

Westside Purple Line Extension Section 2

Los Angeles, California

New Starts Engineering

(Rating Assigned November 2014)

Summary Description	
Proposed Project:	Heavy Rail Transit 2.6 Miles, 2 Stations
Total Capital Cost (\$YOE):	\$2,374.44 Million (includes \$101.2 million in finance charges)
Section 5309 New Starts Share (\$YOE):	\$1,187.00 Million (49.9%)
Annual Operating Cost (opening year 2025):	\$29.6 Million
Current Year Ridership Forecast (2012):	21,900 Daily Linked Trips 6,997,200 Annual Linked Trips
Horizon Year Ridership Forecast (2035):	36,100 Daily Linked Trips 11,630,800 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium-High
Local Financial Commitment Rating:	Medium

Project Description: The Westside Purple Line Extension Section 2 project, sponsored by the Los Angeles County Metropolitan Transportation Authority (LACMTA), would extend the existing heavy rail system 2.55 miles from the future Wilshire/La Cienega Station to Century City. It includes two underground stations, 20 vehicles, train controls and signals. The Section 2 project is the second phase of a longer 8.9 mile, 7-station project that would extend the Metro Purple Line to the Veterans Affairs West Los Angeles Medical Center, located west of Interstate 405. Due to financial constraints, LACMTA decided in November 2012 to construct the project in three sections. The Section 1 project received a Full Funding Grant Agreement in May 2014 and is presently under construction with a Revenue Service Date of October 2024. The Section 2 project alignment would be entirely underground and primarily follow Wilshire Boulevard. In the opening year, service will be provided from 4:30 AM to 1:30 AM on weekdays and weekends. Service will operate every four minutes during weekday peak periods and every 10 minutes during weekday off-peak periods and weekends.

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

Project Development History, Status and Next Steps: Following completion of an alternatives analysis in January 2009, and publication of a Draft Environmental Impact Statement (EIS) in September 2010, the LACMTA board selected the locally preferred alternative in October 2010. The

locally preferred alternative was adopted into the fiscally constrained long range transportation plan in October 2010. Under SAFETEA-LU, FTA approved the longer 8.9-mile project into preliminary engineering in January 2011. The Final EIS was completed in May 2012, and a Record of Decision was issued in August 2012. The Section 2 project was approved into Engineering in December 2014. LACMTA anticipates receipt of a Full Funding Grant Agreement in December 2015, and start of revenue operations in April 2025.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 New Starts	\$1,187.00	49.9%
FHWA Flexible Funds (Congestion Mitigation and Air Quality Funds)	\$169.00	7.1%
Local:		
Measure R Sales Tax Revenue	\$567.93	24.0%
TIFIA Loan repaid by Measure R Sales Tax Revenue	\$307.00	12.9%
Metro Capital Project Loan funds	\$89.01	3.7%
Local Agency Funds	\$54.50	2.3%
Total:	\$2,374.44	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

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Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 New Starts Share		The New Starts share of the project is 49.9 percent.
Project Financial Plan (50% of summary financial rating)	Medium	
Capital and Operating Condition (25% of plan rating)	Medium-Low	<ul style="list-style-type: none"> • The average age of the Los Angeles County Metropolitan Transportation Authority (LACMTA) bus fleet is 9.4 years, which is older than the industry average. • LACMTA's most recent bond ratings, issued in June 2014, are as follows: Fitch AA and Standard & Poor's AA+. • LACMTA's current ratio of assets to liabilities, as reported in its most recent audited financial statement, is 1.1 (FY2013). • There have been no service cutbacks or cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of plan rating)	Medium-High	<ul style="list-style-type: none"> • Approximately 71 percent of the non-Section 5309 New Starts funds are committed or budgeted. Sources of funds include Federal Congestion Mitigation and Air Quality Improvement funds, Transportation Infrastructure Finance and Innovation Act loan proceeds to be repaid with Measure R funds, local Measure R funds, local agency funds and LACMTA Capital Project Loan funds repaid by the State. • All of the funds needed to operate and maintain the transit system in the first full year of operation are committed. Sources of funds include Federal Section 5307 Urbanized Area Formula Program formula funds, Section 5337 State of Good Repair Program funds, Section 5340 Growing States and High Density funds, State Local Transportation Funds, State Transit Assistance funds, fare revenue, three local half-cent sales taxes to fund public transit and highway improvement programs, and other local funds (advertising, tolls, other miscellaneous).

Capital and Operating Cost Estimates, Assumptions and Financial Capacity (50% of plan rating)	Medium	<ul style="list-style-type: none">• Capital revenue growth assumptions are consistent with historical experience.• The capital cost estimate is optimistic for this stage of development.• Assumed farebox collections and sales tax revenues are consistent with historical experience.• The financial plan shows LACMTA has the financial capacity to cover cost increases or funding shortfalls equal to at least 28 percent of the estimated project cost or 33.4 percent of annual system-wide operating expenses in the first full year of the project's operation.
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LAND USE RATING: Medium-High

The land use rating reflects population and employment densities within ½-mile of proposed station areas, as well as the share of legally binding affordability restricted housing in the corridor compared to the share in the surrounding county(ies).

- The proposed new station areas have an average population density of 11,200 persons per square mile, corresponding to a medium-high rating, and would serve 358,000 jobs through a one-seat ride, corresponding to a high rating.
- The proportion of legally binding affordability restricted housing in the project corridor compared to the proportion in the county through which the project travels is 0.89, which corresponds to a low rating.
- Parking costs in the station areas range from \$9 to \$40 per day; the average daily cost in the Los Angeles CBD is \$30, which corresponds to a high rating.
- The Wilshire/Rodeo Drive station area is a dense downtown environment, with high densities of employment housed in five-story and higher office buildings and a grid street network, surrounded by lower-density residential neighborhoods. The Century City station area is primarily comprised of high-rise office buildings in a superblock layout. Pedestrian facilities are provided throughout the station areas but some arterials are wide (seven lanes or more).

ECONOMIC DEVELOPMENT RATING: Medium-High

Transit-Supportive Plans and Policies: Medium-High

- *Growth Management:* The regional Sustainable Communities Strategy, added to the Regional Transportation Plan in 2012 per state requirements, was developed through a region-wide outreach process and directs transportation and land use policy to achieve state-mandated greenhouse gas reduction targets.
- *Transit-Supportive Corridor Policies:* City-wide and community plans for the Cities of Los Angeles and Beverly Hills support focusing mixed-use, pedestrian oriented development along the Wilshire Boulevard corridor, including the proposed transit station areas.
- *Supportive Zoning Regulations Near Transit Stations:* The City of Los Angeles allows a 3:1 floor area ratio (FAR) along the Wilshire Boulevard corridor, and a 6:1 FAR in commercial districts (at all proposed transit stations). Density bonuses are available for residential projects located near transit stops. The City of Beverly Hills allows for commercial/retail FAR of up to 5:1 and has several mixed-use zones within the station areas. Pedestrian-friendly design is promoted primarily through design guidelines and review processes, rather than explicitly set forth in zoning regulations, with the exception of a few overlay districts. Parking requirements appear to be standard.
- *Tools to Implement Land Use Policies:* State, regional, and county-level programs support planning for transit-oriented development (TOD) and there is also a strong focus on pedestrian improvements and complete streets principles. Local agencies have demonstrated success with programs such as joint development and residential adaptive reuse.

Performance and Impacts of Policies: Medium-High
<ul style="list-style-type: none">• <i>Performance of Land Use Policies:</i> Fifteen high-density, mixed-use projects have been completed since 2006 in the proposed Westside Extension corridor. One recently completed project and four proposed projects were identified in the Section 2 station areas. The most recent inventory by Metro identified 240 completed TOD projects system-wide, producing 27,000 housing units. Since its inception in 1993, Metro's Joint Development Program has completed 17 projects.• <i>Potential Impact of Transit Investment on Regional Land Use:</i> The corridor appears to be in good economic health and growth is anticipated as the economy recovers. However, there is a very little vacant or underutilized land in the Section 2 station areas.
Tools to Maintain or Increase Share of Affordable Housing: Medium
<ul style="list-style-type: none">• The City of Los Angeles has a fairly extensive array of programs directed at preserving and creating affordable housing, and this has resulted in a significant supply of restricted affordable housing units elsewhere in the Westside corridor. The State of California and Los Angeles County also have various funding programs to support affordable housing, including some programs that support housing specifically near transit. No existing or proposed projects were identified in the Los Angeles portion of its Section 2 station area, however, and only one project was identified in the Beverly Hills portions of the station areas.

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