

Westside Purple Line Extension, Section 3
Los Angeles, California
New Starts Engineering
(Rating Assigned October 2019)

Summary Description

Proposed Project:	Heavy Rail Transit 2.6 Miles, 2 Stations
Total Capital Cost (\$YOE):	\$3,599.27 Million (Includes \$387.4 million in finance charges)
Section 5309 New Starts Share (\$YOE):	\$1,300.00 Million (36.1%)
Annual Operating Cost (opening year 2028):	\$20.00 Million
Current Year Ridership Forecast (2012):	30,500 Daily Linked Trips 9,742,000 Annual Linked Trips
Horizon Year Ridership Forecast (2035):	42,900 Daily Linked Trips 13,885,700 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium-High
Local Financial Commitment Rating:	Medium-High

Project Description: The Los Angeles County Metropolitan Transportation Authority (LACMTA) is planning to extend its heavy rail system to the Westwood/Veterans Hospital area. This third phase of the Westside Purple Line Extension begins at the future Century City Station, which is part of the Westside Purple Line Extension Section 2 project and is currently in its final design and construction phase. Section 3 is located entirely underground, primarily following Wilshire Boulevard, and includes the purchase of 16 vehicles, train controls, and signals. In the opening and horizon year, service is planned to 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. Even with new peak-period bus-only lanes along a portion of Wilshire Boulevard, LACMTA views the long planned extension of heavy rail service as the most effective option for improving transportation capacity in the corridor, which has the highest population and employment density in Los Angeles County. Overall, the three phases of the Westside Purple Line Extension are expected to improve travel times and transit capacity in the corridor by providing frequent and reliable high capacity rail service 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 a locally preferred alternative (LPA) for the 8.9-mile downtown Los Angeles to Santa Monica corridor in October 2010. The LPA was also adopted into the fiscally constrained long range transportation plan in October 2010. Under SAFETEA-LU, FTA approved the 8.9-mile project into New Starts Preliminary Engineering in January 2011. The Final EIS was completed in May 2012, and FTA issued a Record of Decision in August 2012. 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 (FFGA) from FTA in May 2014, and is currently under construction. The Section 2 project received an FFGA in

December 2016 and is currently in final design and construction. The Section 3 project entered Engineering in August 2018. LACMTA anticipates that the Section 3 project will receive an FFGA in early 2020, and start revenue service in May 2028.

Significant Changes Since Last Evaluation (November 2018): The capital cost estimate decreased from \$3,662.99 million to \$3,599.27 million due to a decrease in finance charges.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 New Starts	\$1,300.00	36.1%
FHWA Flexible Funds (Surface Transportation Block Grant Funds)	\$93.05	2.6%
FHWA Flexible Funds (Congestion Mitigation and Air Quality Program)	\$45.00	1.3%
State:		
State Regional Improvement Program Funds	\$31.83	0.9%
Local:		
Measure M Sales Tax Revenue and Bond Proceeds	\$1,129.45	31.4%
Measure R Sales Tax Revenue and Bond Proceeds	\$893.55	24.8%
City of Los Angeles Share of Local Return Funds under Measures M and R	\$96.39	2.7%
LACMTA Capital Project Loan Funds	\$10.00	0.3%
Total:	\$3,599.27	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-High	
Non-Section 5309 CIG Share	+1 level	<ul style="list-style-type: none"> • The CIG share of the project is 36.1 percent.
Project Financial Plan	Medium	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium	<ul style="list-style-type: none"> • The average age of Los Angeles County Metropolitan Transportation Authority's (LACMTA) bus fleet is 9.0 years. • The most recent bond ratings for LACMTA, issued in June 2019, are as follows: Fitch Ratings, Inc. AA+, Moody's Aa2 and Standard and Poor's AAA. • LACMTA's current ratio of assets to liabilities as reported in its most recent audited financial statement is 1.35 (FY2018). • There have been no service cutbacks or cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> • All of the non-Section 5309 CIG capital funds are committed or budgeted. Sources of funds include Federal Surface Transportation Block Grant Program funds, FHWA Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds, State of California Regional Improvement Program funds, local Measure R sales tax revenues and bond proceeds, local Measure M sales tax revenues and bond proceeds, City of Los Angeles share of local return funds under Measures R and M, and LACMTA Capital Project Loan funds. • Approximately 99.6 percent of the operating funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned. Sources of funds include FTA Section 5307 Urbanized Formula funds; FTA Section 5337 State of Good Repair funds; FTA Section 5340 Growing States funds; FHWA CMAQ funds; State Transportation Development Act sales tax revenue, State Transit Assistance funds, and Low Carbon Transit Operations Program funds; local dedicated sales tax revenue from Proposition A, Proposition C, Measure R, and Measure M; farebox revenue; and toll revenues from the Express Lanes on the I-10 and I-110 freeways.

<p>Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)</p>	<p>Medium-Low</p>	<ul style="list-style-type: none">• Assumed growth in capital revenue assumptions is optimistic compared to recent historical experience.• The capital cost estimate is reasonable.• Regarding growth in operating revenue assumptions, farebox collections are very optimistic and sales tax revenues are optimistic compared to recent historical experience.• Operating cost estimates are very optimistic compared to recent historical experience.• LACMTA has access to funds via additional debt capacity, cash reserves, and other committed funds to cover unexpected cost increases or funding shortfalls equal to at least 10 percent of the total CIG capital cost and 7 percent of annual system wide operating expenses.
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LAND USE RATING: Medium

The land use rating reflects population density within one half mile of proposed station areas, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county.

- The average population density is 8,800 persons per square mile, which corresponds to a Medium rating. The total employment served is 417,000, corresponding to a High rating. The average daily parking cost in the Los Angeles CBD is \$30, which rates High. The proportion of legally binding affordability restricted housing in the project corridor compared to the county through which the project travels is 0.75, corresponding to a Low rating.
- The Project extends along Wilshire Boulevard, a highly developed commercial corridor. The Westwood/UCLA station area includes mid-rise office buildings, a pedestrian-friendly retail and entertainment district, and a medical center and university campus, with lower-density residential neighborhoods on the fringes. The Westwood/VA Hospital station area is primarily a campus-like environment.
- The Westwood/UCLA station area is pedestrian friendly with sidewalks, curb ramps and crosswalks, although some streets are wide. The grid layout of surrounding streets provides good connectivity for pedestrians. Sidewalks and crosswalks exist along most streets in the Westwood/VA station. However, the location of this station next to a freeway and major arterial, and away from other neighborhoods, will likely limit the pedestrian use of this station.

ECONOMIC DEVELOPMENT RATING: Medium

Transit-Supportive Plans and Policies: Medium

- *Growth Management:* The regional Sustainable Communities Strategy, added to the Regional Transportation Plan in 2012, 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 City of Los Angeles support focusing mixed-use, pedestrian-oriented development along the Wilshire Boulevard corridor, including the proposed Westwood/UCLA station area. However, the Westwood neighborhood plan was last updated in 1999 and more recent transit-focused planning for this station area has not been conducted. The West Los Angeles VA Master Plan seeks additional veterans' services and affordable housing at modest densities and not with a clear transit orientation.
- *Supportive Zoning Regulations Near Transit Stations:* Floor area ratios are in the Medium-High to High range. Parking requirements appear to be standard. The City of Los Angeles is undertaking a major zoning code overhaul and preliminary recommendations include a stronger emphasis on walkability and on linkages between density and transit.
- *Tools to Implement Land Use Policies:* State, regional, and county-level programs support planning for transit-oriented development 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

- *Performance of Land Use Policies:* Between 2006 and 2014, 16 high-density, mixed-use projects were completed in the proposed Westside Extension Corridor, and a 29-story mixed-use project is under construction. The most recent inventory by Metro identified 250 completed TOD projects system-wide.
- *Potential Impact of Transit Investment on Regional Land Use:* The submarket is performing strongly compared to the region. Although it is one of the most densely developed corridors in the United States, it is less dense than what the zoning allows. There is potentially underutilized land (surface parking and lower-density development) in the VA/Hospitals station area.

Tools to Maintain or Increase Share of Affordable Housing: Medium-Low

- 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 proposed projects, and only four existing affordable housing developments, were identified in the Section 3 station areas. However, the West Los Angeles VA Master Plan, if implemented, would include permanent and supportive housing for homeless veterans.

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