



**SOUTH BAY CITIES**  
COUNCIL OF GOVERNMENTS

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April 28, 2023

Ms. Stephanie Wiggins  
Chief Executive Officer  
Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, California 90012

**SUBJECT: SBCCOG REQUEST FOR REALLOCATION OF SUBREGIONAL EQUITY PROGRAM FUNDS**

Dear Ms. Wiggins:

At the South Bay Cities Council of Governments (SBCCOG) Board of Directors meeting on April 27, action was taken to reprogram the SBCCOG's Subregional Equity Funds, previously allocated by the SBCCOG to Centinela Grade Separation Project, to the ITC project as a "backstop" reserve for construction. The amount of funding is \$101.3 million which is a combination of the following: 1) \$79.3 million (value of the funds in 2023); 2) \$22 million which was conditionally allocated to the CLAX cost-overrun and the conditions have not been met. These numbers were received from Metro staff.

We appreciate your ongoing efforts to support improvements to the South Bay's mobility network including your agency's efforts to support the Inglewood Transit Connector (ITC) Project. In addition to addressing a "first/last" mile gap, the 1.6-mile automated people mover is anticipated to reduce greenhouse gases through a reduction in millions of vehicle miles traveled and to create thousands of construction and permanent jobs and broader economic investment in a traditionally underserved community.

The ITC Project has made significant strides over the past year, having received compliance with the California Environmental Quality Act and securing more than \$765 million in local, State and federal funds. The funding that has been secured to date is anticipated to provide the non-federal match needed to secure a federal Capital Investment Grant, administered by the Federal Transit Administration (FTA) which, with the state and local funding committed, is anticipated to fully fund the Project. The City, with the support of the Metro Board of Directors and the ITC JPA Board, has been working closely with the FTA to secure this grant, and anticipates approval to enter into Engineering on the Project soon.

As you know, in cooperation with the JPA, the City has prequalified 3 developer teams who are anticipated to formally bid on the project, with a Design, Build, Finance, Operate and Maintain (DBFOM) contract to be awarded in Fall 2023. In order to advance the Project, the FTA, the JPA, the developer teams, and their financing partners, seek assurance that the ITC project has sufficient financial resources, including a "backstop" secondary reserve account if unforeseen circumstances arise that justify additional funding to

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complete the Project, beyond the approximately 25-30% contingency that is already allocated within the project budget.

Matro staff has confirmed that South Bay Sub-Regional Equity Funds are currently programmed by the South Bay Cities Council of Governments (SBCCOG) and Metro at \$316 million in 2043. Based on an early draw down, the total funding that the SBCCOG has available is \$101.3 million - \$79.3 million in current dollars plus \$22 million upon its return to the SBCCOG since it was prematurely removed from the SBCCOG account for an overrun on the Crenshaw project. (We will be working with Metro staff to have these funds restored to the SBCCOG account expeditiously.)

The objective in allocating these funds to the Centinela Project was to demonstrate the SBCCOG's support for addressing a specific traffic congestion challenge within the City. This solution predated the concept of the ITC Project. Now that the ITC Project is in full predevelopment, and the Centinela Project has progressed to a level of planning that allows us to understand the project benefits, costs and impacts, the ITC Project will be a more effective solution to address the core objectives for the Centinela Project by significantly reducing vehicle miles traveled and converting drivers that would be using the Centinela and Florence intersection to become transit riders. Furthermore, at an estimated cost of over \$300 million, the Centinela Project now far exceeds the amount of funds allocated, and an initial design of the shoo-fly component of the Project has exposed that it would significantly interfere with the construction of the ITC Project and adversely impact the feasibility of completing the ITC Project in time to provide passenger service to the 2028 Olympic and Paralympic Games.

Given that the ITC Project more effectively addresses the specific concerns expressed, the SBCCOG supports the City in suspending the Centinela Grade Separation Project to reprioritize the funds and we ask Metro to take the necessary actions to effectuate this change.

Thank you for your attention to this matter.

Sincerely,

John Cruikshank, SBCCOG Chair  
Mayor Pro Tem, Rancho Palos Verdes