

# South Bay Cities Council of Governments

December 14, 2015

**TO: SBCCOG Steering Committee**

**FROM: Steve Lantz, SBCCOG Transportation Director**

**RE: SBCCOG Transportation Update –December 2015**

**Adherence to Strategic Plan:**

*Goal A: Environment, Transportation and Economic Development.* Facilitate, implement and/or educate members and others about environmental, transportation and economic development programs that benefit the South Bay.

**FOLLOW THE MONEY...**

**FEDERAL**

**Obama Signs 37<sup>th</sup> short-term Highway Bill Extension; Conference Committee Concludes**  
President Obama signed into law a bill on November 20<sup>th</sup> that extends federal transportation funding. The federal surface transportation funding reauthorization will now continue to be available through December 4<sup>th</sup>. The 37<sup>th</sup> extension buys time for a Congressional conference committee to reconcile the bills passed by the House and Senate and for the final bill to be sent to the President. Congress has not passed a multi-year transportation funding bill since 2005.

The Congressional Conference Committee announced on December 1<sup>st</sup> that it had concluded its work on the 2015 Fixing America’s Surface Transportation (FAST) Act. If enacted per the Conference Committee recommendations, FAST would be a five-year legislative reauthorization of the federal gas tax. The bill would improve the Nation’s surface transportation infrastructure, including roads, bridges, transit systems, and the rail transportation network. The bill reforms and strengthens transportation programs, refocuses on national priorities, provides long-term certainty and more flexibility for states and local governments, streamlines project approval processes, and maintains a strong commitment to safety.

Both chambers earlier in the year passed 6-year highway bills that contain at least three years of guaranteed transportation funding, but lawmakers have been haggling over a potential bicameral agreement on the disparate measures. The highway bill that was approved by the House calls for spending \$261 billion on highways and \$55 billion on transit over six years. The legislation authorizes highway funding for six years, but only if Congress can come up with a way to pay for the final three years. The Senate similarly passed a bill that contains three years' worth of transportation funding, with three extra conditional years.

The Congressional Budget Office has estimated it would take about \$100 billion, in addition to the projected annual federal gas tax revenue, to pay for a six-year surface transportation program.

It will be interesting to learn what the Conference Committee recommended to fund the 5-year measure. The House bill reallocated funding from the Federal Reserve surplus account that the bank uses to cushion against potential losses. The Senate came up with a more ambitious number of sources, including the sale of 101 million barrels of oil from the federal Strategic Petroleum Reserve at an average price of near \$90 per barrel. The market price for oil last week dipped below \$42 a barrel. Senators also wanted to reduce the amount of interest the Federal Reserve pays to banks and redirect cash paid by airline passengers into the Highway Trust Fund. Neither the House nor the Senate recommended increasing the 18.4-cent federal gas tax to fully fund a six-year program

In addition to the funding, the Conference Committee considered more than 280 proposed amendments.

Since the bill must still be approved by both houses of Congress and signed by the President, more details will be provided in the SBCCOG January 2016 update.

## **STATE**

### **Little Progress Being Made On California Transportation Funding Agreement**

The California Legislature continued to meet in special session in their pursuit of plans to address some of the \$59 billion in state transportation needs over the next decade. However, they don't appear to be any closer to a deal than when the session started over the summer.

Democrats offered a plan that was rejected by Republicans to raise about \$4.3 billion annually for infrastructure largely through higher fuel taxes. Instead of increased taxes and fees, Republican legislators first want to tap existing sources of revenue for roads and bridges and to address concerns with how business is done at Caltrans in response to a state auditor's critical findings.

A key recommendation in the Republican nine-point, \$6.6 billion plan would eliminate 3,500 "redundant" positions at Caltrans. The state's Legislative Analyst Office found that eliminating the positions would save the state \$500 million each year. The plan also calls for re-capturing for road maintenance \$1 billion in state vehicle weight fees paid by commercial vehicles that state lawmakers have diverted since 2010 from the state's highway account to the general fund. The GOP lawmakers also want to tap the state's Cap and Trade program.

## **REGION**

### **Metro Receives Federal Grant to Construct Pedestrian/Bicycle Corridor in South L.A.**

L. A. Metro announced on November 5th that it was awarded a \$15 million United States Department of Transportation (DOT) Transportation Investment Generating Economic Recovery Act (TIGER) VII grant for construction of the Rail-to-Rail Active Transportation Corridor Connector Project. Metro will contribute up to \$19.3 million in local and state money to fund the \$34.3 million project.

The Rail-to-Rail project will transform a 6.4 mile stretch of Metro-owned rail right-of-way called the Harbor Subdivision into a bicycle and pedestrian path. The project parallels Slauson Avenue

connecting the future Metro Crenshaw/LAX Line Fairview Heights Station with the Metro Silver Line at the I-110 freeway and the Metro Blue Line Station, ending at Santa Fe Avenue.

Metro has owned the right of way for the Harbor Subdivision since the early 1990s. Burlington Northern Santa Fe (BNSF) railroad has operating easements, but rarely runs trains along those tracks. Metro will initiate an abandonment process to transfer the BNSF easements. The existing railroad tracks will be removed, six-miles of Class I bicycle path infrastructure will be paved, safety features (such as crosswalk marking, curb ramps, repainted stop bars, and signage) will be installed, new crosswalks will be constructed, and lighting and landscaping features will be installed.

### **Metro Regional Connector Rail Project Is Seriously Over Budget and Behind Schedule**

Construction of the \$1.5 billion, 1.9-mile Regional Connector light rail project under Downtown Los Angeles is now 20% complete, \$130 million over budget, and six months behind schedule. The overrun, attributed to higher-than-projected costs to relocate utilities, has already consumed a \$93 million project contingency fund that was supposed to last for five years and tunneling has yet to begin.

Officials are recommending that funds be transferred from other projects not yet under construction. The project begins at the 7th/Metro Station and extends north to 2nd and Hope streets, turning east along 2nd, and ending at a rail junction on Alameda south of Union Station. Three new underground stations will be created at 2nd/Hope, 2nd/Broadway, and 1st/Central.

### **LADOT Offers Community Grants for Parklets**

The Los Angeles Department of Transportation is encouraging applications from community stakeholders that want to make neighborhood streets more welcoming to people. As part of its People St. Program, the city agency is offering small grants and encouraging communities to solicit donations for projects that take portions of city streets and develop uses like pedestrian plazas closed off to cars, areas to park bicycles or mini-parks.

The aim of the program is to develop projects like plazas and "parklets," small park-like spaces with seating and planters, in areas that would otherwise be used for car parking. Transportation officials are taking applications until Dec. 15 from community groups that want to develop a project in their neighborhood. Information on how to apply is posted on the department's People St. website: [peoplest.lacity.org/](http://peoplest.lacity.org/).

### **Details Emerging On Metro's Bikeshare Program**

A Metro staff report was presented to the November 18<sup>th</sup> Metro Planning and Programming Committee on the initial operating assumptions for Metro's new \$11 million bike share system, which is coming to downtown Los Angeles in mid-2016. The report recommending a proposed initial fare structure and interoperability plan was reviewed by the full Board on December 3<sup>rd</sup>.

Interoperability will initially mean that multiple bike-share systems will use Metro's TAP card. When the system first opens in mid-2016, monthly pass or annual pass bike-share users will receive a "uniquely branded TAP card" to unlock bicycles at docking stations. Bike-share TAP cards will be issued by BTS, Metro's bike share vendor, with the Bikeshare TAP card only linked to the user's bike-share account; a separate TAP card will be needed to access the customer's stored transit fare account.

By the end of 2016, “all TAP cards will function as bike-share passes to unlock a bicycle at a station.” Users will enter their TAP card number when purchasing a Bike share pass, though the bike-share and stored transit fare accounts will still remain separate on the common card.

Metro’s proposed bike-share fare structure includes three payment options:

- Monthly Pass: \$20 for one month of unlimited 30-minute rides. Monthly pass holders will have an auto-renew option. Compared to other options, this price is advantageous for people who use the system at least 10 times per month.
- Flex Pass: \$40 for one year of half-price rides. Metro calls this the “most affordable option for occasional users.” Compared to paying Walk Up fees, the Flex Pass price is advantageous for people who use the system more than 23 rides each year, about twice a month.
- WalkUp: \$3.50 per 30 minutes. Metro anticipates that “a large percentage of walk-up users will be Downtown L. A. visitors or tourists who are not price-sensitive.”

Initially, there are no daily, weekly, or annual unlimited passes. Metro staff expects its bike-share system revenues to generate 60 to 80 (or more) percent of its operations cost.

### **Bike Sharing App Could Provide Key To Integrated Multi-modal Trip Planning & Payment**

An announcement on November 24<sup>th</sup> from the North American Bike Share Association could lead Portland to become the first U.S. city where a single mobile app will be able to let you plan a trip and buy a ride from a bike share service, transit agency, car sharing company or ride-hailing service. Although the announcement was couched in dry technical terminology, the “NORTH AMERICAN BIKESHARE SYSTEMS ADOPT OPEN DATA STANDARD”, could revolutionize trip planning and payment.

There is currently no way for trip planning software to determine that a specific linked trip using car share or bike share service and transit trip segments could save time or money or to process the transaction since the car share and bike share data systems are incompatible with the transit data standard known as the General Transit Feed Specification that is used to provide real-time transit arrival times for specific routes and trips. The new “General Bikeshare Feed Specification” promises to wipe that problem away over the next few years by integrating the two specifications.

In a seemingly unrelated announcement last month by GlobeSherpa, the five-year-old Portland-based company that created TriMet’s mobile transit tickets application would be the nation’s first to partner with a ride-hailing company: TriMet app users will get a button that lets them look up and (eventually) book a Lyft ride. GlobeSherpa also operates transit ticketing applications in Los Angeles and Phoenix and began service last week on San Francisco’s Muni.

To better understand why Portland is the center of innovation, GlobeSherpa was bought in June by a trip-planning app called RideScout, which was bought last September by Car2go North America. (Car2go, in turn, is owned by Stuttgart-based auto company Daimler.) RideScout, meanwhile, has close relationships with bike share companies. Also last month, it unveiled a new initiative that will let people book and unlock a B-Cycle bike-share bike using TriMet’s application. It’s a matter of resources and time before a GlobeSherpa smartphone app like TriMet’s will be able to let people book and pay for transit, car2go, Lyft, and bike share rides using the TriMet app.

## **Spotlight: Self-Driving Cars – Will Your City Be Ready In The Next Five to Ten Years**

More than seven auto manufacturers (including Cadillac, Tesla, Volvo, Audi, Mercedes-Benz and Nissan) and technology companies (like Google and Uber), have said they expect to bring driverless cars to market by 2020-2025 depending on whether the firm is incrementally adding autonomous technologies to its vehicles or introducing a totally new fully-autonomous vehicle. Yet only about 6 percent of the country's biggest cities are planning for or thinking about autonomous vehicles or self-driving cars in their long-range transportation plans. And only 3% of local transit plans are taking into account the impact of ride-hailing companies like Uber and Lyft even though they already operate in more than 60 of the 68 largest markets in the U.S. Both findings are included in a content analysis by the National League of Cities of transportation planning documents from the country's 50 most populous cities.

According to Steven Strauss, a visiting professor at Princeton University's Woodrow Wilson School of Public and International Affairs, autonomous vehicles are widely expected to be cheaper to operate and travel faster than cars; be fleet-owned (individual ownership won't be worthwhile if autonomous vehicles are both affordable and guaranteed to arrive promptly); and mostly use electric and/or hybrid power.

Beyond the technology hype and sustainability hopes, the emergence of automated vehicle fleets in cities has some serious implications, on a par with the shift from horses to personal automobiles more than a century ago:

- Fleet ownership of autonomous vehicles could reduce the number of cars on the road by 60% to 90% due to more efficient usage and, consequently, reduce car sales by an equivalent percentage.
- More than 2.5 million driving jobs (there are 1.7 million truck drivers, 650,000 bus drivers and 230,000 taxi drivers— about 2% of the U.S. workforce) could be eliminated or transformed with a ripple effect.
- Autonomous vehicles will make our roads safer and bring major savings in healthcare and auto repair. About 33,000 people die each year in auto accidents. In 80% of the cases, the cause is alcohol consumption, driving in excess of the speed limit or a distracted driver. Highway accidents have direct costs of about \$240 billion a year and more than \$800 billion a year if quality-of-life issues are included. Autonomous vehicles have the potential to eliminate most of these deaths and costs.
- The automobile insurance industry (which now has revenue of about \$200 billion) will shrink dramatically. Fewer accidents will mean fewer claims and lower premiums. The benefit to the economy from these savings could be \$400 billion to \$1 trillion a year, and should be reflected in lower transportation costs.

For local jurisdictions, automated vehicles could enable transformative land use opportunities for real estate currently being consumed by auto dealerships, auto-related retail and service outlets. A sobering example: up to 25% of the physical space in a city is tied up in parking. Assuming expanded fleet ownership and less individual ownership, autonomous vehicles won't need to park.

With significantly reduced parking demand, and an unknown increase in demand for passenger and freight loading zones, land currently tied up for street and off-street parking can be repurposed for other uses (potentially including slow speed lanes).

Autonomous vehicles also could facilitate a significant shift to housing away from city centers, thereby reducing central urban property values and increasing values in outlying areas, especially in suburban neighborhoods not accessible to mass transit (e.g.: the South Bay).

At the National League of Cities conference in Nashville the first week in November, Gabe Klein, a former Zipcar executive who was a transit director under both Mayor Rahm Emanuel of Chicago and former Mayor Adrian Fenty of Washington D.C., suggested that cities should actually stop adding extra highway lanes and parking lots today.

But how much of this is just hype? Experts agree that a ubiquitous automated vehicle network is a matter of when, not if. Many automakers make bold claims about the proliferation of driver-less cars by 2020/2025. But most testing programs are small and limited to hand-picked roads right now. So there's no ability to see what things might be like when a tsunami of self-driving vehicles pours onto roads that haven't had significant changes in design since horses were replaced by horsepower.

Public sector planners are used to designing public transportation infrastructure with life expectancies of 50, 80, even 100 years into the future. But in the current disruptive era, how do public sector engineers and planners take into account the emerging mobility technologies in designing and building infrastructure projects today?

Los Angeles City announced in mid- November that it's forming a coalition of transportation planners to tackle the topic. The group is having a kickoff meeting sometime in early 2016. One area of interest is the Los Angeles region's traffic management system, which controls 45,000 intersections. It will probably need to adapt in some manner to accommodate vehicle to infrastructure communications and control. The California DMV is expected to release its proposed rules by year's end. Local jurisdictions will also have to deal with a new universe of local rules regulating self-driving vehicles.

With technology, dedicated lanes might be able to be reduced from 12 feet wide to 9 feet wide so you might be able to shoehorn in an autonomous vehicle lane within a six lane highway. Depending on how fast autonomous vehicles proliferate, a highway initially might need only one lane for such vehicles in 2025 — or technology innovation may justify multiple lanes within a decade. But some experts predict, with the average car on U.S. roads being driven until it is 12 years old, the fleet is unlikely to change over quickly. So states and cities will likely face a prolonged transition period in which they will need to manage a continually changing mix of mobility options.

Because the emergence of the new mobility options is moving so quickly and is being driven by the private sector, significant data is still proprietary or missing. So, to get started preparing for the autonomous tsunami, here are some key questions specific to the linkages between the new mobility technologies and land use and local funding that should concern local jurisdictions over the coming months and years:

- Will self-driving cars be individually-owned enhancements on current vehicle models or fleet-run services that provide new types of fully-autonomous vehicles?
- How will the new vehicles, or mobility services, using the new technologies, be sold?
- Will the sales of the vehicles or services generate local revenue?
- Will the initial vehicles be designed for customized uses (e.g.: short trips, shared rides, freight, disabled, transit) or will they be incremental improvements of one-size-fits-all-trips using traditional cars, trucks and buses?
- What should the speed limit be for autonomous vehicles initially and in the long term?
- How should street design standards be updated to accommodate autonomous vehicles?
- Should autonomous vehicles be given their own lane or share with other smaller, slow speed vehicles such as bicycles; if shared lanes are considered, how should they be designed on state highways, arterials or neighborhood streets?
- If a fleet-run service model emerges, how should curbside design be changed to accommodate heavier pick-up and drop-off activity, but reduced demand for parking?
- If consumers keep shifting to electric vehicles or fleets of autonomous vehicles, both parking fee and gas tax revenues will drop significantly due to efficiencies of their shared use. If so, how should tax and revenue sources for road maintenance evolve?
- If driverless car technology becomes more like a public utility than a private venture, how do cities promote equity and access for lower-income residents?
- Will driverless cars cause the public to disinvest in mass transit or will ride-hailing and autonomous vehicles become public transit partners and integrate the station infrastructure and fare policies to encourage seamless use of both modes?
- Will transit fare payment and mobility charges be integrated into a unified smart phone payment system that replaces the current card-based transit fare payment technologies (e.g.: L. A. Metro's TAP card) for all mobility needs? If so, what marketing opportunities would open up for private sector mobility network providers, city economic development departments, and transit agencies?
- For social equity objectives, who should help low income, disabled and elderly constituents obtain and learn to use a smart phone to schedule and pay for the new mobility options?