Minutes

Meeting of West Santa Ana Branch City Manager Technical Advisory Committee
Tuesday, January 21, 2020

PRESENT: Paul Phillips, City of Bell,
Gilbert Livas, City of Downey,
Elaine Kunitake, LA County,
Jennifer Vasquez, City of Maywood,
John Moreno, City of Pico Rivera,
Michael Flad, City of South Gate,
Raul Alvarez, City of Huntington Park,
Art Gallucci, City of Cerritos,
Raul Alvarez, City of Huntington Park,
Melissa Burke, City of Artesia,

ABSENT: William Rawlings, City of Artesia,
Michael O' Kelly, City Bell Gardens,
Jeff Stewart, City of Bellflower,
Santor Nishizaki, City of Cudahy,
Ricardo Reyes, City of Huntington Park,
Carlos Fandino, City of Vernon

OTHER: Julia Brown, Metro,
Walter Beaumont, Eco-Rapid JPA,
Michael Ervin, Supervisor Hahn,
Allyn Rifkin, Eco Rapid JPA,
June Susilo, Metro,
Rick Meade, Metro,
Vaniah De Rojas, City of Downey,
Matt Gerard, Solutions International, USA,
Sabrina Chan, City of Cerritos,
Meghna Khanna, Metro,
Sharon Weissman, City of Long Beach,
Colin Peppard, Metro

The meeting was called to order by Nancy Pfeffer, Executive Director, Gateway Cities Council of Governments, at 2:05 p.m. Following self-introductions, the Committee reviewed the proposed Purpose and Objectives and made no amendments.

The Committee selected John Moreno, City Manager, Paramount, to be Chair, and Gilbert Livas, City Manager, Downey, to be Vice-Chair.

Meghna Khanna, Metro Project Manager, gave an update on the environmental review process for the project. She reviewed the project goals and the current projected total cost of $6.5-6.6 billion, exclusive of any costs for use of the Union Pacific right-of-way. She reviewed the alternatives 1-4 and how they had been renamed from previous alternatives, as well as two design
options. Both of the alternatives in the downtown segment would run underground, deeper than the Red/Purple Lines and the Regional Connector.

Bell City Manager Paul Phillips asked whether it is possible still to move the Florence station to the north side of the street, so its within City of Bell, which will be across the street from Bell. Metro staff mentioned that they have previously discussed technical reasons for station location and offered to meet with the city to discuss these concerns again.

Downey City Manager and Committee Vice-Chair Gilbert Livas asked that Metro provide visuals and drawings of the full alignment and clarified that the 3% contribution at the Green Line includes the station. The plans are being coordinated with the planned Express Lanes on I-105. Metro staff agreed to bring back more details as requested.

Metro went on to discuss the status of coordination with the State Historic Preservation Officer (SHPO) under Section 106. The Area of Potential Effect is 1-2 parcels deep. Metro wants cities’ response on 4(f) resources. The Bell City Manager brought up the issue of potential future park sites in the city. Metro mentioned that eight archeological resources have been identified at Union Station.

Metro staff discussed needed coordination with freight rail lines owned by both Union Pacific Railroad (UPRR) and the Ports. They also said that a separate, parallel study started this week on a potential station at the Rio Hondo/LA River confluence in South Gate. The study is being done by STV and a separate environmental document will be prepared if the STV study finds the station is feasible.

David Mieger, Metro, stressed that Metro must show the Federal government its plan to find funds for the full project. He cited the example of the Metro Expo line and how phasing the project helped to build public support and get the full project built with funding from Measure R. He said that the construction cost per mile for the Eco-Rapid project north of the I-10 freeway would be $800 million - $1 billion per mile due to the need for tunneling. These four miles thus represent 2/3 of the project cost, meaning that a phase from Artesia to the Slauson Station has a better chance of getting into construction soon. He said that Metro staff had responded to a question from Supervisor Hahn that the priority order of the four “pillar projects” was 1) WSAB, 2) Green Line to Torrance, 3) Gold Line Eastern Extension Phase II, 4) Sepulveda.

Mieger indicated that Federal funding was possible via an infrastructure bill, and that it was important to get the project environmentally cleared and shovel ready to be in position for funding. He said the Metro Board would receive a report in April 2020 on the acceleration and delivery schedule for the pillar projects. He observed that issues including contamination in the right-of-way and the negotiations with UPRR are both sources of risk to the project cost. The need is to add tracks to the UP right-of-way for the light rail, and there are required setbacks.

He said first/last mile projects could be a source of funding to improve station area access and might count towards the 3% contribution, though the extent still needs to be defined via the TAC. There are options for project delivery with different timeframes. Acceleration means funding must come from elsewhere or the project itself must be more cost-efficient. He observed that the Regional Connector is still 2-3 years from completion, and that the Metro Board nominates new projects for Federal New Starts funding. He was asked, and agreed, to bring back cost estimates for Initial Operating Segments of the WSAB line at a future TAC meeting. Walter Beaumont of
the Eco-Rapid JPA staff asked whether contributions to the 3% for stations serving multiple cities would be proportional by area; Metro’s funding team will need to help answer such questions.

Colin Peppard of Metro’s Office of Extraordinary Innovation (OEI) gave an update on the public-private partnership (P3) evaluation being conducted by OEI with support from the Metro Project Team and Sperry Capital/KPMG. Through two market soundings, over 20 firms have expressed interest in project aspects including construction, development, operations & maintenance, rolling stock, and investment. Invited firms were identified based on their experience and 100% of those participated. Topics of discussion were provided two weeks in advance.

Multiple possible sources of project funding exist, including Measures R and M, CMAQ, Federal New Starts, and Prop A & C. The use of a P3 delivery model is being considered for its potential value for risk transfer, scope integration, and innovation, each of which is advantageous to Metro. P3 delivery can offer greater flexibility in financing. Third-party permitting – whether by cities, SHPO, railroads, or others – is seen as a risk. Mike Flad, City Manager of South Gate, asked for a continued focus on how cities can help mitigate this risk.

Peppard observed that another risk factor is the capacity of the construction industry to deliver so many projects within the Los Angeles market. Each of the project’s many work packages has to go well and integrate, which is another advantage of Metro being able to transfer risk to private partner. COG Executive Director Nancy Pfeffer asked whether the private firms were interested in land development in conjunction with the line, or only focused on the rail project itself. Peppard responded that the private sector wanted land development kept separate as it involves firms with a different skill set, business model, and risk tolerance.

Peppard said that more than 500 project-specific risk items have been identified, each with an associated cost and probability. These are 1) prior to mitigation, 2) all for the full project scope, not initial operating segments, and 3) preliminary, subject to refinement. Risk assessment then allows for risk adjustment: transfer to the party best able to manage the risk and control costs. The P3 discussion will continue at a future meeting as there was not time to address the full scope.

Peppard explained that the Milken Institute Forum on accelerating private investment held by Metro in October 2019 was part of an effort by Metro CEO Phil Washington to pursue knowledge on broad ideas helpful to Metro, and there was no discussion specific to the WSAB/Eco-Rapid line.

Meghna Khanna said TOC Implementation Plan Framework would be discussed by Metro staff Elizabeth Carvajal at a future meeting. She also said the SCAG Value Capture study was just beginning and could also be addressed in a future meeting.

During Discussion, the City Managers agreed they would each identify another city staff person for Metro to cc on project communications.

The meeting adjourned at 3:57 p.m.