

Congestion Mitigation Fee Study

A Self-Help Proposal for Congestion Relief in Los Angeles County

South Bay Cities – Governing Board

South Bay Cities Pilot Study - Preliminary Nexus Analysis Results

June 28, 2012



Technical Analysis and Discussion Purposes Only



PROPOSED Congestion Mitigation Fee Program

- Explore the feasibility of a congestion mitigation fee program
- Proposed one-time fee on all land uses (new development)
- MTA' s role: Compliance with CMP – No Funds to MTA
- Local Control - each jurisdiction would:
 1. Select & build capital transportation projects (bike & ped projects, signal synch, roadway expansion)
 2. Adopt Fee Ordinance
 3. Collects fee & control revenue

PROPOSED Congestion Mitigation Fee Program

- Fee revenue could leverage other funding – Call-For-Projects
- Cities receive credit for existing mitigation fee programs
- Program adoption requires approval by MTA and jurisdictions
- Fee would not apply to home remodeling (adding a room)
- Fee would apply to only net new construction on commercial and industrial space, and additional residential units

Proposed Congestion Mitigation Fee Program Work Plan

STEP 1: Feasibility Study – *Done*

January — April 2008

Circulated Draft Study Report

September 2008

Final Study Report to Board

STEP 2: Project Identification, Growth Forecast – *Underway*

April 2009— June 2012
identification

Coordinate with jurisdictions on forecasts and project

Jan 2010

Board approved conducting nexus analysis

STEP 3: Nexus Analysis – *Underway*

Mar 2010 — Summer 2012
analysis

Conducting legally necessary nexus study and economic

Fall 2012

Present nexus and economic analysis results to MTA Board

Outreach Activities

- San Gabriel Valley Sub-region(32 jurisdictions)
- Westside Cities COG (5 jurisdictions)
- South Bay Cities COG(15 jurisdictions)
- Arroyo Verdugo COG (2 jurisdictions)
- North Los Angeles County COG (4 jurisdictions)
- City of Los Angeles
- County of Los Angeles
- Las Virgenes Malibu COG (5 jurisdictions)
- Gateway Cities COG (26 jurisdictions)
- Building Industry Association & National Assoc. of Industrial & Office Properties, L.A. County Business Federation (BIZFED)

Status of Work Plan

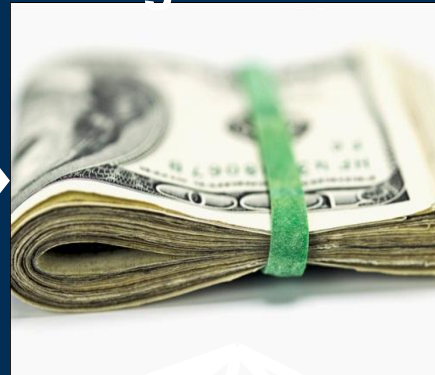
- Completed six of eight Pilot Studies with Preliminary Nexus Results
 - Arroyo Verdugo COG
 - City of Los Angeles
 - North L.A. County Transportation Coalition
 - San Gabriel Valley COG
 - South Bay Cities COG
 - Westside Cities COG
- Two Pilot Studies remain - finalizing list of transportation projects
 - Gateway Cities COG
 - Las Virgenes Malibu COG
- Conducting economic benefit analysis of each of 8 Pilot Studies

Replacing Existing CMP Requirement

**CMP
Debit/Credit**



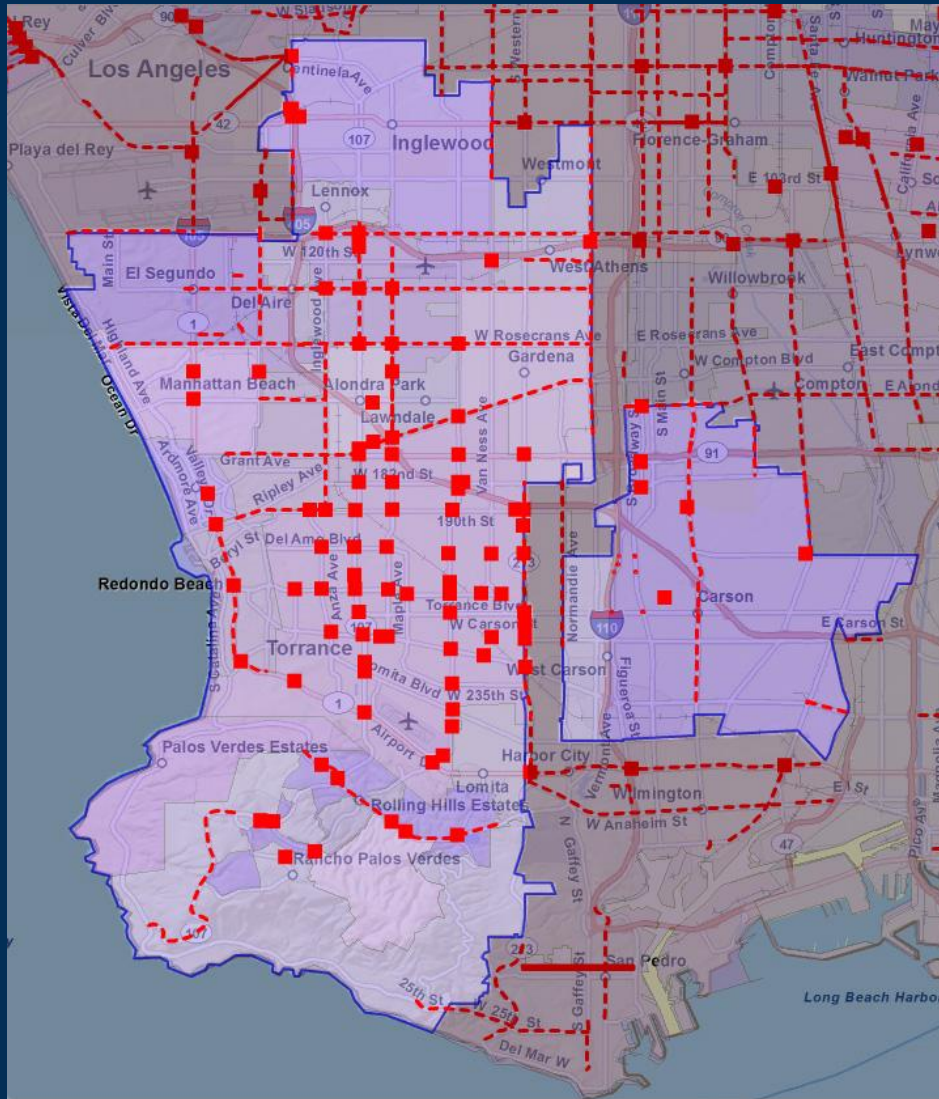
**Proposed
Congestion
Mitigation Fee**



- ✓ New revenue source
- ✓ Cities control funds
- ✓ Cities select/build projects
- ✓ Complies with CMP



South Bay Cities Pilot Study Identified Transportation Improvement Projects



- 169 projects & programs
- \$444 million estimate cost
- Does not include City of L.A.
- South Bay Cities Staff identified these transportation projects
- Workshop held in January 2012 with technical Staff to discuss issues and concerns

Typical Capital Projects Selected by Jurisdictions

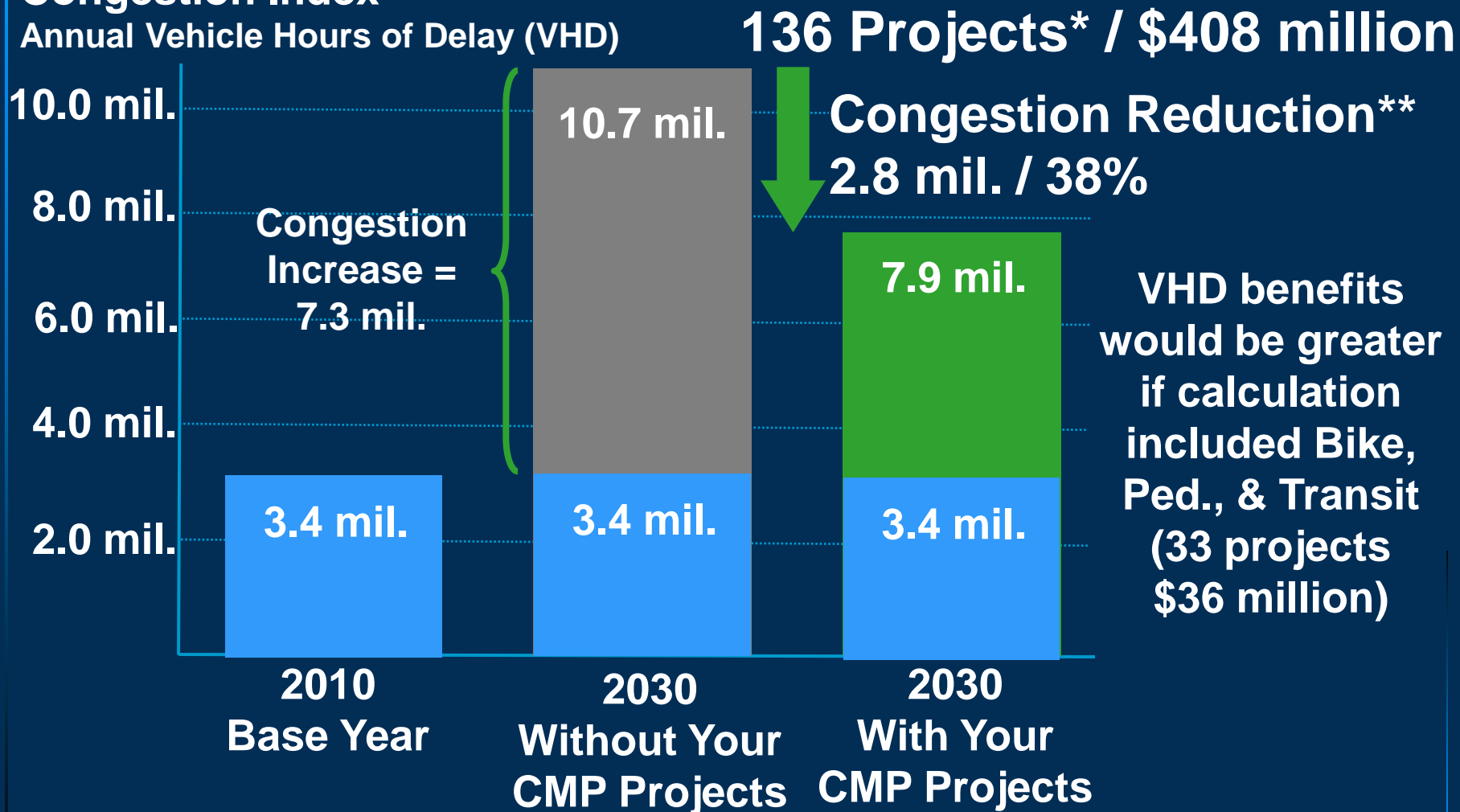
| Category | Typical Project Description | Typical Cost |
|--------------------------|---|--------------|
| Roadway Capacity | Widen major arterial from four to six lanes | \$5,000,000 |
| Grade Separation | Grade separation at railroad tracks | \$35,000,000 |
| Intersection Improvement | Widen intersection to add turn lanes; upgrade signal | \$800,000 |
| System Operations | Signal interconnect along corridor | \$2,500,000 |
| Park-and-Ride Lot | Construct park-and-ride lot to serve light rail station | \$7,500,000 |
| Transit Expansion | Purchase buses for local circulator bus system | \$6,000,000 |
| Bike-Pedestrian | Pedestrian and bicycle improvements to improve transit access | \$2,000,000 |

South Bay Cities COG Pilot Study Findings

Congestion Reduction Benefit

Congestion Index

Annual Vehicle Hours of Delay (VHD)

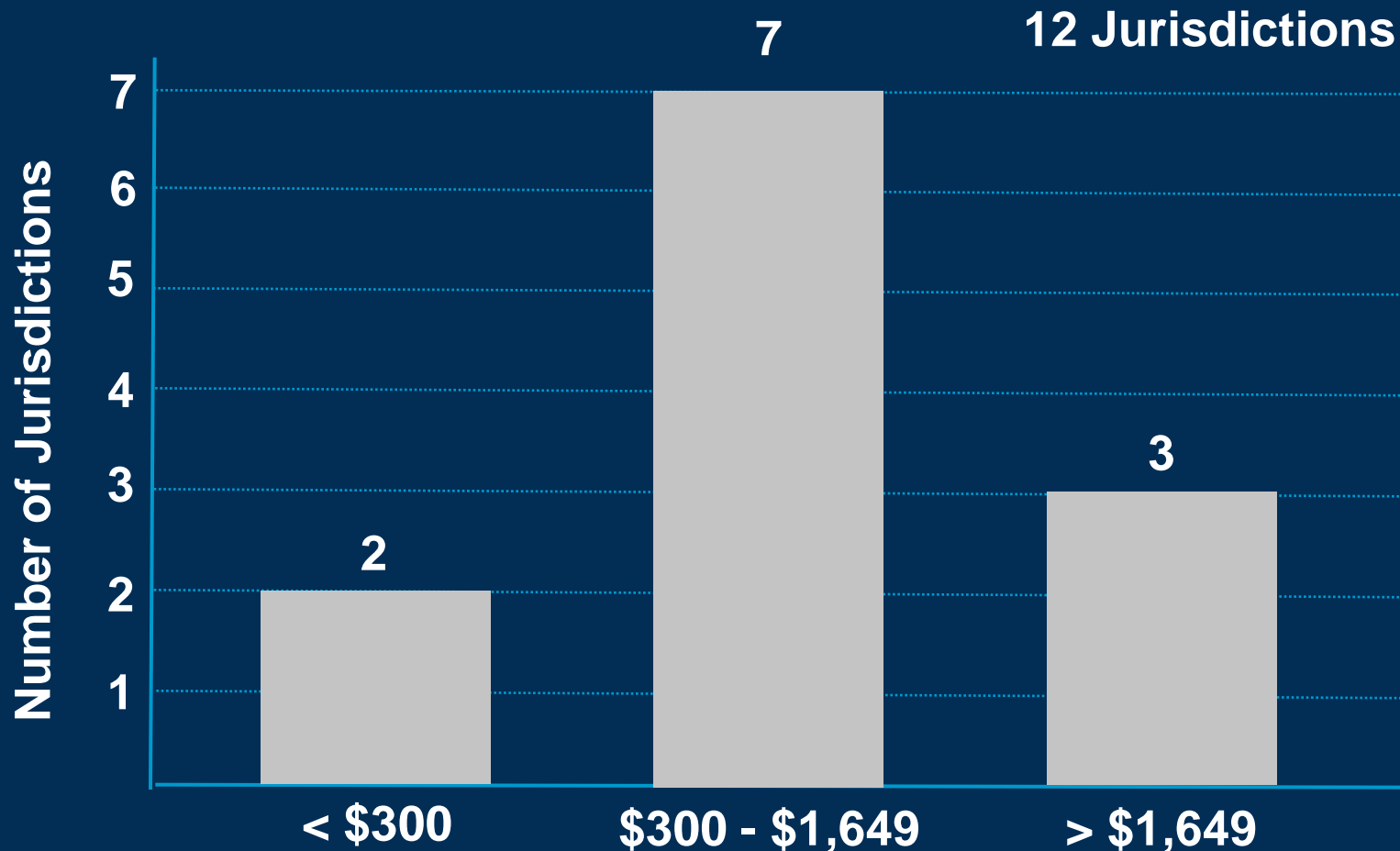


•Only includes roadway capacity, intersection, signal synchronization, on/off ramps, and grade separation projects.

•*VHD Benefits would be greater if calculation included park-and-ride, bike, pedestrian, and transit projects (40 Projects).

South Bay Cities Pilot Study

Nexus Analysis Findings: Unfunded Cost-per-Trip



Note: \$1,649 = Sub-region Legal Maximum Justified Cost per Trip.

Two jurisdictions that did not participate in preliminary study, and two jurisdictions that expect to participate once appropriate projects are identified, are not included in chart.

Technical Analysis and Discussion Purposes Only

South Bay Cities COG Pilot Study

Cost-per-Trip Minimum

| Land Use Type | Trip Generation Rate | Pilot Study Minimum \$300 Cost per Trip |
|---------------------|-----------------------------|--|
| Single Family | 9.38 Per Dwelling Unit | \$2,814 Per Dwelling Unit |
| Multi-Family | 5.75 | \$1,725 |
| Retail | 14.58 | \$4.37 |
| Office | 11.32 Per 1,000 Square Foot | \$3.40 Per Square Foot |
| Industrial | 7.16 | \$2.15 |
| High Cube Warehouse | 1.48 | \$0.44 |
| Hotel/Motel | 12.32 | \$3.70 |

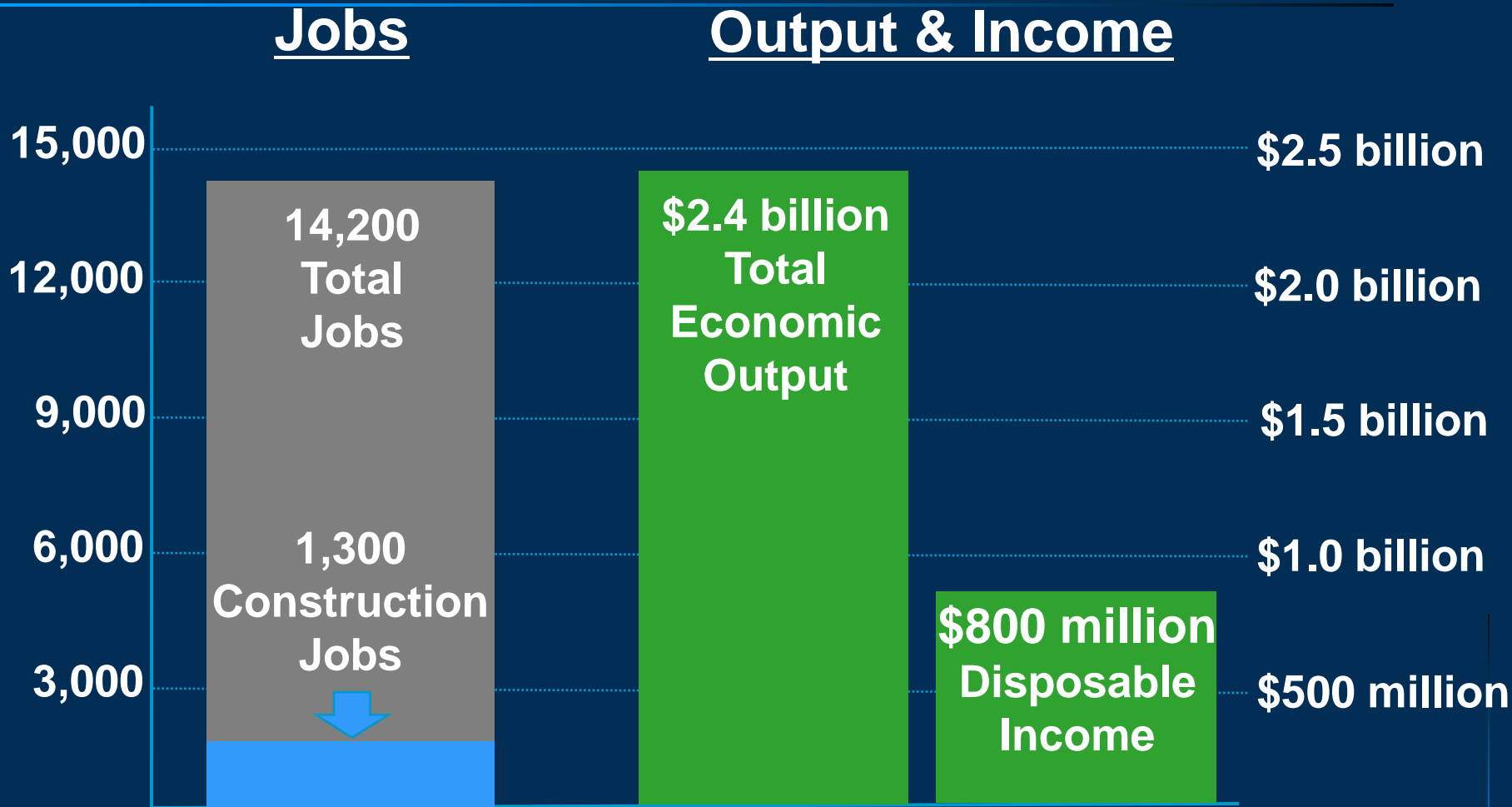
Development Impact – *Illustrative Examples*

| Prototype Project | Total Development Value | Congestion Mitigation Fee @ \$300 / trip | Fee Percent of Value |
|-----------------------------|--------------------------------|---|-----------------------------|
| Single Family Home | \$315,000 | \$2,814 | 0.9% |
| Apartment (per unit) | \$156,000 | \$1,725 | 1.1% |
| Small Retail Center | \$3,000,000 | \$44,000 | 1.5% |

Note: Development value based on median real estate listing prices for Los Angeles County, June 2012. Small retail center assumes 10,000 building sq. ft. store valued at \$300 / sq. ft.

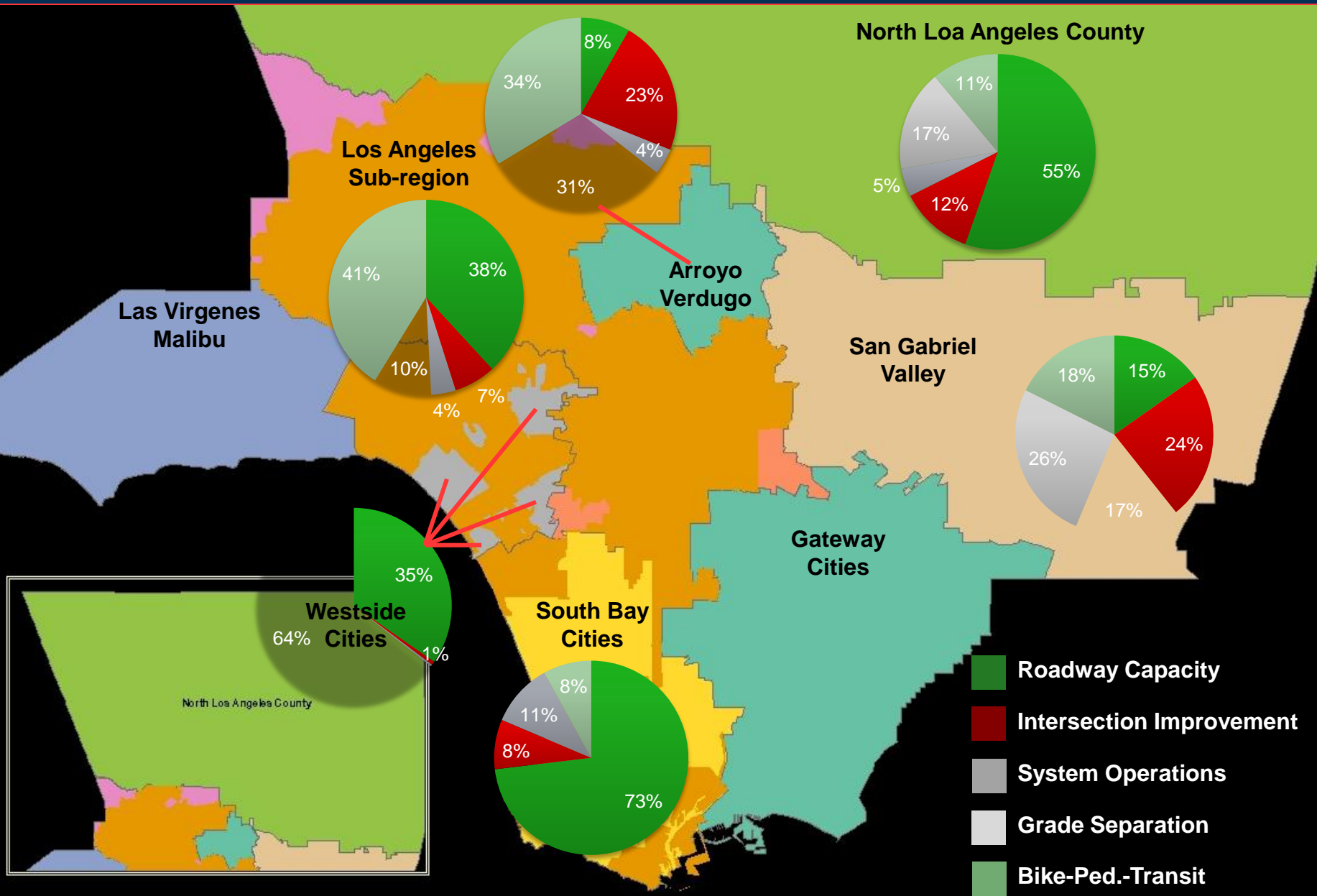
Sources: DataQuick; LoopNet.

South Bay Cities COG Pilot Study Economic Analysis



Impact In Year 20 Following Start of Pilot Study Program
(Output & Income Shown In Constant \$2005)

Sub-regional Project Category Summary



Preliminary Nexus Study Results Summary by Sub-region

| Sub-region | Cost per Trip Minimum Break Point |
|----------------------------|--|
| Arroyo Verdugo | \$400 |
| Gateway Cities | Pending |
| Las Virgenes Malibu | Pending |
| Los Angeles* | City Review |
| North L.A. County | City Review |
| San Gabriel Valley | \$200 |
| South Bay Cities | \$300 |
| Westside Cities | City Review |

*Los Angeles sub-region includes the City of San Fernando.

Next Steps

- Complete All Sub-regional Nexus Analyses Summer 2012
- Gather Comments on Pilot Studies Preliminary Results from Jurisdictions
- Conduct Sub-Regional Economic Benefit Analyses
- Brief COGs on Results of Nexus and Economic Benefit Analyses
- Report to MTA Board in Fall 2012

Thank You!

Q & A

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