



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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**REQUEST FOR INFORMATION  
REGARDING  
PUBLIC-PRIVATE PARTNERSHIPS  
FOR LACMTA TRANSPORTATION PROJECTS**

**DUE DATE: JULY 14, 2008**

May 12, 2008

To All Interested Parties:

The Los Angeles County Metropolitan Transportation Authority (LACMTA), the agency charged with the responsibility of providing a regional transportation system for Los Angeles County, is seeking concepts and preliminary proposals of interest for Public-Private Partnerships (PPPs).

At its April 24, 2008 meeting, our Board of Directors approved the issuance of a Request for Information (RFI) to seek input from the industry as to potential interest in participating in the delivery of the Draft 2008 Long Range Transportation Plan (LRTP) unfunded new fixed guideway and highway projects, including perspectives on project delivery methods and private project financing. The Draft LRTP may be accessed through our website, [www.metro.net/longrangeplan](http://www.metro.net/longrangeplan).

The RFI also seeks consideration of operation and maintenance of our existing fixed guideway system as well as any new extensions, or a combination thereof, using our existing labor organizations. For highway projects, a proposal's financial plan may include tolling. Please note, however, that LACMTA will need to obtain State legislation authorizing highway or road tolling.

The following is attached for your information and use in preparing your response to this RFI:

- The April 24, 2008 Board recap of Item #50 summarizing our Board's actions on various motions;
- Motions introduced and approved by our Board;
  - Mayor Villaraigosa, Innovative Financing for New Rail Projects, dated April 24, 2008
  - Director Antonovich Amending Motion for Item #50: Innovative Financing for New Rail Projects
  - Director Lowenthal Amending Motion
- Excerpts from the LRTP Technical Document;
  - Figure 5.24, Performance Measures – Highway
  - Figure 5.25, Performance Measures – Transit
  - Figure 5.26, Performance Analysis – Transit, including current status
  - Figure 5.27, Performance Analysis – Highway, including current status
  - Figure 5.28, Map showing Tier 1 Strategic Plan Unfunded Transit Projects
  - Figure 5.29, Map showing Tier 1 Strategic Plan Unfunded Highway Projects

- Figure 5.30, Map showing Tier 2 Strategic Plan Unfunded Transit Project
  - Figure 5.31, Map showing Tier 2 Strategic Plan Unfunded Highway Projects
- \*\*\*\* Please note that all costs shown in the LRTP are in 2015 dollars.
- Table reporting our existing fixed guideway ridership statistics as of February 2008;
  - Copy of Board Report #33 dated February 20, 2008 entitled "Potential Transportation Revenues from Tax Increment Financing" (to be considered as one possible funding option).

A **pre-response workshop** will be held on Thursday, May 29, 2008 at 9:30 a.m. in the 3<sup>rd</sup> floor Gateway Conference Room at LACMTA's headquarters, located at the above address. Advance questions, comments and suggestions are encouraged.

Interested respondents are invited to formulate their responses for any of the identified projects, or any combination of these projects, understanding that the recommended Public-Private Partnership guidelines are not mandatory, and that LACMTA's existing labor agreements will remain in place. Respondents are to include brief executive level descriptions of their organization(s), including recent financial statements and a summary of similar projects completed. Please provide responses to this RFI in electronic format, and five hard originals, no later than **3:00 p.m. on July 14, 2008**, addressed to Kathleen Sanchez, Transportation Planning Manager, Mail Stop 99-22-9, at the above address. Ms. Sanchez may be reached by phone at (213) 922-2421 or email at [sanchezk@metro.net](mailto:sanchezk@metro.net).

This RFI process is not to be considered a solicitation or procurement. Respondents to this RFI will not be precluded from participating in future LACMTA solicitations or proposals. Further, respondents to this RFI who do submit proposals to any future formal procurement will not be limited in any way by the content of their responses to this RFI.

We appreciate your interest and participation in assisting us to carry our mission to provide an efficient, reliable transit network and keep our County moving.

Sincerely,



Roger Snoble  
Chief Executive Officer

Attachs.

# RECAP of Agenda Item #50, April 24, 2008 Metro Board Meeting

			DIRECTORS VOTING													
ATTENDANCE			P	P	P	P	P	P	P	P	P	P	P	P	P	P
ITEM NO.	<u>SUBJECT ITEM</u>	<u>ACTION TAKEN</u>	FLEMING	FASANA	YAROSLAVSKY	MOLINA	PARKS	KNABE	O'CONNOR (CHAIR)	VILLARAIGOSA	BURKE	NAJARIAN	ANTONOVICH	LOWENTHAL	KATZ	FAILING
50	<p>VILLARAIGOSA MOTION THAT THE MTA BOARD DIRECT THE CEO TO:</p> <p>A. ISSUE A REQUEST FOR INFORMATION (RFI) WITHIN 30 DAYS REQUESTING CONCEPTS AND PRELIMINARY PROPOSALS FOR INNOVATIVE PUBLIC-PRIVATE PARTNERSHIPS TO BUILD ONE OR MORE OF THE 18 CANDIDATE FIXED GUIDEWAY PROJECTS USING THE ATTACHED PRINCIPLES;</p> <p>B. WORK WITH INTERESTED PARTIES TO PROVIDE REQUESTED DATA NECESSARY TO DEVELOP CONCEPTS AND PRELIMINARY PROPOSALS; AND</p> <p>C. PRESENT TO THE BOARD INFORMATION RECEIVED FROM THE RFI NO LATER THAN THE JULY 2008 MTA BOARD MEETING, ANALYZE THE ADVANTAGES AND DISADVANTAGES OF EACH APPROACH, AND SEEK POLICY DIRECTION FROM THE MTA BOARD ON WHETHER TO PROCEED TO A FORMAL REQUEST FOR PROPOSALS FOR A PUBLIC-PRIVATE PARTNERSHIP.</p>	<p>APPROVED AS AMENDED BY ANTONOVICH, KATZ AND LOWENTHAL.</p>	Y	Y	A	A	A	A	Y	Y	Y	Y	A	Y	Y	

LEGEND: Y=ES, N=NO, C=CONFLICT, AB=ABSTAIN, P=PRESENT, A=ABSENT

ATTENDANCE			DIRECTORS VOTING														
ITEM NO.	SUBJECT ITEM	ACTION TAKEN	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
			FLEMING	FASANA	YAROSLAVSKY	MOLINA	PARKS	KNABE	O'CONNOR (CHAIR)	VILLARAIGOSA	BURKE	NAJARIAN	ANTONOVICH	LOWENTHAL	KATZ	FALLING	
50	<p>KATZ AMENDMENT THAT THE BALLOT MEASURE LIST OF PROJECTS BE LESS CONSTRAINED.</p> <p>LOWENTHAL AMENDMENT THAT THE INTERSTATE 710 FREEWAY CORRIDOR AND METRO GOLD LINE EASTSIDE EXTENSION PHASE II PROJECTS ARE INCLUDED.</p> <p>ANTONOVICH AMENDMENT THAT THE METRO CEO:</p> <p>A. EXPAND THE SCOPE OF THE REQUEST FOR INFORMATION TO INCLUDE PROPOSALS ON ANY OF THE FIXED GUIDEWAY SYSTEMS IN THE STRATEGIC PORTION OF THE METRO LONG RANGE TRANSPORTATION PLAN, ANY NEW FIXED GUIDEWAY CONCEPTS IN LOS ANGELES COUNTY REGARDLESS OF TECHNOLOGY OR CORRIDOR, AND HIGHWAY PROJECTS SUCH AS THE HIGH DESERT CORRIDOR AND THE SR 710 GAP CLOSURE.</p> <p>B. EXTEND THE PERIOD OF SUBMITTAL OF PROPOSALS BY THE PRIVATE SECTOR TO JULY 31, 2008, WITH THE UNDERSTANDING THAT PROPOSALS FOR THE PROJECTS REQUESTED BY THE ORIGINAL MOTION ARE REQUESTED BY MAY 31, 2008 FOR INITIAL CONSIDERATION BY THE BOARD.</p>																

LEGEND: Y-YES, N-NO, C-CONFLICT, AB-ABSTAIN, P-PRESENT, A-ABSENT

			DIRECTORS VOTING													
ATTENDANCE			P	P	P	P	P	P	P	P	P	P	P	P	P	P
ITEM NO.	SUBJECT ITEM	ACTION TAKEN	FLEMING	FASANA	YAROSLAVSKY	MOLINA	PARKS	KNABE	O'CONNOR (CHAIR)	VILLARAIGOSA	BURKE	NAJARIAN	ANTONOVICH	LOWENTHAL	KATZ	FAILING
50	C. THE PRINCIPLES ENUMERATED IN THE ORIGINAL MOTION SHALL BE RECOMMENDED, BUT NOT REQUIRED, GUIDELINES FOR THE PRIVATE SECTOR TO CONSIDER WHEN MAKING THEIR PROPOSALS WITH THE OPPORTUNITY FOR THE PRIVATE SECTOR TO CONSIDER WHEN MAKING THEIR PROPOSALS TO METRO THAT DO NOT FOLOW EACH PRINCIPLE PROVIDED FOR THE SAKE OF FLEXIBILITY AND INNOVATION.															

LEGEND: Y-YES, N-NO, C-CONFLICT, AB-ABSTAIN, P-PRESENT, A-ABSENT

**Motion by Mayor Antonio R. Villaraigosa**

April 24, 2008

**Innovative Financing for New Rail Projects**

WHEREAS Los Angeles County needs to expand its high speed, reliable transit network as fast as possible to provide viable alternatives to driving, reduce traffic congestion, and reduce mobile source emissions that contribute to poor health and global warming

WHEREAS since the adoption of the 2001 Long Range Transportation Plan the MTA has opened or is under construction on the following lines:

- Gold Line (opened 2003)
- Orange Line (opened 2005)
- Gold Line Eastside Extension (under construction)
- Exposition Line – Phase I (under construction)

WHEREAS the following fixed guideway projects are already funded in the adopted 2001 Long Range Transportation Plan (in alphabetical order) and recommended for continuing funding in the draft 2008 Long Range Transportation Plan:

- Crenshaw
- Exposition Line – Phase II
- San Fernando Valley North-South
- Wilshire Bus Rapid Transit (BRT)

CONTINUED

## **Innovative Financing for New Rail Projects Motion (continued)**

WHEREAS MTA staff used the following criteria in evaluating, scoring, and ranking unfunded candidate fixed guideway transit projects (Draft 2008 Long Range Transportation Plan, March 10, 2008, Figure 5.26, pp.99-100):

### Evaluation Criteria

#### **Performance (50%)**

- Annual boardings per mile
- Annual boardings per million

#### **Corridor Need (50%)**

- Population & employment density
- Percent transit dependent census tracts
- Major activity centers per (center line) mile
- Current boardings per mile (2004)

CONTINUED

## Innovative Financing for New Rail Projects Motion (continued)

WHEREAS MTA staff identified and analyzed 23 new, unfunded candidate fixed guideway transit projects (Draft 2008 Long Range Transportation Plan, March 10, 2008, Figure 5.26, pp.99-100) (in MTA rank order):

MTA Rank	MTA Score	MTA Project Name
1	24	Regional Connector
2	21	Red Line Westside Subway (to Century City)
3	19	Harbor Subdivision ROW DMU (Union Station to Aviation Station)
3	19	Red Line Westside Subway (Century City to Santa Monica)
5	18	Red Line Extension North (to Burbank Airport)
6	17	Vermont Corridor Subway (to Green Line)
7	15	LA/Burbank/Glendale Corridor LRT (Union Station to Burbank)
8	13	Gold Line Eastside At-Grade Extension (to Whittier) (at-grade)
8	13	Yellow Line LRT (North Hollywood Station to 3rd/Flower)
10	12	Gold Line Foothill Extension (to Azuza) (JPA cost)
10	12	I-405 Corridor BRT
10	12	Silver Line LRT (Vermont/Santa Monica Station to La Puente)
13	11	Gold Line Eastside Aerial Extension (to Whittier) (aerial)
13	11	Green Line Extension South (to South Bay Galleria)
15	10	Gold Line Foothill Extension (to Azuza) (MTA cost)
15	10	Gold Line Foothill Extension (to Montclair) (JPA cost)
15	10	Green Line North Aerial (LAX to Expo Santa Monica Station)
15	10	Route 134 Transit Corridor BRT (to Del Mar Station)
15	10	West Santa Ana Branch Mag Lev (Union Station to Santa Ana Metrolink)
20	9	Green Line Extension South (to South Bay Galleria) (elevated)
20	9	Green Line Extension South (to South Bay Galleria) (underground)
22	8	Gold Line Foothill Extension (to Montclair) (MTA cost)
22	8	Green Line Extension South II (South Bay Galleria to PCH Harbor Transitway Station)

CONTINUED



## **Innovative Financing for New Rail Projects Motion (continued)**

WHEREAS the 18 new, unfunded fixed guideway transit projects\* would:

- Expand fixed guideway service in Los Angeles County by 204 miles
- Increase transit ridership by 122 million annual boardings
- Cost up to \$30.9 billion to build, and
- Reduce traffic congestion and mobile source emissions

\* Counts two Eastside – Phase 2 alternatives as one project, two Green Line – East alternatives as one project, and four Gold Line Foothill Extension alternatives as one project for purposes of calculating miles, ridership, and cost

WHEREAS the MTA continues to face financial constraints and uncertainty from its traditional federal, state, and local funding partners and sources that limit the pace at which new transit systems can be built and operated

WHEREAS the MTA's heavy rail and light rail systems are discreet, stand alone rail systems that could be operated and maintained separately from the remainder of MTA's bus operations

WHEREAS the private sector has an interest in investing in public infrastructure projects

CONTINUED

## **Innovative Financing for New Rail Projects Motion (continued)**

I THEREFORE MOVE that the MTA Board direct the CEO to:

1. Issue a request for information (RFI) within 30 days requesting concepts and preliminary proposals for innovative public-private partnerships (PPP) to build one or more of the 18 candidate fixed guideway projects using the attached principles [See “Public-Private Partnership Principles”]
2. Work with interested parties to provide requested data necessary to develop concepts and preliminary proposals
3. Present to the Board information received from the RFI no later than the July 2008 MTA Board meeting, analyze the advantages and disadvantages of each approach, and seek policy direction from the MTA Board on whether to proceed to a formal request for proposals (RFP) for a public-private partnership (PPP)

CONTINUED

## **Innovative Financing for New Rail Projects Motion (continued)**

### **Public-Private Partnership Principles**

1. The goal of a potential public private partnership (PPP) is to extend the existing heavy rail, light rail, and busway lines as well as build new fixed guideway projects identified by MTA staff in the Draft 2008 LRTP (March 10, 2008)
2. For purposes of the response, the extensions will be the same mode, construction profile, alignment and station locations used by MTA staff in the Draft 2008 LRTP (March 10, 2008), recognizing that the preferred alignment and station locations will be identified in the alternatives analysis and the final alignment and station locations will be determined during environmental clearance; however alternative modes and construction profiles may also be proposed along with the main response for each corridor
3. Any proposal shall assume that MTA employees will continue to operate and maintain the rail and busway system and that the labor organizations representing MTA employees shall continue to do so
4. The private partner shall be responsible for environmental clearance, design, financing, and constructing the fixed guideway extension(s) (including any required rolling stock and additional maintenance facilities and/or yards)

**CONTINUED**

## **Innovative Financing for New Rail Projects Motion** (continued)

### **Public-Private Partnership Principles** (continued)

5. The private partner should identify any potential cost efficiencies in financing, designing, constructing, operating, and maintaining the new extension(s)
6. The private partner may propose public financial participation (federal, state, and/or local), but must also include at least one scenario that requires no public financial participation (other than MTA staff time)
7. The private partner shall be responsible for operating and maintaining both the existing system (if applicable) plus the new extension(s) *using existing MTA labor organizations*
8. The MTA shall continue to make any debt service payments for the existing fixed guideway systems
9. The private partner shall be financially responsible for any defects in the new extension(s)
10. The private partner shall propose a risk sharing approach for financial responsibility for any defects in the existing fixed guideway systems that need to be addressed during the term of the public-private partnership
11. The private partner shall propose the term and type of legal arrangement between it and the MTA (e.g. concession, operating agreement, etc.)

CONTINUED

## **Innovative Financing for New Rail Projects Motion** (continued)

### **Public-Private Partnership Principles** (continued)

12. The private partner shall propose the disposition of assets and facilities at the conclusion of the term (*i.e., discuss standards and conditions for returning or transferring new assets*)
13. The private partner shall be able to set fares for purposes of developing concepts and submitting proposals; *the proposal shall show fare assumptions, however, no final decision has been made by the MTA Board of Directors regarding any future fare changes beyond those already approved by the MTA Board*
14. The private partner shall identify the preliminary implementation schedule, including a best case revenue operating date and the underlying assumptions and conditions necessary to achieve the revenue operating date
15. Concepts and preliminary proposals for innovative public-private partnerships shall be submitted to MTA no later than May 31, 2008 [See attached "Example Concepts"]

# # #

**\*\*\*\* Deadline dates have been changed by agreement of the Board.**

## **Innovative Financing for New Rail Projects Motion** (continued)

### **Example Concepts**

The following outlines example concepts – based on the seven highest ranked candidate fixed guideway projects using MTA staff scores in the Draft 2008 LRTP (March 10, 2008) [See attached “Unfunded Rail & Busway Transit Projects”] – for public private partnerships, but is not meant to be exhaustive, prescriptive, or restrictive in generating proposals:

- A. Build the **Regional Connector** and operate and maintain the entire light rail system (Blue Line, Green Line, Gold Line, Eastside Extension, and Exposition Line) [MTA score: 24, MTA rank: 1]
  
- B. Build the **Purple Line extension from Wilshire-Western to Century City or Westwood** – previously referred to as the “Red Line Westside Subway (to Century City)” – and operate and maintain the entire heavy rail system [MTA score: 21, MTA rank: 2]
  
- C. Build the **Purple Line extension from Wilshire-Western to the Wilshire-Ocean in the City of Santa Monica** – previously referred to as the “Red Line Westside Subway (to Century City)” and the “Red Line Westside Subway (Century City to Santa Monica)” – and operate and maintain the entire heavy rail system [MTA score: 21, 19 (respectively); MTA rank: 2, tied-3 (respectively)]

CONTINUED

## **Innovative Financing for New Rail Projects Motion** (continued)

- D. Build, operate, and maintain the **Harbor Subdivision** extension between downtown Los Angeles and Los Angeles International Airport (LAX) [MTA score: 16; MTA rank: tied-3]
- E. Build the **Red Line extension from North Hollywood (Chandler-Lankershim) to Burbank Airport/Metrolink station**, and operate and maintain the entire heavy rail system [MTA score: 18; MTA rank: 5]
- F. Build the **Purple Line extension from Wilshire-Western to the City of Santa Monica (Wilshire-Ocean)** – previously referred to as the “Red Line Westside Subway (to Century City)” and the “Red Line Westside Subway (Century City to Santa Monica)”, build **Red Line extension from North Hollywood (Chandler-Lankershim) to Burbank Airport/Metrolink station**, and operate and maintain the entire heavy rail system [MTA score: 21, 19, 18 (respectively); MTA rank: 2, tied-3, 5 (respectively)]
- G. Build the **Red Line extension from Wilshire/Vermont to the I-105/Green Line**, and operate and maintain the entire heavy rail system [MTA score: 17; MTA rank: 6]
- H. Build, operate, and maintain the **Burbank-Glendale-Los Angeles light rail project** as a stand alone system [MTA score: 15; MTA rank: 7]

###

**Unfunded Rail & Busway Transit Projects**

Source: Draft 2008 LRTP, Technical Analysis, 03/10/08, Figure 5.26, pp.99-100

Cost (2015)  
Boardings (2030)

Sorted by MTA Rank

ID	Project	Mode	Description	Miles	Annual		Cost		Cost Per		MTA Analysis - Performance				MTA Analysis	
					Boardings	Rank	(Millions)	Rank	Mile	Rank	Cost Effectiveness		Efficiency		MTA	MTA
					Per						Annual	Rank	Annual	Rank	Score	Rank
1	Regional Connector	LRT	Downtown LA	1.65	6,898,473	8	722.6	19	438	22	9,547	1	4,180,893	1	24	1
2	Red Line - Wilshire Phase I	HRT	Century City	6.44	14,721,048	1	2,512.8	4	390	19	5,858	5	2,285,877	2	21	2
3	Harbor Subdivision [New]	DMU	LA-LAX	11.52	4,502,782	16	666.0	20	58	5	6,761	4	390,866	15	19	3
4	Red Line - Wilshire Phase II	HRT	Santa Monica	6.78	11,074,701	3	2,326.5	5	343	18	4,760	11	1,633,437	4	19	3
5	Red Line - North	HRT	Burbank Airport	2.39	5,350,818	13	933.3	14	391	20	5,733	6	2,238,836	3	18	5
6	Red Line - Vermont	HRT	To I-105/Green Line	9.24	12,991,868	2	3,627.9	2	393	21	3,581	16	1,406,046	5	17	6
7	LA-Burbank-Glendale	LRT		10.79	6,355,348	9	1,277.0	10	118	11	4,977	9	589,004	8	15	7
8	Eastside - Phase II	LRT	Whittier (at-grade)	9.07	4,157,010	17	1,088.8	12	120	12	3,818	14	458,325	12	13	8
9	Yellow Line [New]	LRT	N. Hollywood to 3rd/Flower	17.23	7,418,664	6	1,957.8	6	114	9	3,789	15	430,567	14	13	8
10	Gold Line - Phase IIA	LRT	Azuza (JPA cost)	10.50	3,310,750	18	485.2	21	46	2	6,823	3	315,310	19	12	10
11	I-405 Corridor [New]	BRT	Sherman Oaks-I-105	20.28	6,310,451	12	772.8	18	38	1	8,166	2	311,166	21	12	10
12	Silver Line [New]	LRT	LA-Puente	24.25	9,077,269	4	2,975.7	3	123	13	3,050	20	374,320	16	12	10
13	Eastside - Phase II	LRT	Whittier (aerial)	9.07	5,074,007	15	1,616.1	9	178	15	3,140	18	559,427	10	11	13
14	Green Line - South	LRT	South Bay Galleria	2.72	1,268,906	23	266.5	23	98	8	4,761	10	466,510	11	11	13
15	Gold Line - Phase IIA	LRT	Azuza (MTA cost)	10.50	3,310,750	18	773.4	17	74	6	4,281	12	315,310	19	10	15
16	Gold Line - Phase IIA+B	LRT	Montclair (JPA cost)	23.57	6,334,353	10	1,237.2	11	52	3	5,120	8	268,746	22	10	15
17	Green Line - North	LRT	LAX to Exposition	12.49	7,184,974	7	1,828.5	7	146	14	3,929	13	575,258	9	10	15
18	Rte 134 Transit Corridor	BRT	N. Hollywood to Del Mar	15.74	5,102,593	14	901.6	15	57	4	5,659	7	324,180	18	10	15
19	West Santa Ana Branch	ML	Union Station-Santa Ana	20.15	9,056,274	5	4,764.8	1	236	17	1,901	22	449,443	13	10	15
20	Green Line - East	LRT	Norwalk Metrolink (elevated)	2.27	1,495,006	21	480.2	22	212	16	3,113	19	658,593	6	9	20
21	Green Line - East	LRT	Norwalk Metrolink (underground)	2.27	1,495,006	21	1,069.6	13	471	23	1,398	23	658,593	6	9	20
22	Gold Line - Phase IIA+B	LRT	Montclair (MTA cost)	23.57	6,334,353	10	1,771.8	8	75	7	3,575	17	268,746	22	8	22
23	Green Line - South II	LRT	Harbor Extension	7.55	2,635,680	20	877.6	16	116	10	3,003	21	349,097	17	8	22
<b>Total</b>				<b>260.04</b>	<b>141,461,084</b>		<b>34,933.7</b>									
Including only most expensive alternative for each line				204.13	122,853,215		30,868.9									

**Abbreviations**

Heavy Rail Transit	HRT
Light Rail Transit	LRT
Bus Rapid Transit	BRT
Diesel Multiple Unit	DMU
Magnetic Levitation	ML

**MTA Criteria**

<b>Performance</b>	<b>50%</b>
Annual boardings per mile	
Annual boardings per million	
<b>Corridor Need</b>	<b>50%</b>
Population & employment density	
Percent transit dependent census tracts	
Major activity centers per (center line) mile	
Current boardings per mile (2004)	



## **ANTONOVICH AMENDING MOTION**

### **Item #50: Innovative Financing for New Rail Projects**

**WHEREAS** inviting the private sector to partner with Metro could possibly bring an infusion of much-needed new, private capital into the construction of new transportation infrastructure in Los Angeles County; and

**WHEREAS** private sector interest in building new transportation infrastructure has traditionally focused on highway projects; and

**WHEREAS** the list of strategic projects in the Metro 2001 Long Range Transportation Plan have varying degrees of viability, support from local jurisdictions and current value to the County's regional transportation system; and

**WHEREAS** constraining the opportunities for the private sector to suggest possible partnerships with the MTA in selecting projects to fund/design/build/operate to simply a handful of rail projects that Metro has ranked highly based on its public-sector criteria will preclude the private sector from examining opportunities among other strategic rail projects, highway projects, or as-yet unnamed transit projects that may use a different technology or corridor; and

**WHEREAS** the "principles" enumerated by the Villaraigosa Motion are unilateral in nature and do not take into account the groundwork of public-private partnership research that Metro staff has already started compiling from real-world experience throughout the country; and

**WHEREAS** some of these "principles", such as requiring Metro employees and labor organizations to operate/maintain any new system and requiring the private sector partner to be responsible for environmental clearance are by their nature restrictive to the traditional elements of public-private partnerships; and

**WHEREAS** providing only a month for responses from the private sector may be timely for the LRTP process and a possible sales tax initiative, a true partnership

with the private sector will require more time for development of proposals that will serve both the public and private sectors;

**I MOVE** to amend the VILLARAIGOSA motion in the following manner:

1. Expand the scope of the Request for Information (RFI) to include proposals on any of the fixed guideway systems in the Strategic Portion of the Metro Long Range Transportation Plan, any new fixed guideway concepts in Los Angeles County regardless of technology or corridor, and highway projects such as the High Desert Corridor and the 710 Gap Closure.
2. Extend the period for submittal of proposals by the private sector to July 31<sup>st</sup>, 2008, with the understanding that proposals for the projects requested by the original motion are requested by May 31<sup>st</sup> 2008 for initial consideration by the Board.
3. The "principles" enumerated in the original motion shall be recommended, but not required, guidelines for the private sector to consider when making their proposals, with the opportunity for the private sector to submit proposals to Metro that do not follow each principle provided for the sake of flexibility and innovation.

**\*\*\*Deadline dates have been changed by agreement of the Board.**

Board Meeting  
April 24, 2008

**Lowenthal Amendment Item #50**

That the I-710 and Metro Gold Line Eastside Extension Phase II projects are included.

Figure 5.24

## Highway Performance Measures (from Metro Draft LRTP)

Highway Projects	Distance	Cost (in 2015 million \$)		Annual Hrs Saved	Annual Hrs Saved /Mile	Annual Hrs Saved /Million \$
		low	high			
HDC E-W: SR 14 to LA/SB Co Line- (add 3 MF+1 HOV freeway/expressway)	28.12	1,343		1,034,530	36,793	770
HDC N-S: SR14 to SR138 - add 2 MF expressway**					4,981	209
I-10: Add one HOV lane in each direction on Santa Monica Freeway between Lincoln Blvd. (in Santa Monica) and the I-5 Frwy interchange. *	16.09	2,530	3,163	6,439,300	400,134	2,291
I-405: Add N/B lane from Hawthorne to I-105	3.62	373		941,372	259,909	2,524
I-405: Add S/B lane from Rosecrans to Inglewood	3.62	373		941,372	259,909	2,524
I-5 Carpool & Mixed Flow Lanes: I-605 to I-710 *	6.93	2,530	3,163	2,693,619	388,537	959
I-5: SR-14 to Kern Co Line (HOV and Truck Lane Improvements)	47.53	1,255		13,920,288	292,844	11,092
I-605 HOV lanes: I-210 to I-10	5.56	161		1,717,785	309,140	10,669
I-710 Corridor Study Recommendations: (Add Mixed Flow lanes to make uniform 10 lanes from Ports to SR-60; Add 2 Truck lanes in each direction from Ports to Hobart/ICTF Railyards- Cities of Vernon, Commerce)	19.61	6,958		8,229,819	419,620	1,183
SR-57 HOV lanes: Rt. 60 to I-210	3.38	161		1,173,275	347,406	7,287
SR-60 HOV lanes: Rt. 101 to I-605	11.14	461		2,260,661	203,009	4,904
SR-138: I-5 to SR-14 - Add 2 MF lanes in each direction	37.13	1,064		206,305	5,557	194
SR-138: Pearblossom Hwy to SB Co Line - Widen existing SR-138 to 4 lanes.	27.06	390		381,040	14,079	977
SR-14: I-5 to Kern County Line (HOV & Mixed Flow Improvements)	52.16	1,592		8,127,265	155,810	5,105
SR-710 North Extension: Add 3 Mixed Flow + 1 HOV lane in each direction *	4.55	2,151	2,783	3,408,808	749,853	1,405
US-101 Corridor: Add HOV lane in each direction between Rt. 27 (Topanga Canyon) and Rt 2 in Downtown LA and restripe for mixed flow lane in each direction between Rt 27 and the Ventura Co Line. *	22.70	1,834	2,530	10,125,149	446,126	4,762
US-101: Add HOV lane in each direction between Rt 27 and the Ventura Co Line (This HOV lane would be in addition to the mixed flow lane proposed on the 2001 LRTP Strategic list.) *	12.83	760	1,013	6,972,171	543,389	8,029

\* For each project in which estimated cost was provided in the form of a range rather than a single estimate, the midpoint of the range was used for evaluation purposes.

\*\* The Hours of Delay Savings for the HDC N-S project were provided through off-model analysis.

The delay savings for this segment was calculated from the HDC E-W project through a comparison of projected daily trip volumes. The HDC N-S carries approximately 44% of the volumes of the HDC E-W, therefore the delay savings were calculated to be 44% that of the HDC E-W segment.

Figure 5.25  
Transit Performance Measures (from Metro Draft LRTP)

Transit Projects	Distance	Cost (in 2015 million \$)	Annual Boardings	Annual Boardings /Mile	Annual Boardings /Million \$
Burbank/Glendale Light Rail from LA Union Station to Burbank Metrolink Station	10.79	1,277.0	6,355,348	589,004	4,977
Harbor Subdivision DMU between LA Union Station and Metro Green Line Aviation Station	11.52	666.0	4,502,782	390,731	6,761
I-405 Corridor Busway between Metro Orange Line Sepulveda Station and Metro Green Line Aviation Station	20.28	772.8	6,310,451	311,166	8,166
Metro Gold Line Eastside Extension from Atlantic/Pomona Station to City of Whittier (At-grade light rail)	9.07	1,088.8	4,157,010	458,325	3,818
Metro Gold Line Eastside Extension to City of Whittier (Aerial light rail)	9.07	1,616.1	5,074,007	559,427	3,140
Metro Gold Line Foothill Extension from Sierra Madre Villa Station to Azusa (JPA cost)	10.50	485.2	3,310,750	315,310	6,827
Metro Gold Line Foothill Extension from Sierra Madre Villa Station to Azusa (Metro cost)	10.50	773.4	3,310,750	315,310	4,281
Metro Gold Line Foothill Extension from Sierra Madre Villa Station to Montclair (JPA cost)	23.57	1,237.2	6,334,353	268,781	5,120
Metro Gold Line Foothill Extension from Sierra Madre Villa Station to Montclair (MTA cost)	23.57	1,771.8	6,334,353	268,781	3,575
Metro Green Line Extension between LAX/Aviation Station to Expo Santa Monica Station	12.49	1,828.5	7,184,974	575,258	3,929
Metro Green Line Extension between Norwalk Station and Norwalk Metrolink Station (Elevated)	2.27	480.2	1,495,006	658,593	3,113
Metro Green Line Extension between Norwalk Station and Norwalk Metrolink Station (Underground)	2.27	1,069.6	1,495,006	658,593	1,398
Metro Green Line Extension between South Bay Galleria and Pacific Coast Hwy Harbor Transitway Station	7.55	877.6	2,635,680	349,328	3,003
Metro Green Line Extension from Redondo Beach Station to South Bay Galleria	2.72	266.5	1,268,906	466,509	4,761
Metro Red Line Extension from North Hollywood Station to Burbank Airport Metrolink Station	2.39	933.3	5,350,818	2,236,029	5,733
Metro Red Line Westside Extension from Century City to City of Santa Monica	6.78	2,326.5	11,074,701	1,634,160	4,760
Metro Red Line Westside Extension from Wilshire/Western Station to Century City	6.44	2,512.8	14,721,048	2,286,587	5,858
Regional Connector Light Rail in tunnel from LA Union Station to 7th St/Metro Center	1.65	722.6	6,898,472	4,180,892	9,547
Silver Line Light Rail between Metro Red Line Vermont/Santa Monica Station and City of La Puente	24.25	2,975.7	9,077,269	374,320	3,050
SR 134 Transit Corridor BRT between Metro Red Line North Hollywood Station and Metro Gold Line Del Mar Station	15.74	901.6	5,102,593	324,180	5,659
Vermont Corridor Subway	9.24	3,627.9	12,991,868	1,406,198	3,581
West Santa Ana Branch ROW Corridor Mag Lev between LA Union Station and Santa Ana Metrolink Station	20.15	4,764.8	9,056,274	449,443	1,901
Yellow Line Light Rail between Metro Red Line North Hollywood Station and Regional Connector 3rd/Flower St Station	17.23	1,957.8	7,418,664	430,567	3,789

(1) Several projects were evaluated with differing technologies and alignments

**Figure 5.26**  
**Performance Analysis - Transit (from Metro Draft LRTP)**

Transit Projects* (Alphabetical Order by Score)	Project Performance -50%					Corridor Need -50%					Total Combined Score	Current Status				
	Annual Boardings per Mile	Annual Boardings per Million \$	Total Score	Pop & Employment Density	% of Transit Dependent Census Tracts	Major Activity Centers/ Mile	Boardings/ mile (2004)	Total Score								
Regional Connector Light Rail in tunnel from LA Union Station to 7th St/Metro Center**	4,180,892	3	9,547	3	12	41.16	3	100.0%	3	36.97	3	77,907	3	12	24	Undergoing Alternatives Analysis. Report to Board in Fall 2008
Metro Red Line Westside Extension from Wilshire/Western Station to Century City	2,286,587	3	5,858	2	10	17.56	3	70.4%	3	8.39	3	9,363	3	12	22	Various Environmental documents 1983-1989, EIS (supplemental). Undergoing Alternatives Analysis for extensions of Purple and Red Lines. Report to Board in Fall 2008
Harbor Subdivision DMU between LA Union Station and Metro Green Line Aviation Station	390,731	1	6,761	3	8	12.53	2	85.9%	3	8.50	3	8,150	3	11	19	Alternatives Analysis to start 5-2008
Metro Red Line Westside Extension from Century City to City of Santa Monica	1,634,160	3	4,760	2	10	15.70	2	45.3%	2	9.15	3	4,127	2	9	19	See Red Line above
Metro Red Line Extension from North Hollywood Station to Burbank Airport Metrolink Station	2,236,029	3	5,733	2	10	11.91	2	64.7%	2	4.60	1	7,636	3	8	18	Feasibility study in 1992-1993
Vermont Corridor Subway	1,406,198	2	3,581	1	6	22.27	3	97.5%	3	6.93	2	8,845	3	11	17	N/A
Burbank/Glendale Light Rail from LA Union Station to Burbank Metrolink Station	589,004	1	4,977	2	6	11.43	2	66.4%	2	6.77	2	8,496	3	9	15	EIR 1994
Metro Gold Line Eastside Extension from Azusa/Pomona Station to Eastern LA County	458,325	1	3,818	2	6	10.74	2	56.2%	2	5.62	2	681	1	7	13	Conducting Alternative Analysis. Report to Board in September 2008
Yellow Line Light Rail between Metro Red Line North Hollywood Station and Regional Connector 3rd/Flower St Station	430,567	1	3,789	2	6	14.49	2	64.0%	2	5.22	1	3,984	2	7	13	No Metro work done.
I-405 Corridor Busway between Metro Orange Line Sepulveda Station and Metro Green Line Aviation Station	311,166	1	8,166	3	8	8.36	1	37.3%	1	4.04	1	1,308	1	4	12	I-405 N/B HOV environmentally cleared by Caltrans. To be D/B contract with Metro. Busway components studied as Transit Enhancements in 2003 environmental studies.
Silver Line Light Rail between Metro Red Line Vermont/Santa Monica Station and City of La Puente	374,320	1	3,050	1	4	13.98	2	67.3%	2	5.77	2	4,167	2	8	12	No Metro work done.
Metro Gold Line Eastside Extension Eastern LA County	559,427	1	3,140	1	4	10.74	2	56.2%	2	5.62	2	681	1	7	11	Undergoing Alternatives Analysis. Report to Board in Fall 2008
Metro Green Line Extension from Redondo Beach Station to South Bay Galleria	466,509	1	4,761	2	6	9.50	1	23.9%	1	6.99	2	3,062	1	5	11	Route Refinement study in May 1990
Metro Green Line Extension between LAX/Aviation Station to Expo Santa Monica Station	575,258	1	3,929	2	6	9.32	1	14.1%	1	4.48	1	1,299	1	4	10	EIR August 1989 (only Playa Vista portion)
SR 134 Transit Corridor BRT between Metro Red Line North Hollywood Station and Metro Gold Line Del Mar Station	324,180	1	5,659	2	6	7.61	1	41.2%	1	4.89	1	2,147	1	4	10	
Metro Green Line Extension between Norwalk Station and Norwalk Metrolink Station. (Elevated)	658,593	1	3,113	1	4	11.00	2	20.9%	1	4.85	1	2,136	1	5	9	Some environmental work done in 1990s
Metro Green Line Extension between Norwalk Station and Norwalk Metrolink Station. (Underground)	658,593	1	1,398	1	4	11.00	2	20.9%	1	4.85	1	2,136	1	5	9	Some environmental work done in 1990s
Metro Gold Line Foothill Extension from Sierra Madre Villa Station to Montclair. (MTA cost)	268,781	1	3,575	1	4	4.85	1	14.7%	1	4.58	1	236	1	4	8	EIR Finalized
Metro Green Line extension between South Bay Galleria and Pacific Coast Hwy Harbor Transitway	349,328	1	3,003	1	4	9.58	1	28.1%	1	3.71	1	355	1	4	8	No Metro work done.
Metro Gold Line Foothill Extension from Sierra Madre Villa Station to Azusa. (JPA cost)	315,310	1	6,827	3	8	5.50	1	19.0%	1	5.05	1	345	1	4	12	See Sierra Madre to Montclair
Metro Gold Line Foothill Extension from Sierra Madre Villa Station to Azusa. (Metro cost)	315,310	1	4,281	2	6	5.50	1	19.0%	1	5.05	1	345	1	4	10	See Sierra Madre to Montclair
Metro Gold Line Foothill Extension from Sierra Madre Villa Station to Montclair. (JPA cost)	268,781	1	5,120	2	6	4.85	1	14.7%	1	4.83	1	249	1	4	10	See Sierra Madre to Montclair
West Santa Ana Branch ROW Corridor HSR between LA Union Station and Santa Ana Metrolink Station	449,443	1	1,901	1	4	11.96	2	58.8%	2	4.67	1	3,321	2	7	11	Part of OC/LA Intercounty Transportation Study

\* Shared with Board previously. Metro costs revised for Gold Line Foothill Extension. Slight changes to some total scores reflect minor technical corrections.  
 \* Light rail projects using heavy rail lines may be required to negotiate exclusive use agreements to share tracks. If at-grade or aerial alignments require right-of-way purchases, cost estimates could increase substantially.  
 \*\* The Regional Connector Light rail project received the highest score in each category. Because the scores for this project were significantly higher than the field in most categories they were not considered in the range of scores when assigning points to the other projects, in order to achieve a more balanced distribution.

**Figure 5.27**  
**Performance Analysis - Highway (from Metro Draft LRTP)**

Highway Projects (Alphabetical by Score)	Project Performance - 50%						Corridor Need - 50%						Total Combined Score	Current Status		
	Annual Hrs of Delay Savings /Mile	Annual Hrs Saved Per Million \$			Total Score	Pop & Emp Density	Major Activity Centers/ Mile		Highway Congestion Score		Total Score					
			low	high												
SR-710 North Extension: Tunnel	749,853	3	1405*	1,225	1,585	1	12	9.70	2	39.16	3	5	3	16	28	Caltrans awarded technical studies contract
I-605 HOV lanes: I-210 to I-10	309,140	2	10,669			3	15	7.17	2	24.30	2	4	2	12	27	Project not initiated by Caltrans
I-405: Add NB lane from Hawthorne to I-105 (Approximate length = 3.5 miles)	259,909	2	2,524			1	9	11.33	2	54.67	3	6	3	16	25	
I-405: Add SB lane from Rosecrans to Inglewood (Approximate length = 1.0 mile)	259,909	2	2,524			1	9	11.33	2	54.67	3	6	3	16	25	
US-101 Corridor: Add HOV lane in each direction between Rt. 27 (Topanga Canyon) and Rt. 2 in Downtown LA and restripe for mixed flow lane in each direction between Rt 27 and the Ventura Co Line.	446,126	2	4762*	4,002	5,521	2	12	12.54	2	22.82	2	4	2	12	24	Major Investment Study completed 2003
US-101: Add HOV lane in each direction between Rt 27 and the Ventura Co Line. (This HOV lane would be in addition to the mixed flow lane proposed on the 2001 LRTP Strategic list)	543,389	3	8029*	6,883	9,174	3	18	2.92	1	7.79	1	3	1	6	24	Major Investment Study completed 2003
I-10: Add one HOV lane in each direction on Santa Monica Freeway between Lincoln Blvd. (in Santa Monica) and the I-5 Freeway Interchange.	400,134	2	2291*	2,036	2,545	1	9	19.48	3	33.56	2	4	2	14	23	
I-5 Carpool & Mixed Flow Lanes: I-605 to I-710	388,537	2	959*	852	1,065	1	9	10.66	2	30.72	2	5	3	14	23	Caltrans to start environmental study
SR-57 HOV lanes: Rt. 80 to I-210	347,406	2	7,287			2	12	3.71	1	17.77	1	5	3	10	22	Project not initiated by Caltrans
I-5: SR-14 to Kern Co Line (HOV and Truck Lane Improvements)	292,844	2	11,092			3	15	0.27	1	1.07	1	2	1	6	21	The Golden State Gateway Coalition working on draft EIR/EIS. Report to be completed by summer 2008. Caltrans is providing oversight for this joint public-private funded work.
I-710 Corridor Study Recommendations: (Add Mixed Flow lanes to make uniform 10 lanes from Ports to SR-60: Add 2 Truck lanes in each direction from Ports to Hobart/ ICTF Railyards- Cities of Vernon, Commerce)	419,620	2	1,183			1	9	11.08	2	21.87	2	4	2	12	21	Undergoing EIS/EIR. Report to be completed by Summer/Fall 2010
SR-60 HOV lanes: Rt. 101 to I-605	203,009	1	4,904			2	9	11.10	2	26.04	2	4	2	12	21	Caltrans has started EIS/EIR study.
SR-14: I-5 to Kern County Line (HOV & Mixed Flow Improvements)	155,810	1	5,105			2	9	0.89	1	2.89	1	2	1	6	15	
HDC E-W: SR 14 to LA/SB Co Line: (add 3 MF+1 HOV freeway/expressway)	36,793	1	770			1	6	0.03	1	2.38	1	2	1	6	12	Bi-County JPA evaluating proposals for EIS/EIR report
HDC N-S: SR14 to SR135 - add 2 MF expressway**	4,981	1	209			1	6	0.07	1	0.18	1	2	1	6	12	
SR-136: I-5 to SR-14 - Add 2 MF lanes in each direction	5,557	1	194			1	6	0.54	1	0.03	1	2	1	6	12	Part of North County Corridor Plan adopted 2004. Project recommended in Plan
SR-138: Pearblossom Hwy to SB Co Line - Widen existing SR-136 to 4 lanes	14,079	1	977			1	6	0.30	1	1.15	1	2	1	6	12	Part of North County Corridor Plan adopted 2004. Project recommended in Plan

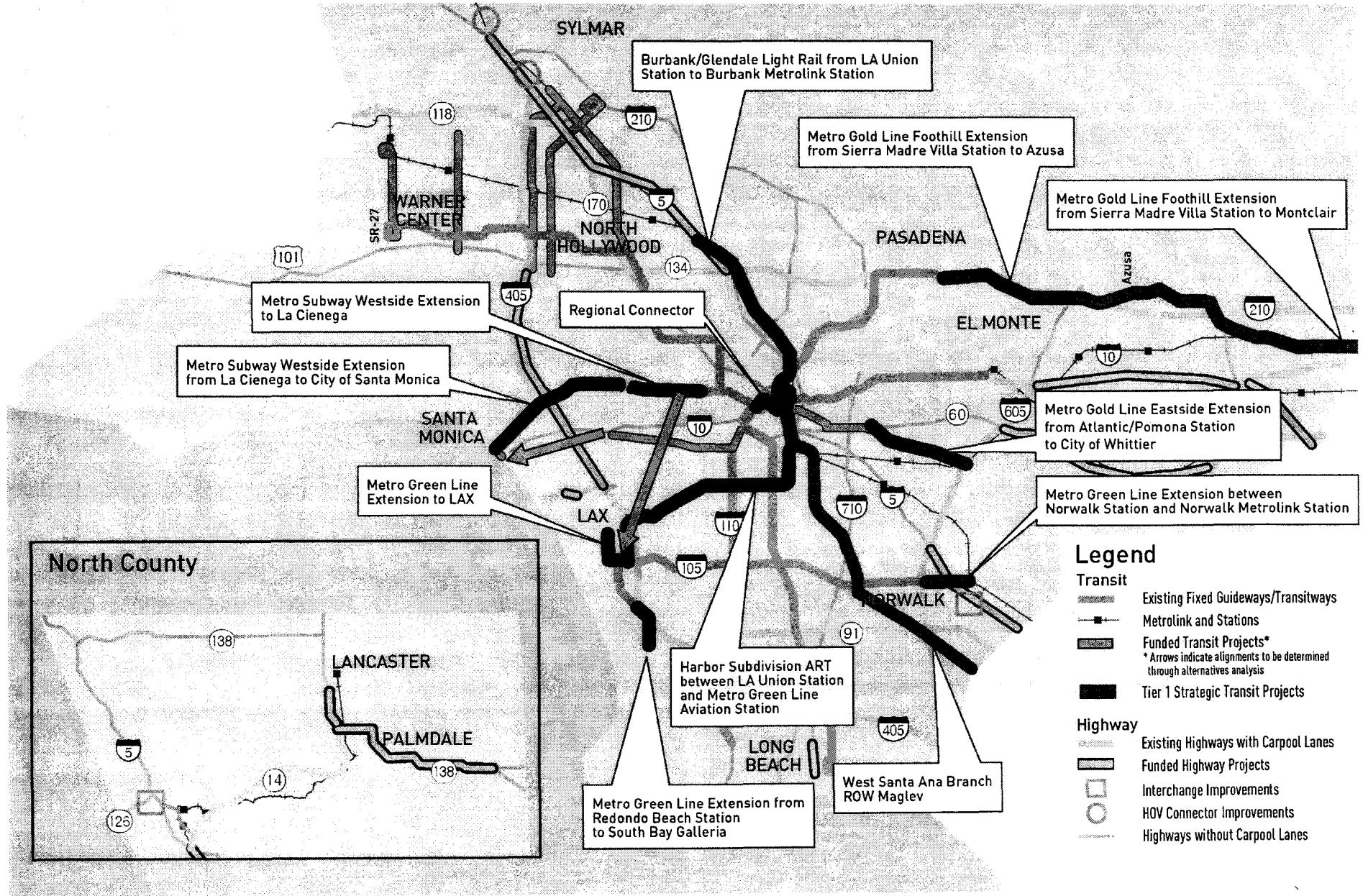
<sup>1</sup> Slight change to total score for US-101 project (from Rt. 2 to Ventura County Line) reflects minor technical correction.

Hours of Delay Savings is calculated by modeling delay savings throughout a defined corridor. Where there are multiple freeway projects located in a corridor they share the same delay savings results.

\* For each project in which estimated cost was provided in the form of a range rather than a single estimate, the midpoint of the range was used for evaluation purposes.

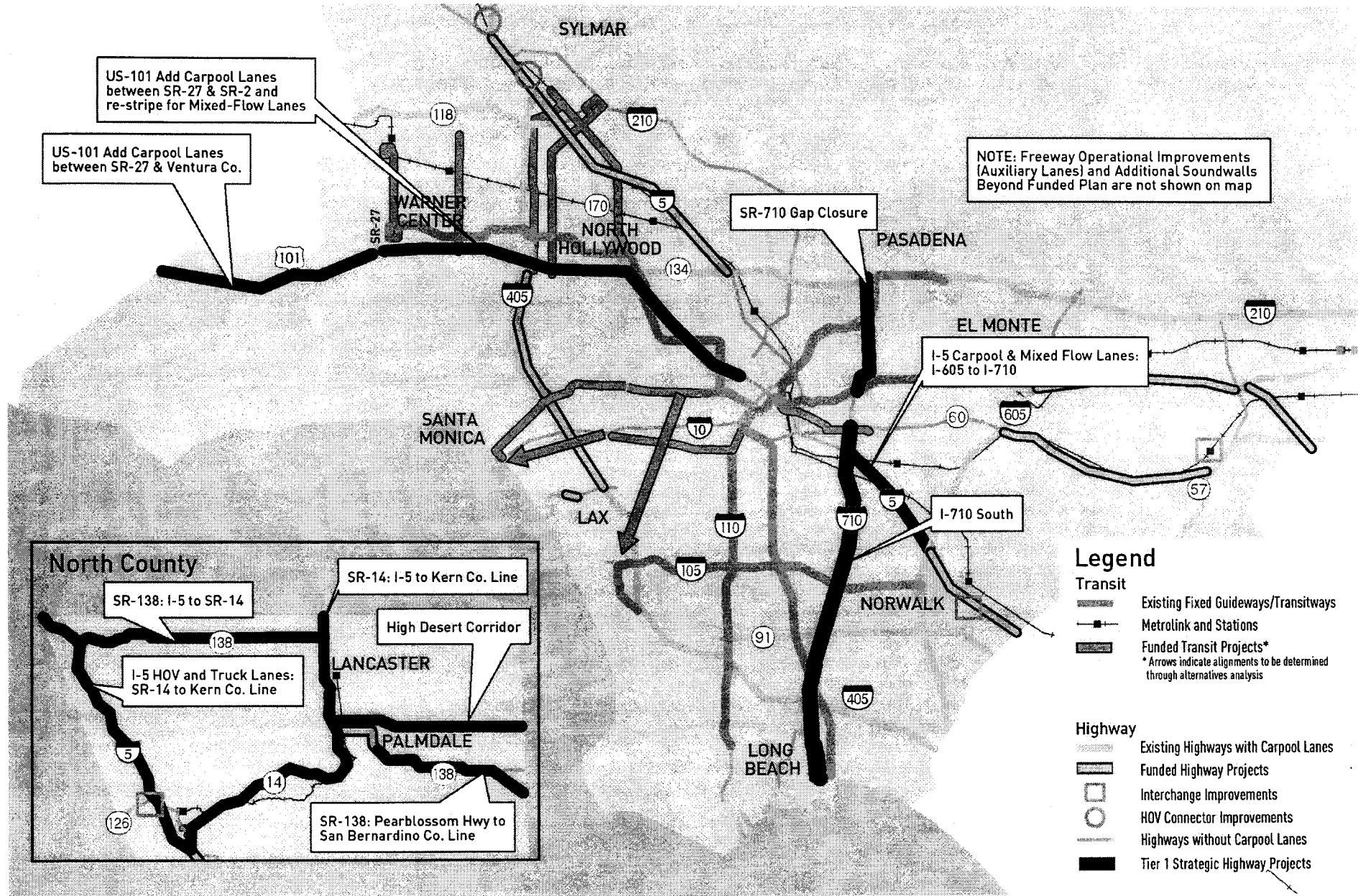
\*\* The Hours of Delay Savings for the HDC N-S project were provided through off-model analysis. The delay savings for this segment was calculated from the HDC E-W project through a comparison of projected daily trip volumes. The HDC N-S carries approximately 44% of the volumes of the HDC E-W, therefore the delay savings were calculated to be 44% that of the HDC E-W segment.

Figure 5.28 — Tier 1 Strategic Plan Unfunded Transit Projects (from Metro Draft LRTP)





**Figure 5.29 — Tier 1 Strategic Plan Unfunded Highway Projects (from Metro Draft LRTP)**



**Figure 5.30 — Tier 2 Strategic Plan Unfunded Transit Projects (from Metro Draft LRTP)**

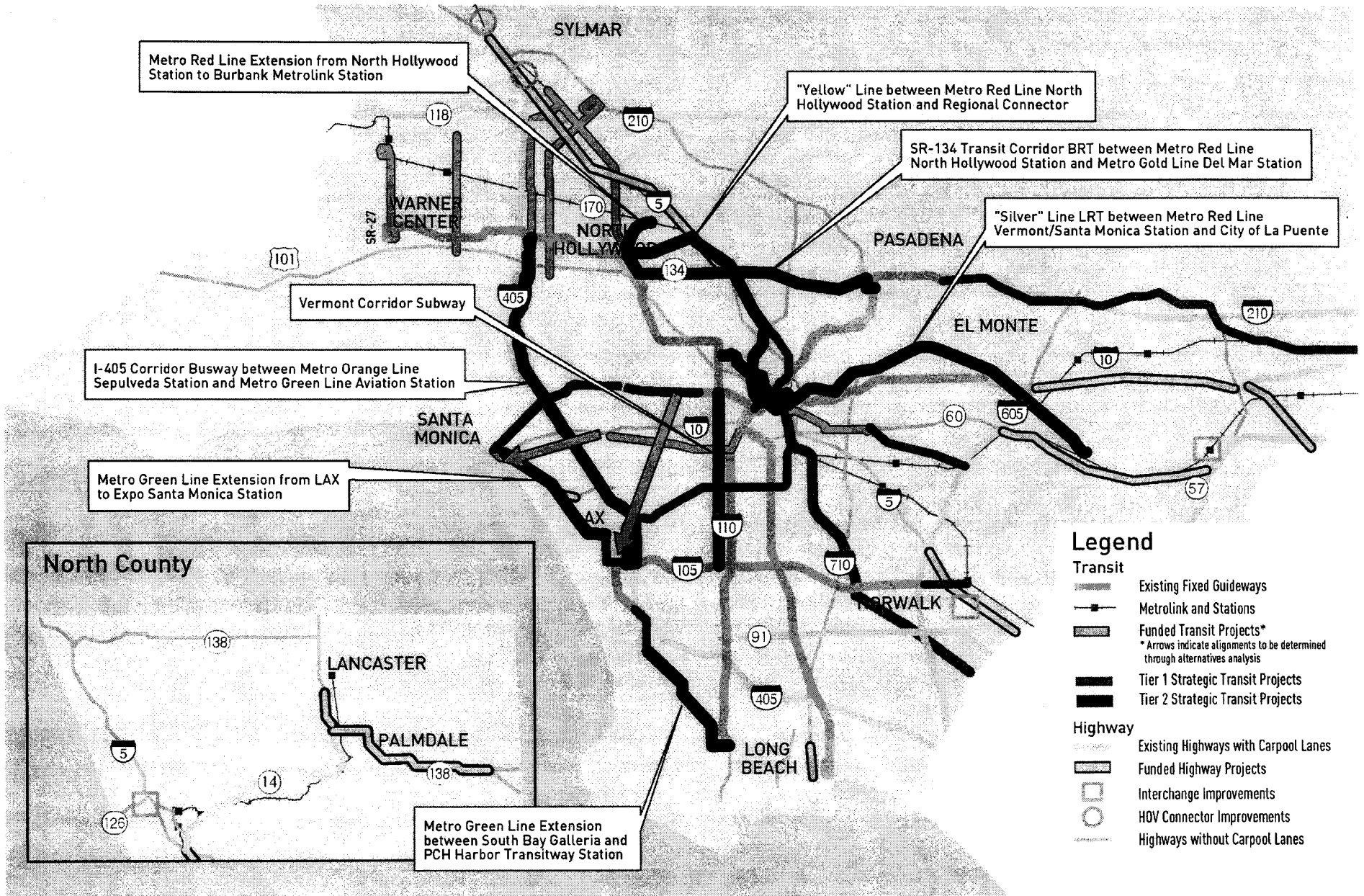
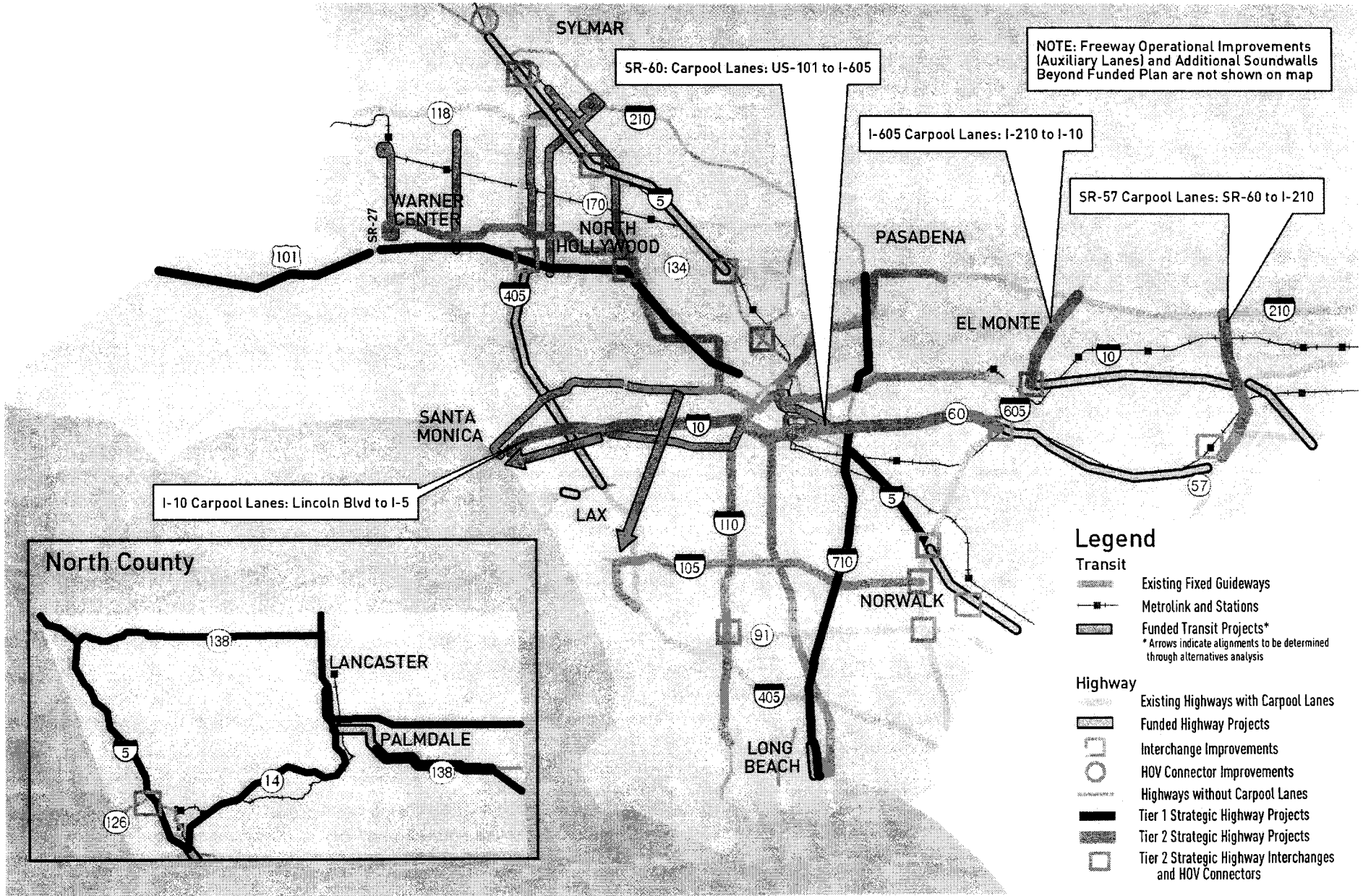


Figure 5.31 — Tier 2 Strategic Plan Unfunded Highway Projects (from Metro Draft LRTP)



## Metro Fixed Guideways - Rail and Transitways

<b>Statistics: Estimates as of Feb. 2008</b>	<b>Metro Blue Line</b>	<b>Metro Green Line</b>	<b>Metro Red Line</b>	<b>Metro Gold Line</b>	<b>Metro Orange Line</b>
<b>Opened</b>	1990	1995	Union Station 1993  Wilshire/ Western 1996  Hollywood 1999  North Hollywood 2000	July 26, 2003	Oct. 29, 2005
<b>Average Weekday Boardings</b>	73,986	35,662	129,521	19,541	22,688
<b>Average Saturday Boardings</b>	47,886	20,883	87,154	12,812	13,440
<b>Average Sunday Boardings</b>	41,795	16,950	73,217	10,016	10,856
<b>Total Annual Boarding FY2007</b>	24.24 million*	11.15 million*	40.88 million*	5.96 million*	6.74 million*
<b>Miles</b>	22	20	17.4	13.7	14
<b>Total Rail Miles in Service</b>	73.1				
<b>Stations</b>	22	14	16	13	13
<b>Number of rail cars, buses in fleet</b>	69	34	104	24	30
<b>Cost of system</b>	\$877 million	\$718 million	\$4.5 billion	\$859 million	\$330 million

\* Preliminary figures

## Total Metro Rail Ridership

<b>Estimates as of Feb. 2008</b>	
<b>Average Weekday Boardings</b>	258,710
<b>Average Saturday Boardings</b>	168,735
<b>Average Sunday Boardings</b>	141,978



**Metro**

Metropolitan Transportation Authority

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**PLANNING AND PROGRAMMING COMMITTEE  
FEBRUARY 20, 2008**

**SUBJECT: POTENTIAL TRANSPORTATION REVENUES FROM TAX INCREMENT FINANCING**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

Receive and file this report on potential transportation revenue-generating opportunities using the tax increment financing mechanism to help fund construction of a proposed Westside Subway extension.

**ISSUE**

Los Angeles County's current and expected population growth and economic development is placing even greater demands on the multi-modal surface transportation system. Traditional local revenue sources (namely Propositions A and C sales taxes, transit fares and other local, state and federal transportation funding sources) are falling far short of current and future county needs. Several local elected officials and community members have suggested tax increment financing as a new source of transportation funding for a proposed Westside Subway extension. The Board of Directors has asked us to explore the potential of tax increment financing for transportation revenues to help fund a Westside Subway extension.

**BACKGROUND**

Tax increment financing (TIF) is a tool that cities have used to capture a portion of the future gains in taxes that redevelopment projects create for the surrounding area. Typically, a redevelopment plan allows a redevelopment agency to use TIF for improvements that are specifically intended to alleviate conditions of blight or economic and social degradation within the project area.

Tax increment is the growth in property tax revenue above the amount collected during the year that the redevelopment project is established (the baseline). When a redevelopment plan is approved, the property tax base is frozen. The various taxing agencies that were receiving shares of the property tax continue to receive the frozen dollar amount. As the assessed valuation of the project area or district increases due to new construction and property turnover, the redevelopment agency collects all or at least a portion of the additional property tax revenue generated, instead of the various taxing agency recipients. The TIF district usually is established for a period of approximately 20 years. For transportation

funding purposes, State law would have to be modified as there would not necessarily be a finding of blight, and increment funds would be dedicated to a regional transportation project.

Metro Rail Westside Subway Extension Case Study: Wilshire Boulevard from Western Ave to La Cienega Boulevard

For illustrative purposes, we assumed that a TIF district could be designated along one of the station areas along the potential first phase alignment for a Metro Purple Line extension. The Wilshire/La Brea, Wilshire/Fairfax, and Wilshire/La Cienega sites are fairly similar in terms of commercial, single family and multi-family land uses. The Wilshire/Crenshaw station has proportionally more single family residential land uses. We used the Wilshire/La Brea area as the proxy template and used the City of Los Angeles, and the Los Angeles County Assessor's databases to perform our analysis. A one half-mile radius TIF district was mapped to cover the potential station site. We limited the TIF district to commercial and multi-family zoned parcels. The Floor Area Ratio currently permitted along the corridor ranges from 1.5:1 to 3:1 (the Residential Accessory Services zoning).

Based on the Los Angeles County Assessors current evaluation and City of Los Angeles property tax rate, the commercial and multi-family parcels in the Wilshire/La Brea half-mile radius area now generate approximately \$17 million annually in property tax revenue (see Attachment A). This is the "baseline" to which the tax "increment" would be applied for funding purposes.

The property tax rolls for the Los Angeles County Assessor have grown at an average rate of 5.3% since 1990. Over the same period of time, sales taxes in the county have grown at an average rate of 4%. Since these rates are relatively close and follow similar cycles, and we have a 25 year forecast of sales taxes for the county, we decided to use the sales tax rate as a conservative proxy for the potential tax increment growth of the district. The potential 20-year growth in tax increment that the TIF district could generate, assuming construction of a subway project, current zoning, and proportional development to the region, would be roughly equal to the projected sales tax growth rate.

Based on the data available, a Wilshire/La Brea TIF district would generate approximately \$140 million total in current dollars over a 20-year period, assuming that none of the incremental tax is diverted to other units of government. With the possible exception of the no diversion assumption, this estimate is a conservative estimate of what the tax increment (over the base) would generate over the twenty-year period.

In order to obtain the construction money up-front, we would issue bonds in the early years to be paid off using the annual tax increment in the later years, with the rest required for debt service, other bond costs, and an adequate income to payment coverage ratio. We have followed prudent bonding practice assuming approximately 40% to 50% of the potential \$140 million (in current dollars) generated would be available bond proceeds for construction. With all of these assumptions, the potential Wilshire/La Brea TIF district could generate up to \$50-70 million (current dollars) in capital toward a Westside Subway extension.

If each station area (La Brea, Fairfax, La Cienega, and Crenshaw) could be designated a TIF district and have the same assumptions, these combined districts could potentially generate

approximately \$200 million to \$280 million for a first phase project segment. Other station areas might generate slightly more or less depending upon property values, the extent of new development, and other factors.

**NEXT STEPS**

We will consider further Board direction as we pursue more funding opportunities.

**ATTACHMENT(S)**

A. Wilshire/La Brea Tax Increment Finance Case Study

Prepared by: Timothy Papandreou, Transportation Planning Manager  
Programming and Policy Analysis



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Carol Inge  
Chief Planning Officer



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Roger Snoble  
Chief Executive Officer



### Tax Increment Financing Case Study - Wilshire/La Brea Station Area 1/2 mile radius from Wilshire/La Brea Intersection

Map-book	Commercial Property Value*	Parcels	Multi Family Residential & Condominiums	Parcels	Total Valuation	Parcels	Estimated Property Tax (1.17% City Rate)
5084	\$ 25,428,237	39	\$ 115,232,508	250	\$ 140,660,745	289	\$ 1,652,433
5089	\$ 227,178,414	49	\$ 51,681,588	57	\$ 278,860,002	106	\$ 3,275,950
5507	\$ 139,669,513	38	\$ 8,307,338	8	\$ 147,976,851	46	\$ 1,738,380
5508	\$ 90,597,373	43	\$ 368,587,817	220	\$ 459,185,190	263	\$ 5,394,347
5509	\$ 5,944,490	4	\$ 394,934,961	37	\$ 400,879,451	41	\$ 4,709,391
<b>Total</b>	<b>\$ 488,818,027</b>	<b>173</b>	<b>\$ 938,744,212</b>	<b>572</b>	<b>\$ 1,427,562,239</b>	<b>745</b>	<b>\$ 16,770,502</b>
<b>Tax Increment Baseline</b>							<b>\$ 17,000,000</b>

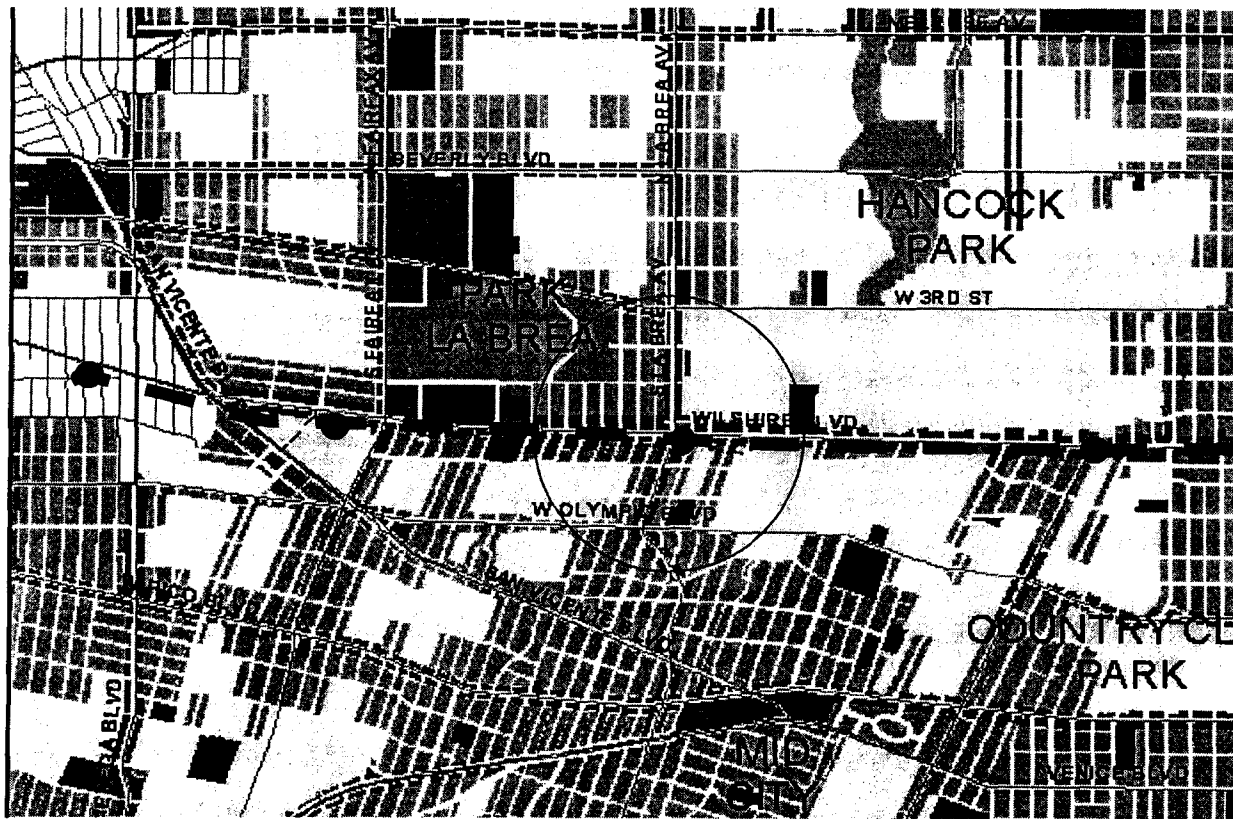
\*Excludes public, school, and church properties

### Potential 20 Year Tax Increment Forecast Using Baseline (\$ millions)\*

20 Year	Tax Revenue Estimate	Estimate of Growth Over Tax Baseline	Present Value of Growth Over Tax Baseline	Estimated Bond Proceeds (40%)	Estimated Bond Proceeds (50%)
<b>Total</b>	<b>\$ 540</b>	<b>\$ 180</b>	<b>\$ 140</b>	<b>\$ 50</b>	<b>\$ 70</b>

\* Numbers rounded to nearest \$10 million

### Potential First Phase of Metro Westside Extension



General Zoning

- Single Family Residential
- Multi-Family Residential
- Commercial

- Proposed Purple Line Extension & Station
- 1/2 Mile Radius Tax Increment Finance