

# *Aldaron, Inc.*

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*Public Policy Advisors to Industry and Government*

5/30/2010

## **MEMORANDUM**

TO: Jacki Bacharach  
FROM: Don Camph  
RE: Activities Summary, May, 2010

### **Measure R Highway Program**

Proposals for the “South Bay Measure R Highway 2010-2020 Implementation Plan & Program/Project Management Services” contract were received on May 18, 2010. A total of five proposals were received. The lead consultants for each are:

- Iteris
- HRR Engineering
- Parsons Brinckerhoff
- KOA Engineering
- Caltrop

On May 27, 2010, the Selection Committee met to discuss the proposals and decide which warranted an in-person interview. The Selection Committee is comprised of three SBCCOG Representatives (Bacharach, Fuentes, Camph), three city representatives (Inglewood, Redondo Beach, Torrance), one L.A. Metro representative, and one Caltrans representative. There was general consensus that two proposals were of sufficient merit to warrant an in-person interview; these are Iteris and HDR Engineering.

The interviews will be held on June 8, 2010, and a recommendation will be made by the Selection Committee for action by the SBCCOG Board at its June 24, 2010 meeting.

Also with respect to Measure R, on May 17, 2010, SBCCOG staff (Bacharach, Fuentes, Camph) met with Doug Failing, L.A. MTA Interim Countywide Planning Director<sup>1</sup> and Executive

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<sup>1</sup> Since our meeting with Failing, L.A. Metro has named Martha Welborne as Executive Director of Countywide Planning. She has previously worked as an architect and urban planner. Most recently, she was managing director of the Grand Avenue Committee, a public/private partnership focused on revitalizing the civic and cultural districts of downtown Los Angeles. She will join L.A. Metro June 1.

Director of the Measure R Highway Program to discuss the SBCCOG's overall approach. He indicated the importance of moving forward as quickly as possible, and in particular of identifying a limited number of important, high visibility projects on which construction can begin in the very near future. We explained that this is consistent with the SBCCOG's Measure R strategy, and that the RFP Scope of Work envisions a "Early Successes" package of projects that can get begin quickly, perhaps even before the overall Implementation Plan is finalized (which is envisioned to occur 6 months after start of work by the COG's Measure R Highway Program Management contractor).

### **I-405 Corridor Study (SCAG)**

During the month work continued on development of the I-405 Corridor System Management Plan (CSMP). During June and July, the project consultants will test scenarios using their corridor micro-simulation tool, and the CSMP will be completed by the end of July. It is expected that the CSMP will be an important input into the Measure R Highway Implementation Plan.

### **La Cienega Boulevard Corridor Improvement Project Study**

The fifth meeting of the La Cienega Boulevard Corridor Improvement Project study at SCAG was rescheduled from May 27, 2010 to June 2, 2010 to allow additional time to better develop the public meeting materials for review, including graphic renderings of alternatives.

Conceptual designs have been developed and will be presented at public meetings that will be held as follows:

June 16, 2010; 6 to 8 p.m.  
Los Angeles Baha'i Center  
5755 Rodeo Road  
Los Angeles, CA 90016

&

June 17, 2010; 7 to 9 p.m.  
Inglewood City Hall  
Community Room A  
One Manchester Blvd.  
Inglewood, CA 90312

The study is scheduled to finalize recommendations in June 2010. Inasmuch as La Cienega Blvd. is an important gateway to the South Bay, the result of this study should be considered in development of the Measure R Implementation Plan. We will continue to monitor the study's progress.

## **L.A. Metro Blue Ribbon Committee**

On May 4, 2010, we attended the fourth meeting of L.A. Metro's Blue Ribbon Committee, a "collaborative group of key stakeholders representing system users, local transit operators, and community and business interests." The focus of the meeting was on:

- **Transit signage**: Catherine Bator of the Westside Central Governance Council, made a presentation on communications and signage as contributors to ease of use for riders. Ms. Bader presented a series of slides comparing assets and shortfalls of public transportation signage and communications tools in Los Angeles, New York, Chicago, and Portland, OR. She highlighted differentiating qualities of transit information delivery in each city, pointing out the importance of presenting relevant and accurate information within the spatial constraints of particular communications formats.
- **Overview of service quality elements**: Conan Cheung of Metro gave a presentation on service enhancements. He reviewed Metro's current policy, trends, and tradeoffs related to cleanliness, passenger loading, operator courtesy, customer information, service reliability, speed, safety and security, service coordination, and network simplicity—all primary factors of service quality. Discussion points that emerged during and following Mr. Cheung's presentation included:
  - Moving Toward Simplification – Rail as the Backbone of the System
  - Dealing with Delay – Factors and Solutions
- **Service provision vs. customer satisfaction**: BRC project consultant Dr. Iacofano (MIG) introduced a series of interactive exercises to rate priorities of systems attributes, and also to assess tradeoffs related to speed, reliability, and passenger loading. Exercise details, results, and discussion points may be found at the BRC website: <http://www.metro.net/about/brc/>.

The next meeting is scheduled for June 1, 2010, at which policy recommendations from the Committee will be discussed.

## **Villaraigosa "30/10" Measure R Transit Program Acceleration Plan**

During the month we prepared and revised a memorandum regarding concerns that we have with respect to this proposal to accelerate the construction of 12 Measure R and Long Range Transportation Plan (LRTP) transit projects and complete them by fiscal year 2019. On May 10, 2010 we discussed these issues with the SBCOG Steering Committee and Legislative Committee.

An interesting counterpoint to the 3010 Plan comes from Federal Transit Administrator Peter Rogoff. As reported in "Innovations Brief," a monthly newsletter by Kenneth Orski, Rogoff recently questioned the wisdom of expanding rail networks when money is badly needed to maintain and modernize existing facilities. Rogoff is quoted as saying: "At times like these, it's more important than ever to have the courage to ask a hard question: if you can't afford to operate the system you have, why does it make sense for us to partner in your expansion? If you

can't afford your current footprint, does expanding that underfunded footprint really advance the President's goal for cutting oil use and greenhouse gases. Or are we at risk of just helping communities dig a deeper hole for our children and our grandchildren?"

Orski says that in Rogoff's judgment, the first priority for the transit industry should be to follow the precept "fix it first." Rogoff is reported as saying: "Put down the glossy brochures, roll up our sleeves, and target our resources on repairing the system we have."

The FTA Administrator cited the preliminary results of an FTA study of the financial needs of 690 public transit systems across America that show a \$78 billion backlog of deferred maintenance. Fully 29 percent of all transit assets are "in poor or marginal condition." According to Rogoff, the challenge facing transit managers is to resist the "siren call" of new construction and devote money to the "unglamorous but absolutely vital work of repairing and improving our current systems."

At a time when MTA and many other operators are raising fares, cutting service and deferring maintenance, Rogoff's comments do not necessarily bode well for the reception that the 30/10 Plan may receive in Washington.

### **South Bay Metro Green Line Extension**

During May we attended two scoping sessions for the forthcoming environmental review of the South Bay Metro Green Line Extension. In addition, we prepared a letter for the SBCCOG to submit comment on the scope of the analysis, meeting the deadline for comments of May 28, 2010.

Key issues included in the letter that had been identified at the scoping sessions, and at the May 10 meeting of the SBCCOG Steering Committee, related to:

- Alternatives to be studied;
- Compatibility of technology with the existing system;
- Safety and traffic disruption if existing at-grade street crossings are utilized;
- Parking and provision for feeder services;
- Noise and vibration;
- Cleanliness of stations and trains;
- Interface with the Crenshaw – LAX Line; and,
- Aviation Blvd. widening right-of-way requirements.

## **Crenshaw-LAX LRT Project**

The Crenshaw-LAX LRT project TAC meeting was held on May 18<sup>th</sup>. Discussion topics included:

- Interface at Aviation/Century Station
- Alternate Underground Station Configuration on Crenshaw Blvd.

Because we were unable to attend that meeting, we met with project manager Roderick Diaz on May 5 to discuss the issue of the interface at Aviation/Century Station. We were given to understand that the movement of trains, north or south, from the Crenshaw-LAX to the existing Green Line stations in El Segundo and Redondo Beach will bypass the existing Aviation Station and that passengers on southbound trains wishing to go east on the Green Line will need to transfer at a new station at Century Blvd. This is a complex issue, and we recommend that Mr. Diaz be invited to brief the SBCCOG Steering Committee on the options being considered.

## **Washington Report**

We continue to follow developments with respect to Federal Transportation Reauthorization and Climate Change Legislation.

With respect to reauthorization, the consensus continues to be that there will not be a bill in 2010. To be sure, there are other points of view. For example, Sen. George Voinovich (R-Ohio), a member of the Senate Environment and Public Works Committee that is currently drafting a long-term highway and transit policy rewrite, said May 18 that he remains hopeful that Congress will be able to consider that measure later this year. The EPW panel has held several hearing on various surface transportation issues over the past few months, and Chairman Barbara Boxer has repeatedly committed to having a bill ready for floor action before the current policy expires Dec. 31, 2010 – but has also repeatedly, and publicly, stated that a gas tax increase is not on the table in 2010. But industry lobbyists and other stakeholders are generally skeptical. The House Highways and Transit Subcommittee of the Transportation & Infrastructure Committee approved a bill last year, but several key elements are missing, most notably how to raise the approximately \$140 billion needed to fully fund the measure.

Nor does it appear that any action will be taken on the notion of a National Infrastructure Bank. On May 5, 2010, the Bureau of National Affairs reported Rep. Rosa DeLauro (D-Conn.) as saying that infrastructure reform legislation, including her bill to create a national infrastructure bank, will not pass Congress this year. DeLauro's bill, the National Infrastructure Development Bank Act of 2009 (H.R. 2521), would create a bank based on the European Investment Bank model under the U.S. Treasury Department, and would authorize appropriations of \$5 billion a year for five years. The treasury secretary could call up more capital when needed, up to a total of \$250 billion.

## Climate Change

The situation remains fluid with prospects for a final bill in doubt. On May 19 several major transportation industry groups, representing both highways and public transportation, reiterated their opposition to the transportation provisions in Senate climate change legislation introduced recently by Sens. John Kerry (D-Mass.) and Joe Lieberman (I-Conn.).

The groups, which cover state departments of transportation, transit agencies, and transportation infrastructure builders, held a press conference call to criticize the measure for allegedly siphoning revenue away from transportation projects and potentially killing a multi-year surface transportation reauthorization bill that would significantly boost spending.

The American Association of State Highway and Transportation Officials (AASHTO), which represents all 50 state DOTs, and other groups are worried that the climate change measure could kill the already-slim chances of that measure coming up this year.

At issue is the climate measure's imposition of a carbon fee on oil refiners, an extra cost that would be passed on to consumers and has already been branded a "gas tax" by the bill's opponents. Transportation advocates have been quoted as saying that "Congressional approval of the proposed climate bill would create a 'minefield' for the path to enactment of the surface transportation bill."

## **California Transportation Commission**

At its May 20, 2010, the CTC narrowly approved (on a 6-5 vote) the first public-private partnership (P3) proposal pursuant to SB4 (2X), legislation that was passed in early 2009. CTC staff recommended that the Commission not grant the request by the proposal by Caltrans and the San Francisco County Transportation Authority described as "the Phase 2 portion of the Doyle Drive Replacement project (a.k.a. Presidio Parkway) in San Francisco." Phase 1 of the Doyle Drive Replacement project is currently under construction and will shift traffic from the existing seismically deficient structures on to a temporary alignment. Phase 2 will reconstruct the existing six lane facility south of the Golden Gate Bridge in San Francisco to current seismic standards.

CTC staff had recommended against approval, stating that the proposal would take \$813 million to \$1.0 billion "off the top" from the State Highway Account capital programs. CTC staff further stated that Commission approval would effectively establish and endorse a means of committing state transportation funds that bypasses state programming procedures designed to ensure statewide funding accountability and equity.

L.A. Metro among other opposed the request (see attached letters). Under tremendous pressure from the Governor's office, however, a bare majority of commissioners voted to approve the project, which is now likely to face one or more legal challenges given that both the State Attorney General's office and the Office of Legislative Counsel have questions whether this project is eligible under SB4 (2X).

One immediate impact of the CTC vote is that the Governor withdrew the nomination of Larry Zarian, former Glendale City Council member and MTA Board member, for a second term on the CTC. Zarian voted against the proposal. As reported on May 30, 2010 in the Glendale News-Press, “Aaron McLear, a spokesman for the governor’s office, said Zarian’s vote was not aligned with the state’s direction for private investment and infrastructure projects. ‘We appreciate his service, but we need people on that commission who are in line with the rest of the state,’ McLear said.”

To say that this is a complex issue would be no understatement. There may be implications down the road for any P3 financing ideas the SBCCOG may wish to put forward in connection with the Measure R Highway Program, but it is too early to speculate meaningfully as to what those implications might be.



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

**Arthur T. Leahy**  
*Chief Executive Officer*  
213.922.6888 Tel  
213.922.7447 Fax  
metro.net

May 17, 2010

Mr. James Earp, Chair  
California Transportation Commission  
1120 N Street, Room 2221  
Sacramento, CA 95814

Dear Chairman Earp:

Re: Staff Recommendation – Presidio Parkway P3

The Los Angeles County Metropolitan Transportation Authority (Metro) Board of Directors is concerned that the funding for this project may have significant impacts on the funding of transportation projects statewide. The allocation of State Highway Account funds as proposed will significantly benefit one region at the expense of all others.

In the event that the California Transportation Commission supports the utilization of a public private partnership for this project, Metro recommends that the funding come from sources within the region in which the project is located. This could be accomplished by allocating State Highway Account Funds from the region, as opposed to an allocation that has impacts statewide.

Metro strongly supports the use of P3 agreements for transportation projects and we expect to be before the commission in the near future with projects in Los Angeles County. The projects to be brought by Los Angeles will come with significant local funding, including Measure R sales tax funds, as well as the proposed use of tolls for the highway projects within our long-range program.

Public-private partnership arrangements can be a useful financing tool for projects in California. We believe that many highway and transit projects in our county can benefit from this tool. Our concern with the Presidio Parkway project is that its funding plan takes significant resources from all regions of the state and will force local agencies to “backfill” the loss of anticipated state funds.

Thank you for your consideration.

Sincerely,

Arthur T. Leahy  
Chief Executive Officer



May 18, 2010

James Earp  
Chairman  
California Transportation Commission  
1120 N Street, Room 2221  
Sacramento, CA 95814



Subject: Southern California Regional Agencies' Concerns Regarding  
Presidio Parkway Project Financial Plan

Dear Chairman Earp:



The undersigned regional transportation agencies from Southern California wish to take this opportunity to express our concerns regarding the potential impact of public-private partnership projects where the use of availability payments could affect the State Transportation Improvement Program (STIP) funding.



Our agencies are supportive of the Presidio Parkway project itself. We concur that the project will have significant mobility, safety and air quality benefits for drivers in the San Francisco Bay Area. Furthermore, our agencies are extremely supportive of the use of public-private partnerships and innovative financing and project delivery methods in California to deliver critical transportation improvements. The Governor's signature on SB X2 4 (Cogdill) in 2009 was a historic event for the California transportation industry; we are all committed to using the tools created by that bill in a responsible manner to demonstrate the widespread benefits of public-private partnerships, tolling, and design-build.



However, as described by the CTC staff report, funding for these types of projects could impact county shares for all counties from the STIP. If a new commitment from the STIP is required for these projects, we respectfully insist these commitments be counted only against the STIP share from the region where the project is located.



In spite of the very important benefits of public-private partnership projects, we cannot afford to have our counties' programs impacted by any action that reduces STIP funding. Historically, all of our agencies have needed to take extraordinary actions to keep our projects moving forward and fully funded;

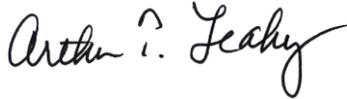
however, as a principle we have committed to containing the impacts of those plans to our own counties.

We appreciate the challenges you face as you grapple with this significant issue. Thank you for your consideration of our concerns.

Sincerely,



Anne Mayer  
Executive Director  
Riverside County Transportation  
Commission



Arthur T. Leahy  
Chief Executive Officer  
Los Angeles County Metropolitan  
Transportation Authority



Darren Kettle  
Executive Director  
Ventura County Transportation Commission



Deborah Robinson Barmack  
Executive Director  
San Bernardino Associated  
Governments



Will Kempton  
Chief Executive Officer  
Orange County Transportation Authority



Gary L. Gallegos  
Executive Director  
San Diego Association of Governments