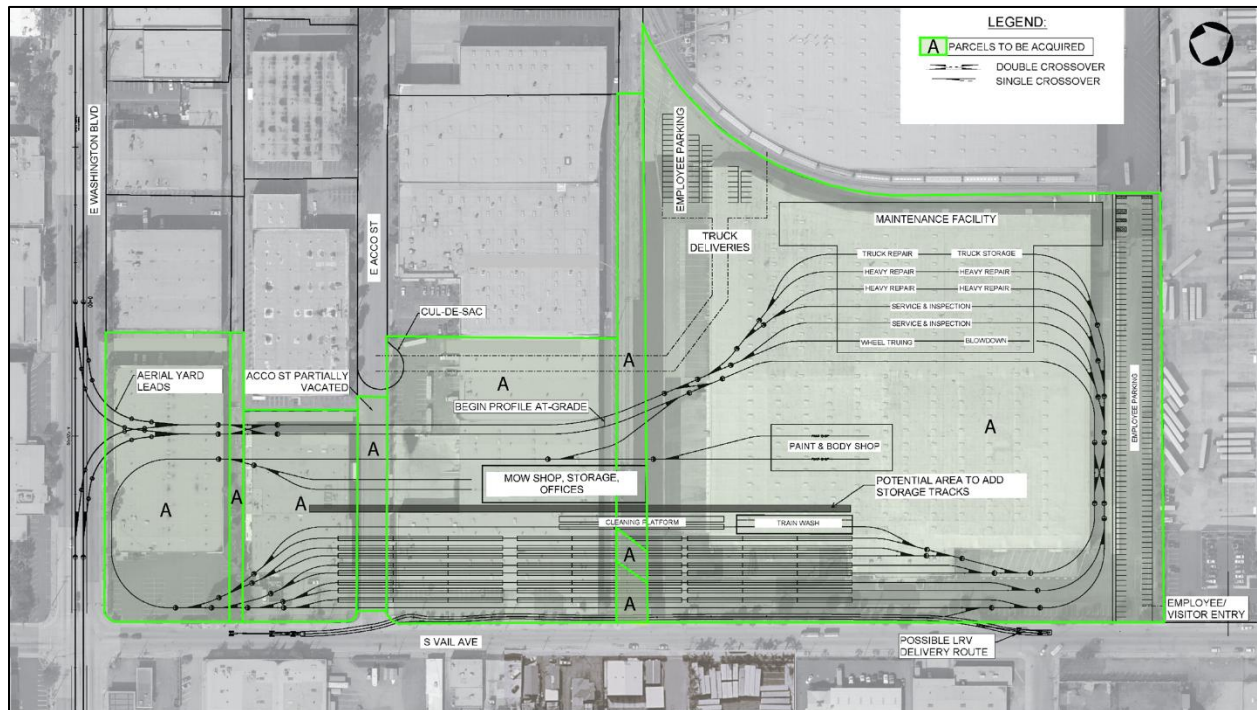


Source: HNTB/Cordoba 2026.

Figure 2.9. MSF Site Options

2.2.4.1.1 MSF Site 1: Aerial Yard Lead Tracks Located Mid-Block

MSF Site 1, shown in **Figure 2.10**, would be approximately 25 acres in size and would encompass four parcels on the west side of Vail Avenue between Flotilla Street and Washington Boulevard. The yard lead tracks to MSF Site 1 would be in an aerial configuration from Washington Boulevard, paralleling Vail Avenue, and would transition to at-grade as the track approaches the MSF. The yard lead tracks would require elimination of through-access to vehicles on Acco Street from Yates Avenue to Vail Avenue. A cul-de-sac would be provided on the westerly side of the lead tracks to ensure that access to businesses in this area is maintained from Yates Avenue. MSF Site 1 would require the full acquisition of five properties and partial acquisitions of two properties with commercial and industrial uses to accommodate the MSF and the lead tracks. A partial vacation of Acco Street would also be required. MSF Site 1 would accommodate storage of up to 84 light rail vehicles (LRV) cars and would have approximately 204 employee parking stalls (including 6 ADA parking stalls).



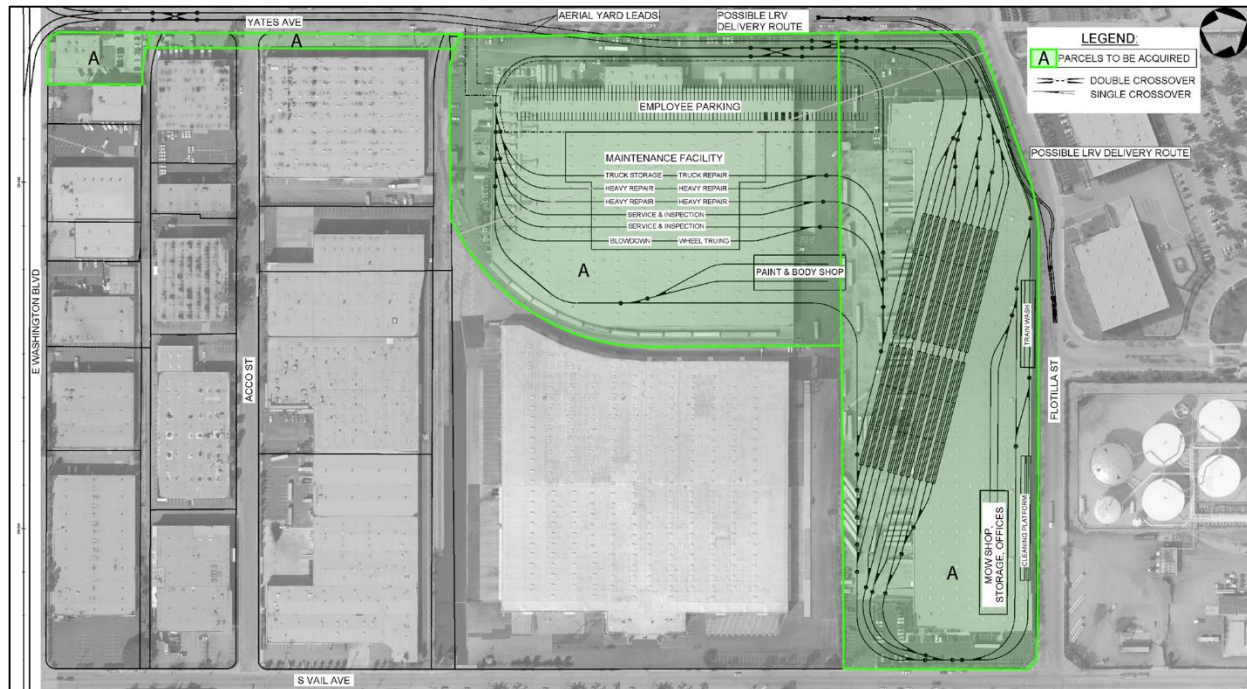
Source: Metro; HNTB/Cordoba 2026.

Key: LRV = Light Rail Vehicle; MOW = Maintenance of Way

Figure 2.10. MSF Site 1

2.2.4.1.2 MSF Site 2: Aerial Yard Lead Tracks Located along Yates Avenue

MSF Site 2, shown in **Figure 2.11**, would be approximately 28 acres in size and would encompass one parcel along the south frontage of Flotilla Street between Yates Avenue and Vail Avenue, and one adjacent parcel immediately to the south, east of Yates Avenue. Additional acreage would be needed to accommodate the yard lead tracks and associated construction staging. If MSF Site 2 is selected, the aerial guideway east of Gayhart Street would be located immediately to the north of Washington Boulevard and merge into the center median of Washington Boulevard east of Garfield Avenue. The yard lead tracks to the MSF would partially be in the City of Commerce, starting in an aerial configuration from Washington Boulevard along the easterly edge of Yates Avenue, and transitioning to at-grade as the tracks approach the MSF. Yates Avenue would retain one vehicle lane in both directions. Two lanes of traffic would be maintained in each direction along Washington Boulevard. MSF Site 2 would require full acquisition of seven parcels for the MSF and the yard lead tracks. MSF Site 2 would also require 10 partial acquisitions of properties including properties along Yates Avenue between Washington Boulevard and MSF Site 2 to accommodate the yard lead tracks and along Washington Boulevard between Gayhart Street and Yates Avenue for the mainline alignment and lead tracks. The MSF would accommodate storage of up to 84 LRV cars and would have approximately 255 employee parking stalls (7 ADA parking stalls).



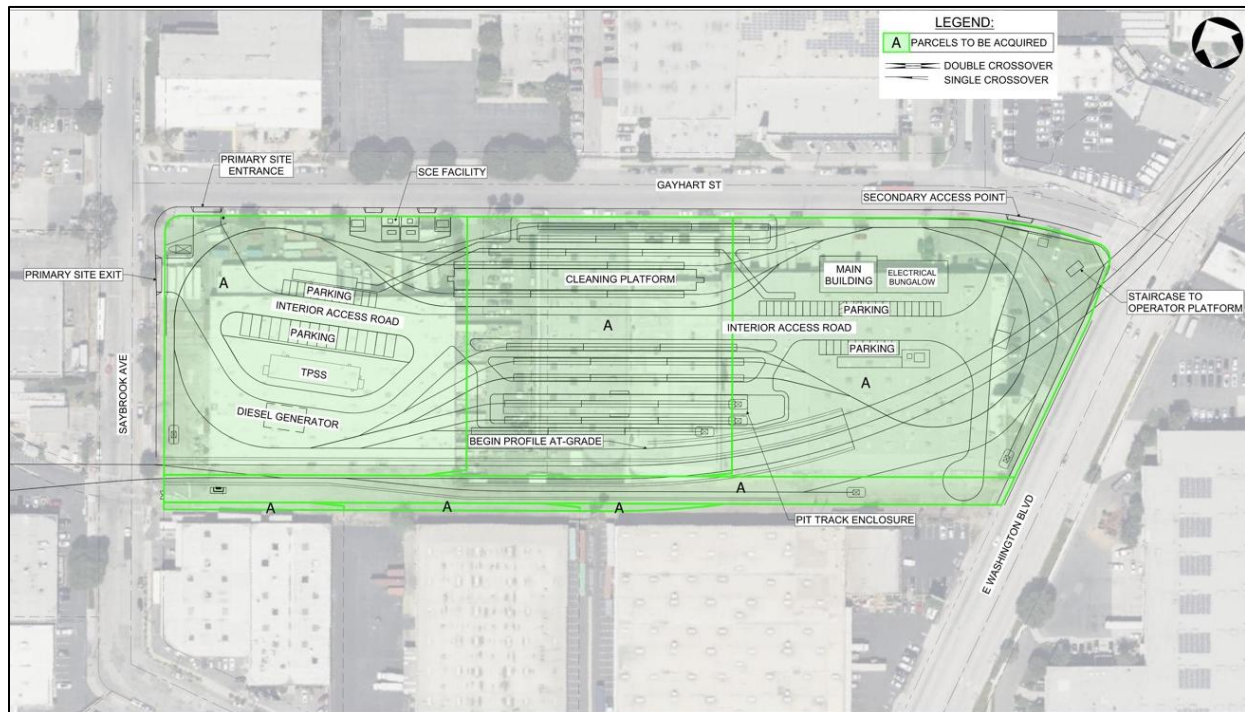
Source: Metro; HNTB/Cordoba 2026.

Figure 2.11. MSF Site 2

Key: LRV = Light Rail Vehicle; MOW = Maintenance of Way

2.2.4.1.3 MSF Site 3: Satellite Yard at Gayhart Street

MSF Site 3, shown in **Figure 2.12**, would be approximately 8.9 acres in size and would encompass three parcels south of Gayhart Street between Saybrook Avenue and Washington Boulevard in the City of Commerce. MSF Site 3 would require full acquisition of five parcels for the MSF, which would also be used for the transition from the tunnel to aerial tracks, construction staging, and the launching of the TBM. The tracks into the MSF would connect to the main line in an at-grade configuration between Saybrook Avenue and Washington Boulevard as the main line alignment transitions from underground to aerial. MSF Site 3 would accommodate storage of a minimum of 39 LRV cars and would have approximately 62 employee parking stalls (3 ADA parking stalls). MSF Site 3 would not have repair facilities.



Source: Metro; HNTB/Cordoba 2026.

Figure 2.12. MSF Site 3

Key: LRV = Light Rail Vehicle; SCE = Southern California Edison; TPSS = traction power substation

2.2.5 Construction

The Build Alternative would include the construction of an underground, aerial, and at-grade guideway for LRT. Key construction activities associated with the guideway (at-grade, aerial, underground) would include temporary roadway decking for the cut and cover sections of the underground guideway and the underground stations, tunnel boring for the remaining portions of the underground guideway, and the construction of an aerial viaduct for the aerial guideway. Additional activities would include underground and at-grade station construction, demolition, utility relocations, street improvements (such as sidewalk reconstruction and traffic signal installation), retaining walls, and LRT operating systems installation including TPSS and OCS. The Build Alternative would also include construction of a parking facility, other railroad system facilities, the Maravilla Crossover and other crossovers along the alignment, potential street widening, and the MSF. Utility relocation work would generally occur within the affected ROW and on adjacent and nearby streets.

In addition to adhering to regulatory requirements, the development of the Build Alternative would employ conventional construction methods, techniques, and equipment. All work for development of the LRT system would conform to accepted industry specifications and standards, including Best Management Practices (BMPs). Project engineering and construction would, at minimum, be completed in conformance with applicable regulations, guidelines, and criteria, including, but not limited to, Metro Rail Design Criteria, Architectural Standard and Directive Drawings, California Public Utilities Commission regulations, California Building Code, Metro Operating Rules, and Metro standard and directive drawings from other engineering disciplines as needed. Cooperation with the corridor cities and Los Angeles County would occur throughout the construction process.

Build Alternative construction is anticipated to last approximately 60 to 84 months. Construction activities for the at-grade alignment, aerial alignment, and underground alignment would occur simultaneously. The construction of the underground stations is anticipated to take 36 to 48 months, while the construction of the at-grade station is expected to last approximately 12 to 18 months. Most construction activities would occur during daytime hours. For specialized construction tasks, it may be necessary to work during nighttime hours to minimize traffic disruptions and disruptions to businesses and other land uses along the alignment. Traffic control and pedestrian control during construction would follow local jurisdiction guidelines and the Manual of Uniform Traffic Control Devices standards. Standard traffic control methods and devices would be used, including the use of signage, roadway markings, flagging, and barricades to regulate, warn, or guide road users. Laydown and storage areas (staging areas) for construction equipment and materials would be in the vicinity of the Build Alternative within parking facilities, and/or on parcels that would be acquired for the proposed stations and the MSF. Staging areas would be used to store building materials and construction equipment, assemble the TBM, temporarily store excavated materials, and house temporary field offices for Metro's contractor. A temporary electrical conduit would be extended from the existing Vail Substation north of Flotilla Street to the TBM launch site to power the TBM. This would involve installing the temporary conduit in a trench within the ROW of Yates Avenue and Washington Boulevard. The trench excavation would be approximately 3-feet wide and about 20-feet deep.

2.2.6 Operations

Operation of the Build Alternative would be managed by Metro staff and personnel. The Build Alternative would operate a train line using light rail technology. Operational activities of the Build Alternative would include train car operations, train car maintenance (including cleaning and storage), track maintenance, and general administration. In addition, the Build Alternative would include emergency lighting, communications and wayfinding systems, a command-and-control system, a public information system, and security systems to monitor activity at station platforms along the alignment and at the MSF. Operation of an MSF would include daily service and cleaning, inspection, and storage of light rail vehicles. MSF Sites 1 and 2 would also include repair facilities.

The operating hours and schedules for the Build Alternative would be comparable to the weekday, Saturday and Sunday, and holiday schedules for the Metro E Line. It is anticipated that trains would operate every day from 4 am to 1 am the following day. On weekdays, trains would operate approximately every 6 minutes during peak hours, every 10 minutes mid-day, and every 12 to 20 minutes in the early morning and after 7 pm. On weekends, trains would operate every 10 minutes from 9 am to 9 pm, and every 20 minutes before 9 am and after 9 pm. The operational headways (the time between vehicles past a given point) are consistent with Metro design requirements for future rail services.

Forecasted ridership for the Build Alternative anticipate approximately 7,550 total weekday station boardings by 2050 compared to 3,010 boardings at the existing Atlantic/Pomona Station under the No Build Alternative. Based on the operating headway requirements and ridership forecasts, Metro anticipates the need for an additional three trains for the Metro E Line to operate the Build Alternative. Each train would have three cars and there would be one spare train consisting of three train cars for a total of 12 new train cars.

2.3 No Build Alternative

The No Build Alternative evaluates the reasonably foreseeable effects within the Study Area if the Build Alternative were not approved. The No Build Alternative would maintain existing transit service through the year 2050. No new transportation infrastructure would be built within Los Angeles County aside from projects currently under construction or funded for construction and operation by 2050 via the 2008 Measure R or 2016 Measure M sales taxes. The No Build Alternative would include existing roadway and transit projects identified for funding in Metro's 2020 Long Range Transportation Plan (LRTP) and Southern California Association of Governments (SCAG) Connect SoCal 2024-2050 Regional Transportation Plan (2024 RTP). The No Build Alternative would include existing projects from the base year (2025) and planned regional projects in operation in the horizon year (2050).

The No Build Alternative is used for comparison purposes to assess the relative benefits and adverse effects of constructing a new transit project in the Study Area versus implementing only currently planned and funded projects. The No Build Alternative is required as a baseline for comparison under the National Environmental Policy Act (NEPA).

3.0 REGULATORY FRAMEWORK

The economic impact analysis for this Project is informed by a broad set of federal, state, regional, and local regulatory and policy frameworks. These sources vary in purpose, scope, and areas of emphasis, with some requirements overlapping and others addressing only specific elements. Collectively, they include policies, plans, initiatives, goals, strategies, grant program guidance, environmental documentation requirements, and applicable governmental codes.

Because each framework reflects different priorities, the report synthesizes these varied sources to establish a clear and defensible approach for assessing economic impacts. This integrated methodology ensures that the analysis is responsive to NEPA requirements while also addressing stakeholder needs. The methodology section that follows presents the analytical approach used to assess economic impacts under NEPA and identifies the specific categories of effects evaluated in this analysis.

3.1 Federal

The following federal documents provided guidance for conducting the economic impact analysis:

- Federal Highway Administration Technical Advisory 6640.8A (Federal Highway Administration 1987): This guidance document states that the economic impact analysis should include a discussion of the impacts of the Build versus No Build Alternatives related to economic development, tax revenue impacts, and employment opportunities. The analysis should also discuss the impacts on local businesses and business districts and the opportunity to minimize or reduce potential adverse impacts.
- FTA, Social and Economic Impacts (FTA 2015): Transit projects may have economic impacts that should be included in the environmental documentation process. Impacts discussed may include business displacements, disruptions to business activities, and impacts on the economy.
- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970: The Uniform Relocation Act (Public Law 91-646) provides important protections and assistance for people affected by federally funded projects. This law was enacted by Congress to ensure that people whose real property is acquired, or who move as a result of projects receiving federal funds, will receive assistance in moving from the property they occupy.
- United States Department of Transportation (USDOT) Benefit-Cost Analysis (BCA) Guidance for Discretionary Grant Programs (January 2023 Update): This document is intended to provide applicants to USDOT's discretionary grant programs with guidance on completing a BCA for submittal as part of their application. The guidance applies to a wide range of surface transportation infrastructure projects in different modes that are eligible under those programs.

3.2 State

There are no state regulations relevant to Economic Impacts.

3.3 Regional and Local

3.3.1 Southern California Association of Governments

The Southern California Association of Governments (SCAG) is the designated Metropolitan Planning Organization for the six-county region, consisting of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. SCAG works with local governments and stakeholders to develop transportation and land use strategies that help the region achieve state greenhouse gas emission reduction goals and federal Clean Air Act requirements, preserve open space areas, improve public health and roadway safety, support goods movement industry, and use resources more efficiently.

- In April 2024, the SCAG Regional Council adopted the Connect SoCal 2024-2050 Regional Transportation Plan (2024 RTP). The 2024 RTP is a long-range visioning plan that balances future mobility and housing needs with economic, environmental, and public health goals through the horizon year of 2050. The 2024 RTP includes a listing of committed and planned transportation projects, as well as Unconstrained Projects (illustrative projects), all designed to advance regional goals and support key performance measures.

SCAG adopted a set of goals and guiding policies that focus on coordinating land use and transportation decisions and promoting steady growth. The 2024 RTP top-line goals and supportive subgoals including the following:

- **Mobility:** Build and maintain an integrated multimodal transportation network.
 - Support investments that are well-maintained and operated, coordinated, resilient and result in improved safety, and improved air quality.
 - Ensure that reliable, accessible, affordable and appealing travel options are readily available.
- **Communities:** Develop, connect and maintain livable and thriving communities.
 - Create human-centered communities in urban, suburban and rural settings to increase mobility options and reduce travel distances.
- **Environment:** Create a healthy region for the people of today and tomorrow.
 - Integrate the region's development pattern and transportation network to improve air quality, and enable more viable use of energy and water.
 - Conserve the region's resources.
- **Economy:** Support an efficient and productive economic environment.
 - Improve access to jobs and educational resources.
 - Advance a resilient and efficient goods movement system that supports the economic vitality of the region, attainment of clean air and quality of life for our communities.

The 2024 RTP includes the Project in the list of selected transit capital projects that would greatly expand the urban rail network and make transit operations more efficient, effective, and accessible while increasing ridership.

3.3.2 Los Angeles County Metropolitan Transportation Authority

3.3.2.1 Pilot Local Hire Initiative

The purpose of this pilot program is to provide the flexibility to use hiring preferences to promote equitable creation of employment opportunities and workforce development activities that support the local community and economy. It is assumed that the initiative will be extended or made permanent prior to the proposed construction period.

Metro implements local hiring requirements on FTA funded contract opportunities that adhere to the provisions of Metro's Project Labor Agreement (PLA) Sections 7.5 through 7.5.4 and Construction Careers Policy (CCP) Section 2.4 (Metro 2021c). The Metro Pilot Local Hire Initiative entails that local hire provisions under Metro's PLA and CCP will be the requirement regardless of the funding source of the project. As a result, all contractors working on Metro construction projects covered by the PLA and CCP will be required to comply with certain targeted hiring requirements such as:

- A minimum of 40 percent of all hours of project work shall be performed by Local Targeted Workers (workers from Los Angeles County), with priority given to workers from zip codes within a five-mile radius of the Project. For any hours of Project work for which the Contractor/Subcontractors/Employers/Developers (C/S/E/D) seeks to meet this requirement, the C/S/E/D and Unions must first refer priority workers in nearby areas.
- A minimum of 20 percent of total work hours on each project will be performed by apprentices, but the hours performed by apprentices in each individual craft shall not exceed the ratio to journeyman established by the applicable craft union's Division of Apprenticeship Standards approved apprenticeship standards. Local Targeted Workers will perform 50 percent of all apprenticeship hours worked on the Project.

3.3.2.2 Long Range Transportation Plan

Metro's LRTP, titled Our Next LA, was adopted by the Metro Board of Directors on September 24, 2020. The LRTP provides a vision for transportation in Los Angeles County through 2047 and aims to address population growth, changing mobility needs and preferences, and technological advances (Metro 2020a). The LRTP is updated approximately every 10 years.

The LRTP details construction of an additional 100 miles of fixed-guideway transit, investments in arterial and freeway projects to reduce congestion, and construction of regional-scale bicycle and pedestrian projects to increase active transportation. Other efforts detailed in the plan include traffic management practices for congested roadways (e.g., Express Lanes toll lanes), maintaining and upgrading the existing transportation system for all modes, and partnering with local, State, and federal

agencies, and the private sector. The LRTP includes transit and highway improvements funded by Measure M, as well as expansions of off-peak transit service, of the active transportation network, and of programs such as Express Lanes, partnerships to provide bus only lanes and freight management policies, and bold policy proposals, including free transit, faster bus trips, and sub-regional congestion pricing (Metro 2020a).

3.3.2.3 Active Transportation Strategic Plan

The Metro Active Transportation Strategic Plan was adopted by the Metro Board of Directors on May 26, 2016, and is Metro's county-wide effort to identify strategies to increase walking, bicycling and transit use in Los Angeles County. The plan is focused on improving FLM access to transit with a regional network of active transportation facilities, including shared-use paths and on-street bikeways with funding strategies to implement improvements. The plan also provides guidance to Metro and partner organizations in setting regional active transportation policies and guidelines to meet transportation goals and targets in support of SCAG's RTP³ and future planning efforts, and to engage local government and other stakeholders to identify key regional significant active transportation projects and programs within Los Angeles County (Metro 2016). The Active Transportation Strategic Plan was updated in 2023. The updated plan aims to further the mission of providing a world-class transportation system, focusing specifically on the regional active transportation network and first/last mile connectivity to transit (Metro 2023a). The updated plan will allow Metro to better plan for the most effective active transportation improvements across Los Angeles County.

3.3.2.4 Joint Development

The Metro Joint Development Policy (2021 and updated in 2025) is intended to enable Metro to build housing near transit as quickly as possible (Metro 2021a and 2025). The Metro Joint Development Policy enables the development of additional transit serving uses that will increase access to opportunity and support an efficient transit network. Any remnant property that is no longer needed for transit purposes would be prioritized for new joint development opportunities, aligning with Metro's TOC Policy to support transit oriented community growth. This ensures that surplus land contributes to housing, economic development, and enhanced transit accessibility.

3.3.2.5 Transit Oriented Communities

Metro adopted a Transit Oriented Communities (TOC) Policy in 2018 and a TOC Implementation Plan in 2020 that support land use planning and community development policies that maximize access to transit and acknowledge mobility as an integral part of the urban fabric. TOCs provide a mix of uses close to transit to support affordable housing near transit, building densities, parking policies, urban design elements, and FLM facilities that support ridership and reduce auto dependency.

³ The RTP is updated every 4 years. The RTP in effect when the Active Transportation Strategic Plan was adopted in 2016 was the 2016-2040 Regional Transportation Plan.

3.3.3 Los Angeles County

TOD-focused policies are included in the Los Angeles County 2035 General Plan (Los Angeles County 2015-2022) and the County has defined specific transit oriented districts to “encourage(s) infill development, pedestrian-friendly and community-serving uses near transit stops. The goal is to encourage walking, bicycling, and transit use” (Los Angeles County 2017). In the General Plan, Los Angeles County Policy Land Use 4.3 states that the County will “encourage transit oriented development in urban and suburban areas with the appropriate residential density along transit corridors and within station areas” (Los Angeles County 2015-2022).

3.3.3.1 East Los Angeles (Unincorporated Los Angeles County)

The Los Angeles County 2035 General Plan includes area-wide, community plans that focus on local issues of unincorporated communities. Atlantic Boulevard is located within the planning area of the East Los Angeles Community Plan, which was adopted in 1988. However, its policies and regulations are outdated and no longer applicable. The Los Angeles County Department of Regional Planning Metro Area Plan (MAP), adopted by the County Board of Supervisors in May 2024, updated these previous goals and policies and consolidated the zoning regulations that currently exist across multiple community plans to simplify and streamline the planning process. As such, the East Los Angeles Community Plan was rescinded by the Los Angeles County Department of Regional Planning and superseded by the MAP. The MAP is a long-range planning document which provides a policy framework for the seven unincorporated Los Angeles County communities within the Metro Planning Area, including East Los Angeles (unincorporated Los Angeles County).

The MAP includes the following goals and policies for the entire Planning Area that are applicable to the Build Alternative:

- Economic Development.
 - Goal ED 2: Diverse industries that provide quality work for the local community.
 - Policy ED 2.1: Support the transition of aged industrial spaces to revitalized job-generating uses that are compatible with their immediate environment.
 - Policy ED 2.4: Encourage local hiring and targeted hiring of workers from the community through the use of development agreements or community benefit agreements in discretionary projects.

The MAP includes goals and policies for East Los Angeles (unincorporated Los Angeles County) that are applicable to the Build Alternative, such as:

- Goal 1: The transportation network, including bus and rail stations and corridors, is attractive, comfortable, safe, and efficient.
 - Policy 1.1: Metro E Line Extension. Support the Metro E Line Eastside Extension Phase 2 Project to extend accessibility and connectivity to both the east and south of the community.

- Goal 5: A variety of retail types meeting local needs and offering a mix of products and services.
 - Policy 5.1: Commercial Corridors Near Light Rail Transit. Encourage investment in infrastructure and amenities along light rail transit and commercial corridors that contribute to stable long term economic development for current residents and local business owners. Commercial corridors include Whittier Boulevard, Cesar Chavez Avenue, and Atlantic Boulevard.

3.3.4 City of Commerce

The Commerce 2020 General Plan (City of Commerce 2008) includes the following relevant goals and objectives:

- Air Quality Policy 2.1: The City of Commerce will require that developers of high density and mixed-use developments consult with the local transit agency and incorporate all appropriate and feasible transit amenities into the plans.
- Air Quality 2.4: The City of Commerce will create opportunities to receive State transportation funds by adopting incentives (e.g., an expedited review process) for planning and implementing infill development projects within urbanized areas that include job centers and clean transportation nodes (e.g., preparation of “transit village” plans).
- Air Quality Policy 2.7: The City of Commerce will promote mass transit ridership through careful planning of routes, headways, origins and destinations, and types of vehicles.
- Air Quality Policy 4.6: The City of Commerce will work with local transit providers to incorporate best design practices for transit into new development projects.
- Community Development Policy 2.9: The City of Commerce will continue to promote the improvement of the Washington Boulevard corridor between the Santa Ana and Long Beach Freeways.
- Community Development Policy 7.2: The City of Commerce will oppose the over-concentration of public facilities and improvements that provide benefits to the region at large while adversely impacting the local community. The region at large must share both the benefits and the disadvantages of such uses and facilities.
- Transportation Policy 1.6: The City of Commerce will continue to support the operation of, and further the enhancement of, a safe and efficient regional and inter-city transit system.
- Transportation Policy 3.10: The City of Commerce will continue to cooperate with regional transportation agencies to establish routes, stops, and stations in Commerce for the proposed regional mass transit system.
- Transportation Policy 6.1: The City of Commerce will ensure that all future transportation facilities that will provide a regional benefit do not have a significant adverse impact on the community and that any such impacts must be mitigated to the fullest extent possible.

3.3.5 City of Montebello

On April 10, 2024, the City of Montebello adopted a comprehensive update to the General Plan (the 2024 General Plan). Relevant goals and policies from the General Plan include:

- P2.3 Maximize future Light Rail Stop with TOD Planning: The anticipated Metro E Line station is a significant opportunity for the City that should foster TOD planning and encourage catalytic developments around the future Greenwood station on Washington Boulevard.
- A2.3a Capitalize on transit adjacency: The future station can become the focal point for a new vibrant mixed-use district where people can live close to public transit, thereby diminishing reliance on the car and would be particularly attractive to future residents that work in the greater downtown Los Angeles area.
- A2.3b Prioritize placemaking: Create a plaza at the Greenwood station that features a variety of public amenities that will increase the attractiveness of the station and catalyze mixed-use development activity on adjacent land. Establishing an EIFD in the area could also help capture increased value that comes along with TOD adjacencies as well as help fund infrastructure needed for placemaking.

4.0 METHODOLOGY

This section describes the analytical approach used to evaluate the economic effects of the Project under both the No Build and Build Alternatives. Consistent with NEPA and FTA guidance, the analysis considers a comprehensive set of operational, construction-related, and long-term development impacts using recognized federal methodologies, modeling tools, and data sources. The evaluation is organized into four primary components: (1) operational impacts, including operational expenditure effects and mobility-related economic benefits; (2) long-term development impacts associated with shifts in population, employment, and land use patterns; (3) construction-related impacts, including capital expenditure effects, temporary localized business impacts, and changes to the local tax base; and (4) the criteria used to determine whether economic effects are considered adverse under NEPA. The following subsections describe the methods, assumptions, and data sources applied to each category of analysis.

4.1 Operational Impacts

4.1.1 Evaluation of Operational Expenditure Impacts

Once the Build Alternative becomes operational, additional operation and maintenance (O&M) expenditures would generate new jobs and associated earnings in the long-term. However, funds from local or regional sources, such as transit fares, are considered transfers within the economy, as they could otherwise be spent by residents and businesses on other activities. As a result, they do not produce new net economic benefits. Only “new money” entering the Southern California region from external sources, such as federal funding, generates measurable net gains in employment and income. The potential economic effects of these new expenditures under both the No Build Alternative and the Build Alternative are evaluated quantitatively in **Section 6.0**.

4.1.2 Evaluation of Mobility Impacts

An important component of the transit system’s operation is its impact on mobility and connectivity. This analysis quantifies those effects by applying USDOT guidance for value of time analysis to estimate the economic value of the time savings resulting from improved transit service. The analysis also evaluates travel cost savings associated with riders shifting from autos to transit. Together, these measures describe the long-term change in economic competitiveness attributable to the Project.

The quantity of time saved due to the Project was estimated by using Metro’s travel demand model (see **Appendix O**, Transportation Impacts Report). The value of travelers’ time relies on local wage rates, the quantity of local and intercity travel, and the distribution of personal and business travel. The value of time for personal and business travel was estimated following USDOT guidelines for development of a Benefit-Cost Analysis (BCA). The mix of traveler types, personal (88.2 percent) compared to business (11.8 percent), drawn from the national experience shown in USDOT BCA guidance, were applied. An

overall weighted value of travel time was computed based on household incomes, wages, number of person hours distributed across travel types, and adjusted for the mix of personal and business purpose trips.

The number of auto VMT diverted to transit is the basis for estimating the travel costs saved. Average vehicle operating costs were applied to VMT to obtain the estimate of costs avoided. Auto travel cost savings were calculated by multiplying VMT savings (average weekday) by automobile operating cost per mile (dollars per mile) by the annualization factor. For reference, the travel model used was for new riders and was calculated as the sum of all [(New Rider) x (auto distance of that trip)]. This means that, although the results are accurate for the study area, the model also captures an area larger than the study area.

4.1.3 Evaluation of Long-term Development Impacts

Economic expansion or growth in the corridor area may occur in response to the Project, potentially increasing the local revenue base and employment levels in the long-term. However, the economic effects also have the potential to be considered adverse if implementation of the Project contributes to substantial unanticipated increases in population or jobs beyond what the jurisdictions served by the Build Alternative can realistically sustain with existing infrastructure. The resulting net impact is determined both by the magnitude of the population or employment increase and the spatial distribution of the increase across the jurisdictions served by the Build Alternative.

An economy can become more economically competitive through productivity improvements that increase wages and standards of living without increasing the number of jobs. Even when productivity gains do lead to job growth, adverse effects may be mitigated if new employment is concentrated in denser development, revitalized areas, or infill locations where infrastructure already exists. The potential Project-related impacts are discussed qualitatively in **Section 6.0** of this report.

4.2 Construction Impacts

4.2.1 Evaluation of Capital Expenditure Impacts

Construction activity may have a substantial impact on the jurisdictions served by the Build Alternative economy due to new employment, including construction-related employment industry jobs and services that are used to build a project and demand for goods and services across a broader spectrum of industrial sectors as a result of the economic multiplier impact of construction. This analysis estimates the number of construction-related jobs and associated earnings for the Build Alternative and No Build Alternative based on the current construction cost estimate.

This analysis applies a consistent set of multipliers tailored to the structure of the Los Angeles regional economy. The economic impacts associated with construction expenditures were measured using regional multipliers from the Bureau of Economic Analysis (BEA) within the United States Department of Commerce. Derived from the Regional Input-Output Modeling System (RIMS), the so-called RIMS II multipliers measure the total change (direct plus indirect impacts) in employment and earnings that result from an incremental change to a particular industry. The multipliers were developed by the BEA to reflect the structure of the Los Angeles County economy.

The number of direct and indirect jobs generated by the Project as a result of capital construction expenditures estimated using the RIMS II employment multipliers was then considered within the context of Metro's Pilot Local Hire Initiative (including the PLA and CCP) for consistency with Metro's construction employment policies.

4.2.2 Evaluation of Localized/Temporary Impacts

Construction could have temporary negative economic impacts on some commercial and industrial businesses, particularly those near or adjacent to construction activities. The evaluation of these localized and temporary impacts incorporates information from other technical reports, including **Appendix H** (Community Impacts Assessment), **Appendix L** (Noise and Vibration Impacts Report), **Appendix M** (Real Estate and Acquisition Impacts Report), and **Appendix O**, to assess potential effects on local businesses. Construction could also result in temporary adverse economic effects on local jurisdictions due to heavy use of, and potential damage to, local roads and other properties.

4.2.3 Evaluation of Local Tax Base Impacts

To assess potential tax base impacts, the methodology identifies the properties required for the Build Alternative, as documented in **Appendix M**. The assessed values of these properties are obtained from the Los Angeles County Property Assessor Portal and multiplied by the current real estate tax rates for the corridor jurisdictions (i.e., the Cities of Commerce and Montebello and Los Angeles County). The total assessed value of properties removed from the tax base is then compared to the overall tax base for each affected jurisdiction to determine the proportion of taxable property permanently removed. This comparison provides the basis for identifying the magnitude of tax base reduction. For the purpose of determining whether impacts may be adverse, the analysis considers whether the reduction in tax revenue could be substantial enough to diminish local social spending or community services, which could indirectly affect community conditions. Properties acquired for the Build Alternative that are later repurposed for joint development would be returned to the tax base after construction.

4.3 Economic Impact Criteria

NEPA requires that environmental documents include a discussion of economic effects. Consistent with FTA guidance, the methodology evaluates the economic impacts of the Build versus the No Build Alternatives, including changes in taxation, potential displacement of businesses and individuals, disruptions to business activities, and construction costs (USDOT 2023b). The methodology also incorporates the assessment of economic benefits such as improved market accessibility and job creation.

As outlined in **Section 4.1** and **Section 4.2**, this analysis addresses operations and capital/construction expenditure effects, mobility-related impacts (including travel time and cost savings), long-term development impacts (such as effects on real estate development and property values), construction employment, displacement and business disruption, and changes to the local tax base. Additional detail on property acquisition–related impacts to existing businesses and individuals is provided in **Appendix M**.

5.0 AFFECTED ENVIRONMENT/ CURRENT CONDITIONS

The Build Alternative would provide a transit connection to the existing Metro E Line, linking East Los Angeles (unincorporated Los Angeles County) to the Los Angeles County regional transit network. The Study Area consists of portions of the Cities of Commerce and Montebello and East Los Angeles (unincorporated Los Angeles County).

The Study Area is part of the Los Angeles-Long Beach-Santa Ana Metropolitan Statistical Area (MSA), which includes the Los Angeles metro area of Los Angeles and Orange Counties, is one of the nation's largest and most diverse urban economies. The MSA serves as an international gateway to the industrializing Asian and Latin American regions for both people and freight and have significant concentrations of creative industries and headquarters' operations. Given the MSA's favorable climate, significant infrastructure assets such as the marine ports and airports, and its role as a gateway between the United States and global regions with growth prospects, the Los Angeles metro area is expected to gradually merge with the San Diego region, evolving into one of the nation's "megaregions" over the next 30 to 40 years. Without meaningful investment in transportation infrastructure to handle this growth, the MSA's existing comparative advantages will be eroded by rising travel times, congestion costs, increased emissions, and reduced travel reliability.

5.1 Area of Potential Impact

Economic impacts are identified for the County of Los Angeles and the Los Angeles-Long Beach-Santa Ana MSA. Fiscal impacts are identified for the Cities of Commerce and Montebello and Los Angeles County (that includes Los Angeles County as a whole, with approximately 101 unincorporated areas, one of which is East Los Angeles); these three jurisdictions constitute the specialized study area (Economics Study Area) for this report.

5.2 Employment and Population Trends

Table 5.1 summarizes employment and populations trends for the areas that comprise the Economics Study Area.

Table 5.1. Employment and Population Forecasts

Jurisdiction	Employment			Population		
	2025	2050	% Change (2025-2050)	2025	2050	% Change (2025-2050)
Commerce	62,079	63,442	2.2%	17,395	17,494	0.6%
Montebello	36,133	37,344	3.4%	69,710	71,925	3.2%
Los Angeles County	5,097,096	5,462,054	7.2%	10,057,369	10,799,700	7.4%
SCAG 6-County Area	9,221,080	10,276,319	11.4%	19,078,667	20,908,782	9.6%

Source: SCAG 2024.

Key: % = percent.

Table 5.2 summarizes unemployment trends for the areas that comprise the Economics Study Area, with the total for the United States provided for comparison. As **Table 5.2** shows the unemployment rate increased in 2020 as a result of the Coronavirus disease 2019 (COVID-19) pandemic, but then decreased across all geographies to pre-pandemic levels by 2022. Also, as shown in **Table 5.2**, unemployment rates are generally similar across jurisdictions in the Economics Study Area, but higher compared to the United States as whole.

Table 5.2. Unemployment Rates for the Economics Study Area and the United States

Economics Study Area	2018	2019	2020	2021	2022	2023
Commerce	5.6%	4.5%	10.7%	9.5%	5.3%	5.4%
Montebello	5.0%	4.9%	13.2%	9.7%	5.0%	5.0%
Los Angeles County	4.6%	4.5%	12.3%	8.9%	4.9%	5.0%
United States Total	3.9%	3.7%	8.0%	5.4%	3.6%	3.6%

Source: CEDD 2024.

Key: % = percent.

5.3 Housing and Transportation Costs

Table 5.3 summarizes housing and transportation costs for the jurisdictions that comprise the Economics Study Area. The data are taken from the Center for Neighborhood Technologies' (CNT) Housing + Transportation (H+T) Affordability Index, a measure of the combined neighborhood housing and transportation costs divided by average neighborhood income as a measure of the cost burden. The values in **Table 5.3** represent the Regional Moderate Household series, which are used to represent a working family in the selected area. Income used in CNT's H+T Affordability Index is based on 80 percent of the area median income where average household size and average working commuters per household remain constant for the jurisdictions that comprise the Economics Study Area. This household type allows the user to view areas that are affordable to the typical working family, who

might have a more constrained household budget. CNT has defined an affordable range for H+T as the combined costs consuming no more than 45 percent of income. As the fourth column of **Table 5.3** (Housing + Transportation Cost as Share of Impact [%]) indicates, every jurisdiction along the alignment exceeds this threshold.

Commerce and Montebello both have higher than average transportation costs as demonstrated by the values exceeding 1.0 in the second to last column of **Table 5.3** (Area Transportation Cost Relative to County Average). **Table 5.3** also shows that, in Montebello, these costs are currently offset to some degree by inexpensive housing, as indicated by the value of less than 1 in the fifth column (Area Housing + Transportation Cost Relative to County Average).

Table 5.3. Housing and Transportation Costs for Economics Study Area Jurisdictions

Jurisdiction	Housing Cost as Share of Income (%)	Transportation Cost as Share of Income (%)	Housing + Transportation Cost as Share of Income (%)	Area Housing Cost Relative to County Average	Area Transportation Cost Relative to County Average	Area Housing + Transportation Cost Relative to County Average
Commerce	35	25	60	1.06	1.32	1.15
Montebello	32	28	60	0.97	1.47	1.15
Los Angeles County	33	19	52	1.00	1.00	1.00

Source: Center for Neighborhood Technology 2025.
Key = percent

6.0 ENVIRONMENTAL CONSEQUENCES

6.1 No Build Alternative

6.1.1 Operational Impacts

6.1.1.1 Operation and Maintenance Expenditures

There are no additional LRT O&M expenditures associated with the No Build Alternative; therefore, there would be no long-term economic effects.

6.1.1.2 Travel Time and Cost Savings

There are no travel time and cost savings associated with the No Build Alternative. The No Build Alternative would not provide the long-term benefits of mobility and travel time and cost savings of the Build Alternative.

6.1.1.3 Tax Base Changes

There are no additional LRT property takings associated with the No Build Alternative; therefore, there would be no tax base changes and no long-term adverse effect.

6.1.1.4 New Development or Redevelopment

The No Build Alternative would include existing and already planned transit projects but would not include the addition of LRT in the Economics Study Area. Therefore, the No Build Alternative would largely maintain existing transit services within the Economics Study Area. As a result, the improvements would not be enough to induce development in the Economics Study Area or act as a catalyst for appropriate economic development. There would be no long-term adverse effect.

6.1.2 Construction Impacts

There are no construction expenditures associated with the No Build Alternative; therefore, there would be no construction-related short-term economic effects.

6.2 Atlantic to Greenwood Alternative

6.2.1 Operational Impacts

The following summary provides a consolidated overview of the key economic effects of the Build Alternative, organized by the following four categories as required under NEPA and FTA guidance: (1) changes in taxation; (2) potential displacement of businesses and individuals; (3) disruptions to business activities; and (4) construction costs and associated economic impacts within the Economics Study Area.

Changes in Taxation. Property acquisitions for the Build Alternative would remove an assessed property value of approximately \$81.85 million from the tax base across the three jurisdictions. This would result in an estimated total annual tax revenue loss of \$10,976,773, including \$10,239,139 in the City of Montebello, \$438,321 in the City of Commerce, and \$299,313 in Los Angeles County. In each jurisdiction, these losses represent less than 1 percent of the total assessed property value and are not expected to measurably affect public services or fiscal stability (see **Table 6-9**). Over the long-term, TOD near proposed stations and the return of surplus properties to the tax base through joint development could partially or fully offset these losses.

Displacement of Businesses and Individuals. Property acquisitions associated with the Build Alternative would displace or relocate approximately 637 employees (**Appendix M**). While permanent job loss is possible, multiple available sites within the Economics Study Area, which includes potential TOD locations, could accommodate displaced businesses. Rail transit investment has historically catalyzed economic development in comparable communities, which suggests that net employment effect may ultimately be positive. At the same time, displaced businesses and individuals would be entitled to relocation assistance consistent with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the California Relocation Assistance Act. See **Appendix M** for parcel-level details and more information about effects of the Build Alternative related to acquisitions and displacements.

Disruptions to Business Activities. Construction of the Build Alternative is anticipated to last approximately 60 to 84 months and could cause temporary adverse effects on businesses near or adjacent to construction areas. Potential disruptions include traffic delays, increased noise and vibration, reduced access and visibility, and utility interruptions. Retail and personal services businesses are most susceptible to short-term revenue impacts, while industrial businesses may face increased transportation costs due to detours. Although some individual businesses may experience temporary negative effects, these represent a small share of the economy and would be temporary in nature. Build Alternative measures such as outreach, signage, and access management would help minimize disruption. See **Appendices H, L, M, and O** for additional analysis.

Construction Costs and Economic Impacts. The Build Alternative has an estimated total capital cost of \$5.889 billion (2022 dollars). Excluding Measure M funding (\$3 billion) and line items with limited local economic impact (vehicle procurement and land acquisition), approximately \$1.894 billion in construction and professional services expenditures would generate measurable economic activity in the Economics Study Area. Applying Bureau of Economic Analysis RIMS II multipliers, these expenditures are estimated to support approximately 11,679 person-year jobs and \$895.7 million in earnings in Los Angeles County during the construction period of 2029 to 2034. Under Metro's Pilot Local Hire Initiative,

a minimum of 40 percent of construction hours would be performed by local workers, with priority given to residents of zip codes within 5 miles of the Build Alternative(See **Table 6-7**).

6.2.1.1 Operations and Maintenance Expenditures

Table 6.1 summarizes the O&M costs for the Build Alternative. The unit costs were developed based upon the previous report, Eastside Transit Corridor Phase 2 – Operating and Maintenance Cost Estimate Technical Memorandum from 2011. In that report, unit costs were presented in Fiscal Year (FY) 2010 Dollars. The same unit costs were escalated to FY 2022 dollars using a 3.5 inflation rate based on the July 16, 2020 Eastside Transit Corridor Phase 2 Project 3.18.3.2 Draft Final Operating and Maintenance Cost Estimate Report.

Total wages and benefits are estimated to be 44 to 48 percent of total operating expenses. Wages and benefits from operation of the Build Alternative would range between \$19.78 and \$21.58 million annually in 2022 dollars.

Table 6.1. Annual Operation and Maintenance Costs

	Route Miles	Yards	Annual Platform Train Hours	Annual Platform Vehicle Miles	Number of LRVs in Peak Service
Units	4.57	1	17,710	1,732,167	9
Units Costs in 2022 dollars	\$257,475	\$12,269,943	\$237	\$14	\$423,122
Costs by Variable in 2022 dollars	\$1,176,662	\$12,269,943	\$4,190,022	\$23,509,699	\$3,808,099
Total Annual Costs in 2022 dollars	\$44,954,426				

Source: Metro 2020c.

Key: \$ = dollars

Benefits would be greater for the jurisdictions served by the Build Alternative relative to the County as a whole as there would be less “leakage” (i.e., the amount of spending that takes place outside the reference economy) associated with Project spending. Stated differently, a larger economy retains a greater portion of Project-related spending because its scale enables it to provide a broader range of goods and services required for the Project’s O&M, therefore reducing economic leakage. Therefore, the Build Alternative would provide long-term economic benefits for the Economics Study Area and would result in a long-term beneficial economic effect.

6.2.1.2 Operations and Maintenance Funding Sources

The overall beneficial effect of the additional O&M jobs on the economy would depend on the source of funding used to support the workers. If funds are from local taxes or fares, the impact would be limited because these represent transfers within the local economy, money that would have likely been spent on other local activities. If a portion of the funding is from federal sources, the impact would be greater because the federal dollars represent “new” money flowing into the local economy served by the Build Alternative.

In 2022, Metro received assistance from the federal government in the form of grants to fund 37.5 percent of total operations (Metro FY2023 Adopted Budget). However, some of this federal funding, such as the CMAQ formula funds, would be spent in the Economics Study Area regardless of the Build Alternative. It is assumed 10 percent of total operations would be Project-specific, competitive funds that are new to the Economics Study Area due to the Project; thus, the additional jobs created through operational activities would have a net benefit on economic activity, and would result in a long-term beneficial economic effect.

6.2.1.3 Operations and Maintenance Expenditure Effects on the Economy

To estimate the beneficial effects associated with the Build Alternative, RIMS II final demand multipliers from the BEA for the transit and ground transportation industry were applied to the amount of new funding (10 percent) that would be used for operating expenses.

The RIMS II Final Demand Earnings Multiplier represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the transit industry. The Transit and Ground Passenger Transportation Final Demand Earnings Multipliers are 0.4197 for Los Angeles County and 0.4777 for the Los Angeles-Long Beach-Santa Ana MSA.

The RIMS II Final Demand Employment Multiplier represents the total change in number of jobs that occurs in all industries for each \$1 million of output delivered to final demand by the transit industry. The Transit and Ground Passenger Transportation Final Demand Employment Multipliers are 15.9026 for Los Angeles County and 17.6794 for the Los Angeles-Long Beach-Santa Ana MSA.

Applying the Final Demand Multipliers for the transit industry to the annual Project O&M expenditures provides estimates of the earnings and employment impacts generated by operation of the Build Alternative. The results are summarized in **Table 6.2**. The table shows the impacts for two different geographies: Los Angeles County and the Los Angeles-Long Beach-Santa Ana MSA. Note that the impacts shown for the County and the Los Angeles-Long Beach-Santa Ana MSA in **Table 6.2** are not additive, as the County impacts are included in the Los Angeles-Long Beach-Santa Ana MSA impacts.

Table 6.2. Annual Operation and Maintenance Earnings and Employment Impacts

Inputs	Los Angeles County	Los Angeles-Long Beach-Santa Ana MSA
Operating Expenditures (2022 dollars)	\$44,954,426	\$44,954,426
Percent of New Money ¹	10%	10%
Additional Operating Expenditure within Region funded by New Federal Money	\$4,495,443	\$4,495,443
Transit and Ground Passenger Transportation Final Demand Earnings Multiplier	0.4197	0.4777
Transit and Ground Passenger Transportation Final Demand Employment Multiplier	15.9026	17.6794
Earnings (in thousands of 2022 dollars)	\$1,887	\$2,147
Total Employment (Jobs per \$1 Million Spent) ²	71	79

Source: RIMS II Multipliers produced by the BEA 2023.

Notes:

¹ Percent of new money is the percent of total O&M expenses funded through federal funding sources that otherwise would not have been introduced into the regional economy.

² Components may not sum to totals due to rounding.

Key: MSA = Metropolitan Statistical Area, \$ = dollars

Reasonably foreseeable effects include employment and income resulting from operation of the Build Alternative. Additional effects would include employment resulting from the purchase of goods and services by Metro employees, and employment resulting from Metro workers spending their income within the Economics Study Area. It is estimated that operation-related spending would provide economic benefits by generating \$2.2 million in additional wages and salaries for households and by creating 79 person-year jobs for all industries per year. A person-year job is defined as one job for one person for one year. Based on the estimated economic benefits, the Build Alternative would result in a long-term beneficial economic effect.

6.2.1.4 Mobility Impacts (Travel Time and Cost Savings)

Operation of the Build Alternative would improve mobility within the Economics Study Area relative to the No Build Alternative in several ways that would grow overtime with increased ridership:

- Businesses would benefit from increased access to a broader labor market, as individuals possessing diverse sets of skills would be served by the Build Alternative.
- Potential employees who are transit dependent would have access to a larger labor market, which may provide greater economic opportunities.
- Businesses near stations may experience an increase in retail sales as riders travel to and from the station area.
- Some public transportation passengers may experience a reduction in vehicle ownership costs as they switch from driving to public transportation.
- Some public transportation passengers may experience travel time savings and resulting cost savings.

Some areas may experience a reduction in traffic congestion, which could lead to travel time and cost savings for businesses and individuals. The value of time saved, and the travel cost savings associated with diverting travelers from autos to transit for 2050 are shown in **Table 6.3** and **Table 6.4**. There would be no adverse travel time or cost savings associated with the Build Alternative. The Build Alternative would result in \$36,739,480 in travel time savings and \$10,554,348 in travel cost savings annually by 2050. The Build Alternative would save travelers 1,744,200 hours of travel time and attract 1,598,850 additional riders per year by 2050 relative to the No Build Alternative. Therefore, the Build Alternative would result in a long-term beneficial economic effect relative to time and cost savings.

Table 6.3. Project Annual Value of Travel Time Savings in 2050

Type of Travel	Share of Trips (percent)	Annual Time Savings (hours) ¹	Hourly Value of Travel Time Savings (2022 dollars) ²	Annual Value of Time Saved (2022 dollars) ³
Personal Travel	88.2	1,538,384.4	\$19.40	\$29,844,657
Business Travel	11.8	205,815.6	\$33.50	\$6,894,822
Total	100	1,744,200	-	\$36,739,480

Source: Eastside Phase 2 TDM; May 2025 USDOT BCA Guidance, Table A-2.

Notes:

¹ 2050 travel time savings from Travel Demand Model with FTA standard 95% ramp-up factor.

² Personal/Business split: 88.2% Personal, 11.8 percent Business (Table A-2).

³ All monetary values in 2023 dollars per May 2025 USDOT BCA Guidance.

Table 6.4. Project Annual Travel Cost Savings in 2050

New Weekday Riders ¹	VMT Savings (Average weekday) ¹	Auto Operating Cost per Mile (Dollars/Mile) ²	Auto Travel Cost Savings (2022 Dollars) ³
1,598,850	73,910	\$0.56	\$10,554,348

Source: Eastside Phase 2 TDM; May 2025 USDOT BCA Guidance, Table A-4.

Notes:

¹ 2050 VMT savings from Travel Demand Model with FTA standard 95% ramp-up factor.

² Auto Operating Cost of \$0.56/mile for Light Duty Vehicles (2023\$).

³ Auto Travel Cost Savings = VMT Savings × Annualization Factor (255) × Operating Cost.

Key: VMT = vehicle miles traveled

6.2.1.5 Long-term Development Impacts

The Build Alternative is expected to encourage new development and/or redevelopment of land near the proposed stations, which would likely increase property tax revenues for the affected local jurisdictions within the Economics Study Area. Although development decisions are regulated by local jurisdictions and shaped by economic conditions, light rail projects can influence both the timing and intensity of development within the limits allowed by local zoning, particularly surrounding proposed station areas. Specifically, development of Metro-owned properties would be required to adhere to the Metro Joint Development and TOC Policy as described in **Section 3.3.2.6** and **Section 3.3.2.7** and set forth in NEPA Project Measure (NPM) EFI-1 in **Section 7.1**. By adhering to these policies, the Build Alternative would prioritize joint development of surplus property and require local and apprentice hiring, which would minimize the effects of business acquisition and displacement, such as the loss of tax revenue, adverse displacement-related economic effects, and leakage of Project-generated employment benefits outside the Economics Study Area. Metro would ensure joint development

projects would be evaluated for housing development or other transit supportive land use and align with housing and economic goals through standards planning reviews.

There are many examples of research studies related to the impact of LRT systems on real estate development (Cervero 2004; Plevak 2010). These studies highlight various aspects of this relationship and how LRT systems positively affect real estate development by influencing property values, land use patterns, and economic activity in the areas they serve:

- **Property Values and Proximity to Light Rail Stations:** Several studies found that properties within close proximity (typically within walking distance) to light rail stations tend to experience an increase in value. The increase in property values is often attributed to improved accessibility, reduced commuting times, and the convenience of using public transit, which can make these properties more attractive to buyers and renters.
- **TODs:** TODs, often associated with light rail systems, have been shown to positively affect property values and real estate development. TODs typically promote mixed land uses, pedestrian-friendly environments, and higher-density development, which can enhance property values and encourage economic activity.
- **Economic Development:** Light rail systems have been associated with positive economic development outcomes in the areas they serve. These outcomes include increased business activity, job creation, and potential growth in tax revenues, contributing to local economic vitality.
- **Commercial Real Estate Performance:** Research on commercial real estate markets has indicated that proximity to light rail or transit stations can influence the performance of office, retail, and industrial properties. Transit access can make commercial properties more attractive to businesses and consumers, potentially leading to increased leasing rates and property values.
- **Land Use Changes:** Light rail systems often influence land use patterns, encouraging higher-density development, such as residential and commercial properties, near transit stations. These changes in land use can lead to more efficient land utilization and may contribute to the revitalization of urban areas.

While there may be some variation in the degree of impact depending on specific circumstances and locations, the overall consensus from these studies is that LRT systems tend to have a positive effect on real estate development and property values. Therefore, it is reasonably foreseeable that the Build Alternative would result in a long-term beneficial economic effect.

6.2.1.6 Local Tax Base Changes

The Build Alternative would result in 123 full or partial acquisitions by jurisdiction having tax implications (non-taxable properties are excluded from the analysis), which would remove property from the tax base and thereby reduce the tax revenue generated in the three jurisdictions where the acquisitions would occur—the Cities of Commerce and Montebello and Los Angeles County. The total assessed value of acquisitions would be \$81,853,100 (2022 dollars) for fiscal year 2022 to 2023 resulting in a tax loss of \$10,976,773 annually across all jurisdictions, including \$438,321 in the City of Commerce, \$299,313 in Los Angeles County, and \$10,239,139 in the City of Montebello annually. **Table 6.8** details the acquisitions and the tax revenue by type that would be lost. As some of the acquisitions would be partial acquisitions, the estimate of tax base and revenue loss takes into account the portion of each parcel acquired. Properties that may be repurposed for joint development following construction would mitigate long-term negative impacts to the tax base.

Table 6.5. Property Impacts Associated with Acquisitions for the Project

Jurisdiction	Property to be Taken (APN)	Fiscal Year 2022/2023 Tax Revenue Loss by Type of Property (2022 Dollars [\$])						
		City	County	Unified Schools	Community College	Metro Water District	General Tax Levy	Total
East Los Angeles	5249-012-037	205	0	1,543	317	\$44.62	12,748	14,858
East Los Angeles	5249-012-038	644	0	4,852	997	140	40,076	46,709
East Los Angeles	5249-012-039	48	0	360	74	10	2,974	3,466
East Los Angeles	5249-012-040	23	0	170	35	5	1,405	1,638
East Los Angeles	5249-012-041	560	0	4,221	867	122	34,863	40,633
East Los Angeles	5249-031-031	96	0	724	149	21	5,979	6,969
East Los Angeles	5249-031-032	239	0	1,800	370	52	14,870	17,331
East Los Angeles	6341-001-042	241	0	1,818	374	53	15,017	17,503
East Los Angeles	6341-001-017	74	0	559	115	16	4,621	5,386
East Los Angeles	6341-001-037	114	0	861	177	25	7,109	8,285
East Los Angeles	6341-001-014	69	0	519	107	15	4,283	4,991
East Los Angeles	6341-006-024	89	0	669	138	19	5,528	6,443
East Los Angeles	6341-007-024	171	0	1,286	264	37	10,622	12,380
East Los Angeles	6341-007-022	66	0	496	102	14	4,098	4,777
East Los Angeles	6341-008-021	45	0	341	70	10	2,814	3,280
East Los Angeles	6341-008-033	59	0	445	91	13	3,675	4,284
East Los Angeles	6341-008-032	181	0	1,368	281	40	11,296	1,870
East Los Angeles	6341-008-909	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT
East Los Angeles	5240-018-001	475	0	3,583	736	104	29,590	34,488
East Los Angeles	5240-018-002	90	0	677	139	20	5,588	6,513
East Los Angeles	5240-018-003	188	0	1,418	291	41	11,713	1,939
East Los Angeles	6340-001-001	352	0	2,653	545	77	21,915	3,627
East Los Angeles	6340-001-002	123	0	928	191	27	7,669	1,269
East Los Angeles	6340-001-001	55	0	415	85	12	3,424	567
East Los Angeles	6340-010-034	4	0	30	6	1	251	42
East Los Angeles	6340-010-004	1	0	9	2	0	76	13
East Los Angeles	6340-010-005	39	0	296	61	9	2,447	2,852
East Los Angeles	6340-010-006	14	0	107	22	3	884	1,031
East Los Angeles	6340-010-007	16	0	120	25	3	990	1,154
East Los Angeles	6340-010-008	23	0	177	36	5	1,459	1,701
East Los Angeles	6340-010-009	29	0	216	44	6	1,786	2,081

Jurisdiction	Property to be Taken (APN)	Fiscal Year 2022/2023 Tax Revenue Loss by Type of Property (2022 Dollars [\$])						
		City	County	Unified Schools	Community College	Metro Water District	General Tax Levy	Total
East Los Angeles	6340-010-010	33	0	246	50	7	2,028	2,364
East Los Angeles	6340-010-012	8	0	63	13	2	519	605
East Los Angeles	6340-010-011	2	0	13	3	0	107	124
East Los Angeles	6340-010-036	23	0	170	35	5	1,407	1,640
East Los Angeles	6340-010-015	17	0	130	27	4	1,071	1,248
East Los Angeles	6340-010-016	18	0	133	27	4	1,098	1,279
East Los Angeles	6340-010-017	17	0	129	27	4	1,069	1,246
East Los Angeles	6340-010-018	18	0	134	28	4	1,109	1,293
East Los Angeles	6340-010-029	68	0	510	105	15	4,210	4,907
East Los Angeles	6340-010-028	0	0	0	0	0	2	2
East Los Angeles	6340-010-037	42	0	318	65	9	2,628	3,062
East Los Angeles	6340-010-035	38	0	289	59	8	2,385	2,780
East Los Angeles	6340-011-040	52	0	390	80	11	3,223	3,756
East Los Angeles	6340-011-038	12	0	87	18	3	717	836
East Los Angeles	6340-012-012	127	0	953	196	28	7,875	9,178
East Los Angeles	6340-013-009	6	0	48	10	1	400	466
East Los Angeles	6340-013-010	2	0	19	4	1	155	180
East Los Angeles	6340-013-008	5	0	41	8	1	337	393
East Los Angeles	6340-013-012	12	0	88	18	3	725	845
East Los Angeles	6340-013-007	1	0	5	1	0	43	50
East Los Angeles	6340-013-013	63	0	477	98	14	3,937	4,588
East Los Angeles	6340-013-014	5	0	40	8	1	328	382
East Los Angeles	6340-013-021	0	0	0	0	0	0	0
East Los Angeles	6340-014-004	0	0	1	0	0	6	7
East Los Angeles Total		4,903	0	36,945	7,593	1,068	305,148	299,313
City of Commerce	6340-014-020	0	0	849	174	25	7,008	8,056
City of Commerce	6340-014-019	0	0	190	39	5	1,570	1,805
City of Commerce	6340-014-018	0	0	16	3	0	128	147
City of Commerce	6340-015-008	0	0	97	20	3	803	923
City of Commerce	6340-016-003	0	0	247	51	7	2,043	2,348
City of Commerce	6340-016-004	0	0	442	91	13	3,648	4,194
City of Commerce	6340-017-012	0	0	380	78	11	3,142	3,612
City of Commerce	6340-017-800	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT

Jurisdiction	Property to be Taken (APN)	Fiscal Year 2022/2023 Tax Revenue Loss by Type of Property (2022 Dollars [\$])						
		City	County	Unified Schools	Community College	Metro Water District	General Tax Levy	Total
City of Commerce	6340-016-011	0	0	530	109	15	4,380	5,035
City of Commerce	6340-017-900	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT
City of Commerce	6340-018-005	0	0	660	136	19	5,452	6,267
City of Commerce	6336-001-810	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT
City of Commerce	6336-021-800	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT
City of Commerce	6340-018-811	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT
City of Commerce	6336-021-012	0	0	272	56	8	2,247	2,583
City of Commerce	6336-019-031	0	0	3,980	818	115	32,873	37,786
City of Commerce	6336-019-031	0	0	461	95	13	3,812	4,381
City of Commerce	6336-019-031	0	0	929	191	27	7,674	8,820
City of Commerce	6336-019-031	0	0	1,206	15	35	9,962	11,218
City of Commerce	6336-021-015	0	0	2,372	488	69	19,595	22,523
City of Commerce	6336-021-015	0	0	1,214	249	35	10,026	11,525
City of Commerce	6336-024-017	0	0	5,106	1,049	148	42,173	48,475
City of Commerce	6336-024-017	0	0	245	50	7	2,023	2,325
City of Commerce	6336-024-017	0	0	25	5	1	210	242
City of Commerce	6336-024-017	0	0	22	4	1	179	206
City of Commerce	6336-024-019	0	0	5,027	1,033	145	41,524	47,730
City of Commerce	6336-024-019	0	0	0	0	0	2	2
City of Commerce	6336-024-021	0	0	16	3	0	133	153
City of Commerce	6336-020-046	0	0	12	2	0	98	113
City of Commerce	6336-020-046	0	0	378	78	11	3,119	3,585
City of Commerce	6336-024-022	0	0	774	159	22	6,391	7,347
City of Commerce	6336-018-042	0	0	1,843	379	53	15,221	17,495
City of Commerce	6336-016-015	0	0	847	174	24	7,000	8,046
City of Commerce	6336-016-014	0	0	2,636	542	76	21,771	25,024
City of Commerce	6336-016-023	0	0	56	12	2	464	25,558
City of Commerce	6336-016-811	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT
City of Commerce	6336-016-813	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT
City of Commerce	6336-016-026	0	0	0	0	0	0	0
City of Commerce	6336-015-808	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT
City of Commerce	6336-015-809	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT
City of Commerce	6336-015-012	0	0	6	1	0	50	57

Jurisdiction	Property to be Taken (APN)	Fiscal Year 2022/2023 Tax Revenue Loss by Type of Property (2022 Dollars [\$])						
		City	County	Unified Schools	Community College	Metro Water District	General Tax Levy	Total
City of Commerce	6336-010-812	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT		
City of Commerce	6336-011-017	441	0	285	56	8	2,231	3,021
City of Commerce	6336-011-007	0	0	5,732	1,178	166	47,343	54,418
City of Commerce	6336-011-900	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT
City of Commerce	6336-011-008	0	0	175	36	5	1,447	1,663
City of Commerce	6336-011-009	0	0	264	54	8	2,179	2,505
City of Commerce	6336-011-010	0	0	158	33	5	1,307	1,503
City of Commerce	6336-011-011	0	0	12	6	0	95	113
City of Commerce	6336-011-012	0	0	3,182	654	92	26,284	30,212
City of Commerce	6336-011-801	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT	TAX EXEMPT
City of Commerce	6336-011-014	0	0	149	31	4	1,234	1,418
City of Commerce	6336-011-015	0	0	39	8	1	323	371
City of Commerce	6336-011-016	0	0	104	21	3	860	989
City of Commerce	6336-011-013	0	0	9,130	1,876	264	75,409	86,679
City of Commerce	6336-013-020	0	0	85	18	2	706	811
City of Commerce	6336-013-020	0	0	9	2	0	77	89
City of Commerce	6336-013-012	0	0	15	3	0	125	144
City of Commerce	6336-013-012	0	0	7	1	0	58	66
City of Commerce	6336-013-012	0	0	15	3	0	121	139
City of Commerce	6336-013-012	0	0	6	1	0	52	60
City of Commerce	6336-013-014	0	0	1,829	376	53	15,108	17,366
City of Commerce	6336-013-014	0	0	20	4	1	169	194
City of Commerce	6336-013-014	0	0	11	2	0	90	103
City of Commerce	6336-013-014	0	0	0	0	0	1	2
City of Commerce	6336-013-014	0	0	3	1	0	23	26
City of Commerce	6336-003-046	0	0	6	1	0	51	59
City of Commerce	6336-003-046	0	0	4	1	0	33	38
City of Commerce	6336-003-046	0	0	9	2	0	78	90
City of Commerce	6336-003-046	0	0	4	1	0	33	38
City of Commerce	6336-003-045	0	0	27	6	1	222	255
City of Commerce	6336-003-045	0	0	11	2	0	92	106
Commerce Total		441	0	43,557	8,719	1,259	359,762	438,321
City of Montebello	6353-017-020	3,311	0	2,137	416	59	1,673,237	1,679,159

Jurisdiction	Property to be Taken (APN)	Fiscal Year 2022/2023 Tax Revenue Loss by Type of Property (2022 Dollars [\$])						
		City	County	Unified Schools	Community College	Metro Water District	General Tax Levy	Total
City of Montebello	6353-017-005	29	0	19	4	1	14,847	14,899
City of Montebello	6353-017-006	663	0	428	83	12	334,930	336,115
City of Montebello	6353-017-014	10,862	0	7,010	1,366	192	5,489,294	5,508,723
City of Montebello	6353-017-019	1,578	0	1,018	198	28	797,516	800,339
City of Montebello	6352-007-059	1,780	0	1,148	224	31	899,371	902,554
City of Montebello	6352-007-060	931	0	601	117	16	470,689	472,355
City of Montebello	6352-007-046	233	0	150	29	4	117,828	118,245
City of Montebello	6352-007-047	49	0	32	6	1	24,706	24,794
City of Montebello	6352-007-048	223	0	144	28	4	112,927	113,327
City of Montebello	6352-007-049	96	0	62	12	2	48,337	48,509
City of Montebello	6352-007-050	91	0	59	11	2	46,060	46,223
City of Montebello	6352-007-051	67	0	43	8	1	33,957	34,077
City of Montebello	6352-007-052	116	0	75	15	2	58,842	59,051
City of Montebello	6352-007-053	63	0	41	8	1	32,089	32,203
City of Montebello	6352-007-054	96	0	62	12	2	48,393	48,565
Montebello Total		20,189	0	13,029	2,539	357	10,203,025	10,239,139
GRAND TOTALS							10,867,935	10,976,773

Source: CDM Smith/AECOM JV 2025. **Appendix M**; Los Angeles County Assessor 2022, 2025.

Key: APN = Assessor's Parcel Number

The breakdown of total value of all assessed property being acquired in the City of Commerce is \$41.14 million, \$30.51 million in Los Angeles County, and \$10.20 million in the City of Montebello. The total value of acquisitions in each jurisdiction is less than 1 percent in all jurisdictions. **Table 6.9** lists the value of assessed property by all jurisdictions in the Economics Study Area for reference.

Table 6.6. Value of Assessed Property and Acquisitions by Jurisdiction

Jurisdiction/Subregion	2022 Total Assessed Value (\$Million)	Total Value of Acquisition (\$Million)	Annual Tax Revenue Loss (\$)	Revenue Loss as % of Total Assessed Value
Los Angeles County (Los Angeles County)	\$1,892,333.40	\$30.51	\$299,313	0.002%
Montebello (San Gabriel Valley Council of Governments)	\$7,384.23	\$10.20	\$10,239,139	0.138%
Commerce (Gateway Cities Council of Governments)	\$6,609.69	\$41.14	\$438,321	0.622%
	\$1,906,327.31	\$81.85	\$10,976,773	0.004%

Source: Los Angeles County Assessor 2022, 2025; CDM Smith/AECOM JV 2025, **Appendix M**.

Key: \$ = dollars, % = percent Annual Tax Revenue Loss derived from **Table 6-8** jurisdiction subtotals.

In terms of jobs displaced or relocated due to the property acquisitions needed for the Build Alternative, **Appendix M** estimates that 637 employees would be displaced or relocated. However, there may be no net loss of jobs overall; while the Build Alternative would require relocation of businesses and associated jobs, there are multiple available sites in the Economics Study Area (possibly as a TOD) which could accommodate them. Moreover, to the extent that rail transit investment has been shown to be an economic development catalyst in other communities, the net effect may be positive. At the same time, even with these mitigating factors, it is still possible that permanent job loss could occur as a result of relocation. See **Appendix M** for additional details.

In summary, while the Build Alternative would have minor losses in the tax base and associated revenue, these effects would not be adverse in the long-term because the losses represent a very small proportion of the affected jurisdictions' total tax base and would not measurably affect public services or fiscal stability. Moreover, the loss of tax revenue could potentially be offset by increased development near stations and along the Build Alternative alignment, particularly if jurisdictions work to establish and apply TOD zoning and supportive policies. This creates economic opportunity for the communities in the Economics Study Area. Therefore, changes in the local tax base as a result of the Build Alternative would result in no long-term adverse effect.

6.2.2 Construction Impacts

6.2.2.1 Capital Expenditures

The capital expenditures for construction of the Build Alternative are estimated to be \$5.889 billion (2022 dollars). These cost figures are the gross capital expenditures for the Build Alternative relative to the No Build Alternative. Total capital expenditures are divided into five major categories. These include:

- General Construction: guideway elements, stations, yards and shops, sitework, systems, and contingencies.
- Vehicles: vehicle manufacturing and assembly.
- ROW: all rights-of-way, land, and existing improvements.
- Soft Costs: professional engineering and related services.
- Unallocated Contingency: additional cost included in the estimate that may be used to cover unforeseen costs, inflation, and/or mitigation measures.

Table 6.5 summarizes the capital costs by expenditure activity. The economic impact of these expenditures would vary by activity and depends on the share of goods and services that can be sourced locally. Construction-related goods and services would largely be purchased within the local economy. Although not all building materials required for the Build Alternative are produced locally, the RIMS II multipliers account for industry supply-chain linkages, and therefore incorporate expected leakage from the local economy.

Vehicle purchases, by contrast, would not be made within the local economy. Because the Los Angeles area does not manufacture transit vehicles, the potential for local economic impact from these purchases is limited. As no local labor is used to produce the vehicles, no local impact generated by their purchase is realized. Although some assembly may be required upon delivery of the vehicles and certain components could potentially be supplied locally, these activities represent a negligible share of the total vehicle costs and are therefore excluded from this analysis.

Table 6.7. Capital Costs by Expenditure Category

Expenditure	Total Cost in 2022 dollars	
	No Build Alternative	Build Alternative
Construction	\$ -	\$3,612,100,000
ROW, Land, and Existing Improvements	\$ -	\$903,100,000
Vehicles	\$ -	\$91,800,000
Professional Services	\$ -	\$745,200,000
Unallocated Contingency (Construction)	\$ -	\$536,500,000
Total	\$ -	\$5,888,700,000

Source: Jacobs People & Places Solutions 2022.

Notes: Values in this table and hereafter are expressed in 2022 dollars in order to provide a common reference for effects that would occur in different years. Capital costs include construction of the MSF.

Key: ROW = right-of way, \$ = dollars, - = not applicable

ROW expenditures shown previously reflect only the cost of real property; transaction-related expenses are included in the Soft Cost category. Because ROW purchases involve no labor component, the land costs themselves do not generate an economic impact. In contrast, professional services—classified as soft costs—are produced within and purchased from the local economy and therefore do have a local economic effect. In summary, two categories of capital expenditures may generate economic impacts: general construction and soft costs. Total spending in these categories for the Project is estimated at \$4.357 billion (2022 dollars). Because these capital expenditures would generate investment in the local economy, there would be a short-term beneficial economic effect.

6.2.2.2 Capital Funding Sources

To isolate the potential beneficial economic effects of the Build Alternative on the local economy, it is necessary to distinguish those resources that are new to the economy and that would not be invested in the Economics Study Area but for the Build Alternative, from those that would still be spent in the Economics Study Area with similar economic effects (e.g., funds that would be allocated to other transportation construction projects in the Southern California region). Only those economic effects that are attributable to funds that are made available for this Build Alternative (new or federal money) would be considered project-related. Funds from local sources, such as sales tax revenue from Measures M and R, are identified as economic transfers that would have been spent within the economy with or without the construction of the Build Alternative. The amount of new or federal funding sources is not confirmed at this time; thus, the economic impacts associated with construction spending are estimated using the total Project cost minus the \$3 billion from Measure M allocated to the Build Alternative (Metro 2023b). This exclusion does not imply that Measure M funds could be redirected outside the Expenditure Plan. Because Measure M funding is restricted to projects specified in the Expenditure Plan, these funds would generate economic activity through some Expenditure Plan project regardless of whether this specific project is approved. The incremental economic benefit attributable to the Build Alternative, therefore, comes from external funding sources that would not otherwise enter the economy. Therefore, there would be a short-term beneficial economic effect.

6.2.2.3 Capital Expenditure Effects on the Economy

Construction of the Build Alternative would represent a substantial capital investment in the economy, increasing employment, earnings, and economic output during the construction period. In order to estimate the beneficial impacts associated with the Build Alternative, RIMS II final demand multipliers from the BEA for the construction and professional services industries were applied to the amount of new funding used for capital expenditures. The RIMS II multipliers translate capital spending into the associated job and income effects. The RIMS II Final Demand Earnings Multiplier reflect the total change in household earnings across all industries for each additional dollar of output delivered to final demand by the construction and professional services sectors. The Construction Final Demand Earnings Multipliers are 0.4308 for Los Angeles County and 0.484 for the Los Angeles-Long Beach-Santa Ana MSA and the Professional, Scientific, and Technical Services Final Demand Earnings Multipliers are 0.538 for Los Angeles County and 0.5808 for the Los Angeles-Long Beach-Santa Ana MSA.

The RIMS II Final Demand Employment Multiplier represents the total change in number of jobs that occurs in all industries for each \$1 million of output delivered to final demand by the construction and professional services industries. The Construction Final Demand Employment Multipliers are 6.1736 for Los Angeles County and 6.9299 for the Los Angeles-Long Beach-Santa Ana MSA; the Professional, Scientific, and Technical Services Final Demand Employment Multipliers are 6.1572 for Los Angeles County and 6.6731 for the Los Angeles-Long Beach-Santa Ana MSA.

Applying the Final Demand Multipliers for the construction and professional services industries to the amount of capital expenditures (see **Table 6.5**) provides estimates of the net earnings and employment impacts generated by the Build Alternative. Light rail vehicle costs are not included because vehicles would likely be purchased from outside the Economics Study Area. ROW costs are also not included because these costs are for real estate acquisition and relocation as well as “loss of business” compensation, and the acquisition of land does not generate jobs or income, resulting in minimal economic output or employment impacts. Finance and real estate costs associated with the purchase of ROW are included in professional services costs. Additionally, the amount of construction expenditures used in this analysis excluded the allocated Measure M funding of \$3 billion. The results are summarized in **Table 6.6**. The table shows the impacts for two different geographies: Los Angeles County and the Los Angeles-Long Beach-Santa Ana MSA.

Table 6.8. Project Construction Earnings and Employment Impacts

Impacts	Los Angeles County	Los Angeles-Long Beach-Santa Ana MSA
Capital Costs (excludes LRVs, ROW, and Measure M Funding)	\$1,893,800,000	\$1,893,800,000
Final Demand Earnings Multiplier - Construction	0.4308	0.4840
Final Demand Earnings Multiplier - Professional, Scientific, and Technical Services	0.5380	0.5808
Total Earnings (in thousands of 2022 dollars)	\$895,734	\$988,735
Final Demand Employment Multiplier - Construction	6.1736	6.9299
Final Demand Employment Multiplier - Professional, Scientific, and Technical Services	6.1572	6.6731
Total Employment (person-year jobs)	11,679	12,932

Source: RIMS II Multipliers (Type I) produced by the BEA 2023.

Key: MSA, Metropolitan Statistical Area, LRV = light rail vehicle, ROW = right of way, \$ = dollars

Note that the impacts shown for Los Angeles County and the Los Angeles-Long Beach-Santa Ana MSA in **Table 6.6** are not additive, as the County impacts are included in the Los Angeles-Long Beach-Santa Ana MSA impacts.

Earnings and Employment are separate calculations that use different RIMS II multipliers applied to the same capital cost input. Total Earnings uses the Final Demand Earnings Multiplier to estimate the total wages and salaries generated throughout the Economics Study Area per dollar of project spending during construction. Total Employment uses the Final Demand Employment Multiplier to estimate the number of jobs created per million dollars of spending. These multipliers measure different economic outcomes—Earnings does not represent wages paid to the workers counted in Total Employment, but rather the total compensation rippling through the economy.

Total Employment is expressed as person-year jobs for all industries in the Economics Study Area. A person-year job is defined as one job for one person for one year. The 11,679 jobs shown for Los Angeles County represent cumulative job-years generated over the construction period (2029–2034), reflecting a one-time, finite impact rather than permanent employment.

Construction of the Build Alternative would also generate approximately \$3.1 billion in additional economic activity beyond construction spending, capturing the effects on suppliers, vendors, and worker spending in Los Angeles County during the construction period. This figure is derived from a RIMS II Final Demand Output Multiplier calculation, which measures a broader concept of economic activity that includes intermediate transactions between businesses. **Table 6.6** focuses specifically on Earnings and Employment impacts because these metrics represent tangible outcomes—actual household income flowing to workers and business owners, and actual job opportunities created during construction. The Output multiplier result is not included in **Table 6.6** because it measures a different dimension of economic activity and could be misinterpreted as additive to the Earnings and Employment figures, when in fact these metrics are distinct and should not be summed.

Because capital expenditures for the Build Alternative would generate employment in Los Angeles County and the Los Angeles-Long Beach-Santa Ana Metropolitan Statistical Area, there would be a short-term beneficial economic effect.

6.2.2.4 Pilot Local Hire Initiative Impacts

Under the Metro Pilot Local Hire Initiative, Metro’s PLA and CCP, local hire provisions will be instituted regardless of the funding source of the Build Alternative. As a result, all contractors working on Metro construction projects covered by the PLA and CCP would be required to comply with the targeted hiring requirements, as described in **Section 3.3.2.1** and set forth in NPM EFI-1 in **Section 7.1**.

Using the estimated Total Employment created by the Build Alternative within Los Angeles County (**Table 6.6**), the Pilot Local Hire Initiative would result in an increase in employment for Community Area Residents as summarized in **Table 6.7**. Because the Build Alternative would generate employment, there would be a short-term beneficial economic effect.

Table 6.9. Pilot Local Hire Initiative Employment Impacts

Targeted Hiring Group	Min. Participation Requirement	# of Hires
Community Area Residents	40%	3,584

Source: Metro 2021.

Key: % = percent

6.2.2.5 Localized Temporary Impacts on Businesses

Construction activities could have temporary adverse economic impacts on some commercial and industrial businesses, particularly those near or adjacent to construction sites. Potential adverse impacts may include traffic disruption; increased noise, vibration, and dust; modified vehicular and pedestrian traffic patterns and access; impacts to residents or businesses engaged in sound-or vibration-sensitive work; and utility disruptions. Business impacts could also include reduced visibility of commercial signs and visibility of and access to businesses. These construction impacts could in turn result in a loss of sales and/or increased operating costs for commercial businesses. Retail and personal services businesses that depend on good access and an aesthetically pleasing experience for customers are most likely to experience short-term adverse impacts during construction. Industrial businesses may experience increased transportation costs because of construction-related delays or detours. While some individual businesses potentially could have negative adverse effects, these businesses represent a relatively small portion of the overall economy. Therefore, there would be no short-term adverse effect within the Economics Study Area. These impacts are assessed further in **Appendix H, Appendix L, Appendix M, and Appendix O**.

7.0 PROJECT MEASURES AND MITIGATION MEASURES

7.1 Project Measures

Project measures are design features, BMPs, or other measures required by law, including permit approvals, that are applicable to the Build Alternative.

NPM EFI-1: Metro Joint Development Program and Metro Pilot Local Hiring Initiative. Project measures to address fiscal and economic impacts include the following:

- Upon completion of construction, property needed for construction but not required to maintain the physical infrastructure or necessary for access shall be evaluated for inclusion in the Metro Joint Development Program for possible income restricted housing development or other transit supportive land use, or included in a report to Metro Real Estate Asset Management for Surplus Land Act (SLA) requirements before sale. Any subsequent development shall be environmentally cleared separately from this Project and would undergo its own community input process.
- Project work shall comply with the Metro Pilot Local Hiring Initiative (effective May 21, 2021), which requires contractors working on Metro construction projects to comply with certain targeted hiring requirements, including prioritizing local workers from Los Angeles County.

7.2 Mitigation Measures

Mitigation measures are actions required to reduce the adverse effect(s) identified in this Impacts Report. No economic related mitigation measures are applicable to the Build Alternative.

8.0 PREPARERS QUALIFICATIONS

Name	Title	Education	Experience (Years)
Brian Ross	Project Manager	MS – Civil and Environmental Engineering, Stanford University, 2008 MBA – Business Administration, UC Berkeley, 2015 BS – Construction Management, California State Polytechnic University, 2002	21
Laurel Hunt	Task Lead	Master of Urban and Regional Planning (MURP) - UCLA, 2014 (Environmental Analysis and Policy Concentration) Juris Doctor (JD) - UCLA, 2023 (Environmental Law Specialization) Bachelor of Arts (BA) - Environmental Studies, UC Santa Cruz, 2011	11

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