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**REVISED
PLANNING AND PROGRAMMING COMMITTEE
May 16, 2012**

SUBJECT: DORAN STREET GRADE SEPARATION, SCRRRA FARE INCREASE AND REGIONAL RAIL UPDATE

ACTION: DORAN STREET GRADE SEPARATION RFQ/RFP APPROVAL AND SCRRRA FARE INCREASE

RECOMMENDATION

- A. Release the Request for Qualifications/Request for Proposals for the Doran Street Grade Separation Project;
- B. Recommend that the Southern California Regional Rail Authority (SCRRRA) pursue a fare increase up to of 9% for FY 2012-13;
- C. Receive and file the Regional Rail Update through April 2012.

ISSUE

The Regional Rail unit is responsible for providing overall coordination, management, and the programming of funds for LACMTA's commitment to the commuter, intercity and high speed rail networks serving Los Angeles County. In addition, this unit also manages and coordinates capital improvement projects along the LACMTA owned railroad right-of-way.

- Doran Street

At the May 26, 2011 LACMTA Board meeting a motion was passed to allocate \$6.6 million of Measure R funds to improve the safety at the Doran Street intersection with the railroad right-of-way. There have been discussions regarding this crossing over the past several years. In particular, there is disagreement between agencies as to how to address the safety concerns at this crossing. The disagreements have led to legal action by the California Public Utilities Commission (CPUC) regarding the necessary enhancements to be implemented at the crossing.

Since the passing of the motion staff has been working with the parties to develop an overall solution for the crossing. This includes the development of a grade separation at the crossing. As part of this effort, staff has been seeking the additional funding necessary for a grade separation from other sources, including

the Federal Railroad Administration, Caltrans and the California High Speed Rail Authority.

- **Metrolink Fare Increase**

SCRRA recently transmitted the Preliminary FY 12-13 SCRRA Budget to the member agencies. The budget assumes an LACMTA contribution of \$47.8 million for Operations and \$15.7 for Rehabilitation, for a total new LACMTA commitment of \$63.5 million. This is a significant increase in operations for FY 2012-13, \$7.7 million (19%) more than for the current year.

Although no fare increase is assumed in the budget, a fare increase would reduce the budget shortfall to the member agencies. In April the SCRRA Board passed a motion supporting a fare increase option of up to 9%, and to seek direction from each member agency regarding a possible fare increase. Staff will seek LACMTA Board approval in June 2012 for LACMTA's financial contribution to SCRRA for FY 12-13. The SCRRA Board is scheduled to adopt the final FY 12-13 SCRRA Budget in June 2012.

BACKGROUND

LACMTA is the largest member agency for SCRRA, the operator of the Metrolink commuter rail network. Metrolink carries approximately 44,000 riders per day throughout the Los Angeles basin.

LACMTA is also a member of the Los Angeles – San Diego – San Luis Obispo (LOSSAN) joint powers authority, which coordinates the passenger rail services of the three carriers (Amtrak, Metrolink, and COASTER) within this corridor. LOSSAN is working towards gaining local management of the Amtrak Pacific Surfliner service in this corridor.

LACMTA is also instrumental in the planning and coordination efforts within the County of Los Angeles for the future high speed rail alignment connecting northern California to southern California.

DISCUSSION

- **Doran Street**

The Doran Street crossing is located in the cities of Glendale and Los Angeles. The crossing is maintained and operated by Metrolink through their commuter rail service. LACMTA owns the right-of-way. In addition to Metrolink commuter rail service, the Amtrak Pacific Surfliner and the Union Pacific Railroad operate over this crossing. In the future this corridor will be part of the California High Speed Rail Project. The existing rail service over this crossing includes approximately 90 trains a day, both passenger and freight. This crossing is one of two that provides access to a large industrial area within the City of Los Angeles.

The crossing has been noted as one of the most unsafe in the Metrolink system. The CPUC has wanted to close this crossing for several years. This includes publicly stating that the crossing should be closed. However, there is significant local opposition to closing this crossing due to business access and emergency access. The concern is that there would be just a single access to this industrial area if this crossing is closed.

The CPUC has initiated hearings with an Administrative Law Judge to address the differences between the parties. LACMTA has not been a party to these actions but has been partnering with Metrolink, who has been representing the interests at this crossing due to their overall management responsibilities of the corridor. Staff played a role in a mediation action regarding this crossing in March of 2014 2012. The parties at that mediation have signed a confidentiality agreement regarding the discussions and decisions that happened at these proceedings.

As part of the conclusions, LACMTA will pursue a grade separation alternative for this crossing. In addition, LACMTA will seek the additional funding necessary to construct this grade separation. Interim enhancements will be made to the crossing while this is moving forward.

Staff plans to release a Request for Proposals/Request for Qualifications (RFP/RFQ) seeking an engineering consultant to develop the design of this grade separation. This will be a multiple phase project including; Project Study Report (PSR), Preliminary Engineering/Environmental (PE), and Plans Specifications and Estimates (PS&E). Each of these phases will require separate scope and fee negotiations. It is the intention of staff to use the same consultant through all phases of the development of the project, however, the phasing will allow a consultant change if necessary.

- Metrolink Fare Increase

SCRRA is anticipating a \$14 million (8%) increase in operating expenses for FY 12-13. No fare increase is assumed and the net impact to the member agencies is a 16% increase in operating subsidy. MTA's operating subsidy is anticipated to increase from \$40 million to \$48 million for FY 13.

SCRRA Budget	11-12 (millions)	12-13 (millions)	Change
Total Operating Costs	\$180	\$194	8%
Revenues (no fare increase)	\$ 99	\$100	1%
Total Member Agency Subsidy	\$ 81	\$ 94	16%
MTA Subsidy	\$ 40	\$ 48	20%

The increase in operating expenses is primarily due to the following:

Fuel	\$ 4.7
Amtrak	\$ 3.0
Bombardier	\$ 1.0
Transfer Payments	\$ 1.3
Post Employment Benefits	\$ 2.5

The following table shows the history of recent Metrolink fare increases.

FY	06	07	08	09	10	11	12	13
Increase	4.5%	5.5%	3.5%	5.5%	3.5%	6.0%	0.0%	unknown

A fare increase of 5% to 9% would generate an additional \$3 million to \$5 million in additional revenues to SCRRA, and reduce the required LACMTA subsidy by up to \$3.2 million for FY 12-13. Even with a 9% fare increase, LACMTA's subsidy for FY 12-13 would need to increase by an additional \$4.5 million.

	NO FARE INCREASE	5% FARE INCREASE	7% FARE INCREASE	9% FARE INCREASE
	MILLIONS			
MTA "Base" Subsidy for FY 12-13	\$ 47.8	\$ 47.8	\$ 47.8	\$ 47.8
Fare Increase Revenues	\$ 0.0	\$ 1.9	\$ 2.5	\$ 3.2
Subtotal	\$ 47.8	\$ 45.9	\$ 45.3	\$ 44.6
Subsidy for FY 12	\$ 40.1	\$ 40.1	\$ 40.1	\$ 40.1
MTA Increase for FY 13	\$ 7.7	\$ 5.8	\$ 5.2	\$ 4.5

DETERMINATION OF SAFETY IMPACT

The Doran Street project is a grade separation of railroad right-of-way. The construction of this grade separation will eliminate the possibility of collisions between vehicles and trains, thereby improving overall safety.

FINANCIAL IMPACT

- Doran Street

This action will use funds allocated by the LACMTA Board motion in May 2011 for the engineering work associated with the Doran Street grade separation. It is expected that future funding for this project will come from other grants or projects, including California High Speed Rail Proposition 1A funds. This funding source is currently being pursued. If additional funding is needed for construction, staff will bring a report back before the Board.

- Metrolink Fare Increase

LACMTA uses Proposition C 10% commuter rail funds to fund Metrolink operations, renovation, ROW security, and new capital plus call for projects transit centers, park-and-ride facilities, etc. LACMTA's required member agency contribution to SCRRA for FY 12-13 is significantly more than for FY 11-12. Even with a 9% fare increase it appears there are not sufficient funds from within Proposition C commuter rail 10% funds (Project 410064) to sustain Metrolink operations, renovation, right-of-way security and other needs into future years. The following table illustrates LACMTA's Proposition C 10% funding for Metrolink for the current year plus 0% and 9% fare increase scenarios for FY 12-13.

LACMTA FUNDING FOR METROLINK (millions)			
PC 10% Funding	FY 11-12	FY 12-13 (no fare increase)	FY 12013 (9% fare increase)
Operations	\$ 40.1	\$ 47.8	\$ 44.6
Renovation	\$ 8.0	\$ 15.7	\$ 15.7
ROW Security	\$ 2.2	\$ 2.3	\$ 2.3
TOTAL	\$ 50.3	\$ 65.8	\$ 62.6
New PC 10% Funds		\$ 62.0	\$ 62.0
Shortfall		(\$ 3.8)	(\$.6)

ALTERNATIVES CONSIDERED

- Doran Street

Several alternatives have been considered for the proposed enhancements at the Doran Street crossing. However, the safest alternative is to close the crossing or grade separate the crossing. Other overall enhancements will be done to the crossing on an interim basis until the grade crossing is completed.

- Metrolink Fare Increase

The board could recommend that SCRRA not increase fares of up for 9% FY 12-13; however, this would increase LACMTA's required subsidy by an additional \$3.2 million, in addition to the \$4.5 in additional LACMTA subsidy (\$7.8 million total increase). Additionally, if the SCRRA Board were to not raise fares, this would be two consecutive years of not raising fares. Metrolink fares have not been keeping pace with operating cost increases, and staff recommends fares be raised 9%, as a way to help offset the need for additional operating subsidy.

Another option would be to reduce lower productivity mid day, off peak and reverse commute service. Most of these lower productivity crews are tied to high ridership peak services. Because crews are guaranteed 8+ hour days, the savings by reducing lower productivity trips is minimal. Rather than degrade the frequency of service, staff advises that service levels stay as currently operated.

REGIONAL RAIL UPDATE

- Metrolink Commuter Rail

Ridership and Revenue Update

Metrolink ridership for July 2011 thru March 2012 is up 8% year-over-year and revenues are up 5%; however, revenues are down 3% (\$1.8 million) compared to budget. Staff is monitoring this trend.

METROLINK FY 2011-12 YEAR-TO-DATE THRU 3/31/12						
	RIDERSHIP (Millions)			REVENUES (Millions)		
	FY 11	FY 12	CHANGE	FY 11	FY 12	CHANGE
TOTAL	8.2	8.9	+ 8%	\$ 56.3	\$ 59.2	+ 5%

- LOSSAN Intercity Rail (Amtrak Pacific Surfliner)

LOSSAN Governance Issues

The LOSSAN agency CEOs continue to work on governance issues that will lead towards a strong local authority to better manage the state-supported intercity passenger rail service (Amtrak Pacific Surfliner). Local governance will provide for better coordination and integration of intercity, commuter and freight rail operations, and appropriate institutional and organizational structure for the future success of the LOSSAN corridor.

On February 23, 2012, SB 1225 (Padilla) was introduced into the State legislature. This bill establishes a governance framework for the LOSSAN corridor. The bill does not mandate that a local agency be formed, should agreement not be reached between the State and the local authority. The bill does require the State to determine that transferring control of the LOSSAN corridor would result in administrative savings. The term would be for five or more years, and the level of service funded by the State would be not less than the current number of intercity trips currently operated. The bill had its first hearing on April 24th, and will be refined as it goes through the committee process. If the bill is signed by the Governor this year, the new LOSSAN agency could be operational by 2014.

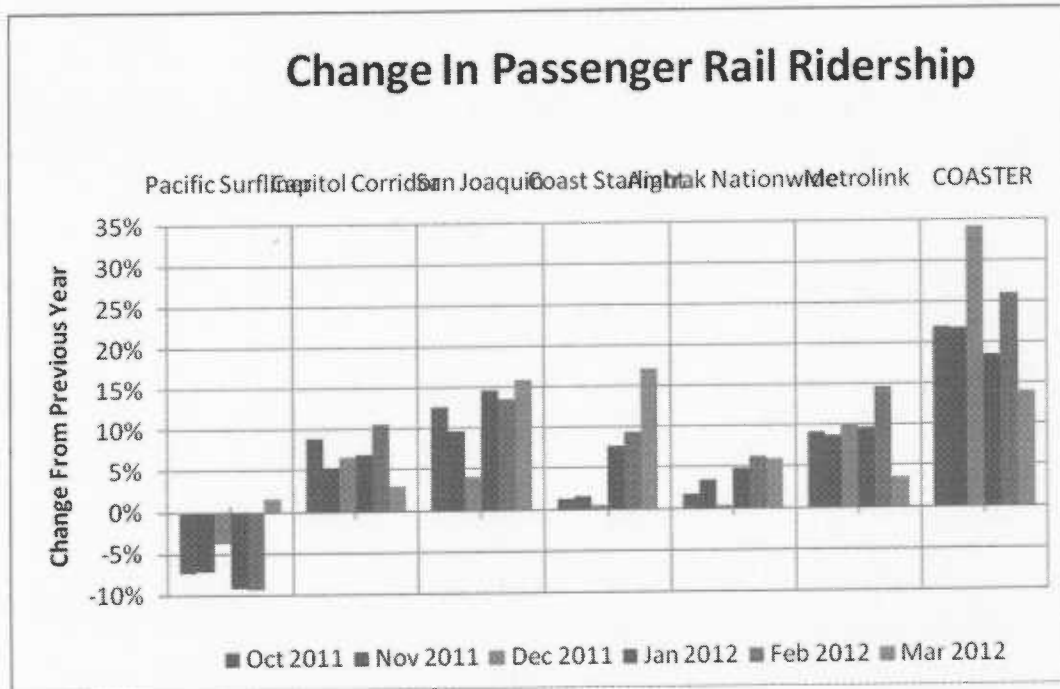
LACMTA’s representation on the LOSSAN Board attended a tour of the Capitol Corridor’s facilities. This successful service has been the model for LOSSAN governance.

- Amtrak Pacific Surfliner Operating Statistics

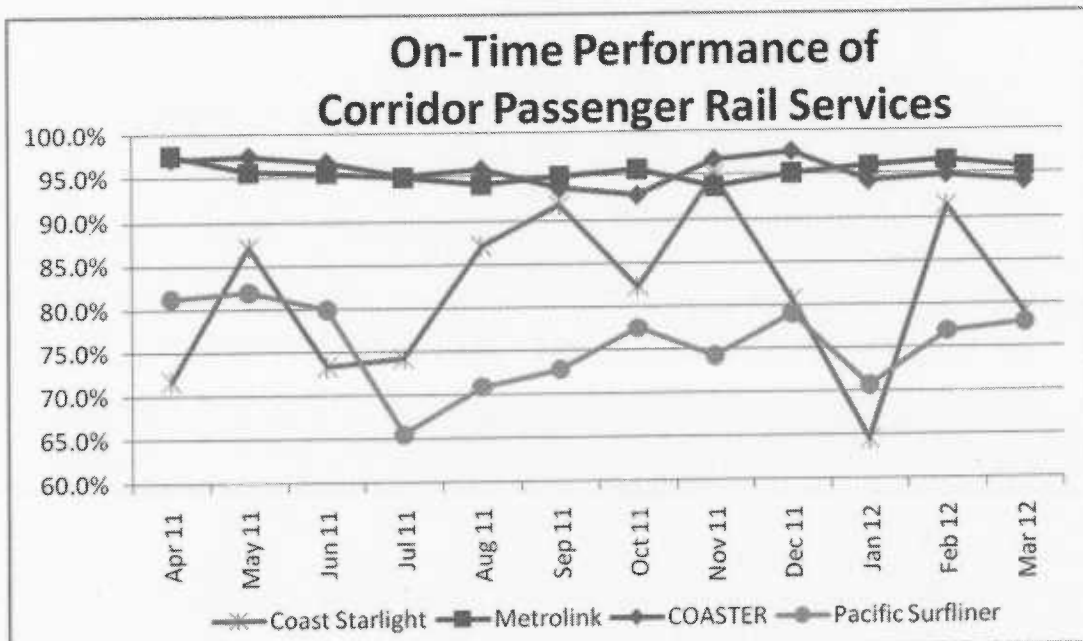
Ridership on the Pacific Surfliner is down 6% for the first six month of FY 11-12, compared to FY 10-11. This is attributable to a variety of factors, including poor on-time performance (OTP), weekend service disruptions, the elimination of seasonal

fare discounts and the elimination of one train. A task force is working closely with Amtrak staff to determine the root causes of the reduced ridership and OTP issues.

The following chart illustrates recent Pacific Surfliner ridership performance compared to other operators.



OTP on the Pacific Surfliner continues its downward trend. It has not been above 80% since May 2011. The other commuter services along the corridor are well over 90%. Much of the delays to the Pacific Surfliner are due to on-going trackwork and slow orders, which occur primarily on the weekends, thus impacting the Pacific Surfliner more than Metrolink and Coaster commuter services.



High Speed Rail (HSR)

Metro staff has been working closely with the California High Speed Rail Authority (CHSRA) on this program in Los Angeles County. Specifically, the following items are moving forward:

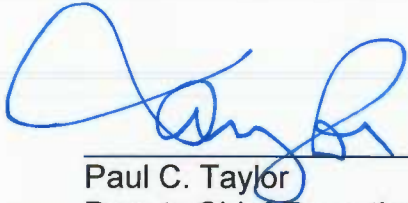
1. The Memorandum of Understanding (MOU) between the southern California agencies and the CHSRA was approved at their April board meeting.
2. The new 2012 Business Plan defines the initial operating segment to extend to the San Fernando Valley. Staff is working with CHSRA to continue to develop this staging.
3. Advance Investment: Aside from the work on the MOU, staff continues to work with the CHSRA to develop grade separation projects in Los Angeles County.

NEXT STEPS

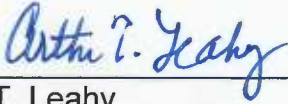
Staff will release a Request For Qualifications (RFQ) in June 2012 for the Doran Street Grade Separation Project. Staff intends to select a qualified team in late summer 2012.

Staff will also return to the Board in June 2012 with the Regional Rail Update and to adopt the Metrolink Annual Work Program and Budget for FY 12-13. SCRRA is scheduled to approve their FY 12-13 Budget in June 2012.

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