Tab 9

# Defining the Problem

**Problem**: Mobility in Los Angeles County is not working

**Thesis**: We need to do things very differently to reduce Single Occupancy Vehicle (SOV) use

**Proposed solutions**: Set a course, accelerate projects, and try new stuff

Metro

"We have to have stretch goals that area realistic"

Metro

# Role of Metro Strategic Plan

- Foundation that aligns all plans, programs, and services to achieve a common vision
- Establishes mission, vision, and goals to be adopted by other plans (e.g. Long Range Transportation Plan, NextGen Bus Study, etc.)
- Sets principles for making decisions and conducting business

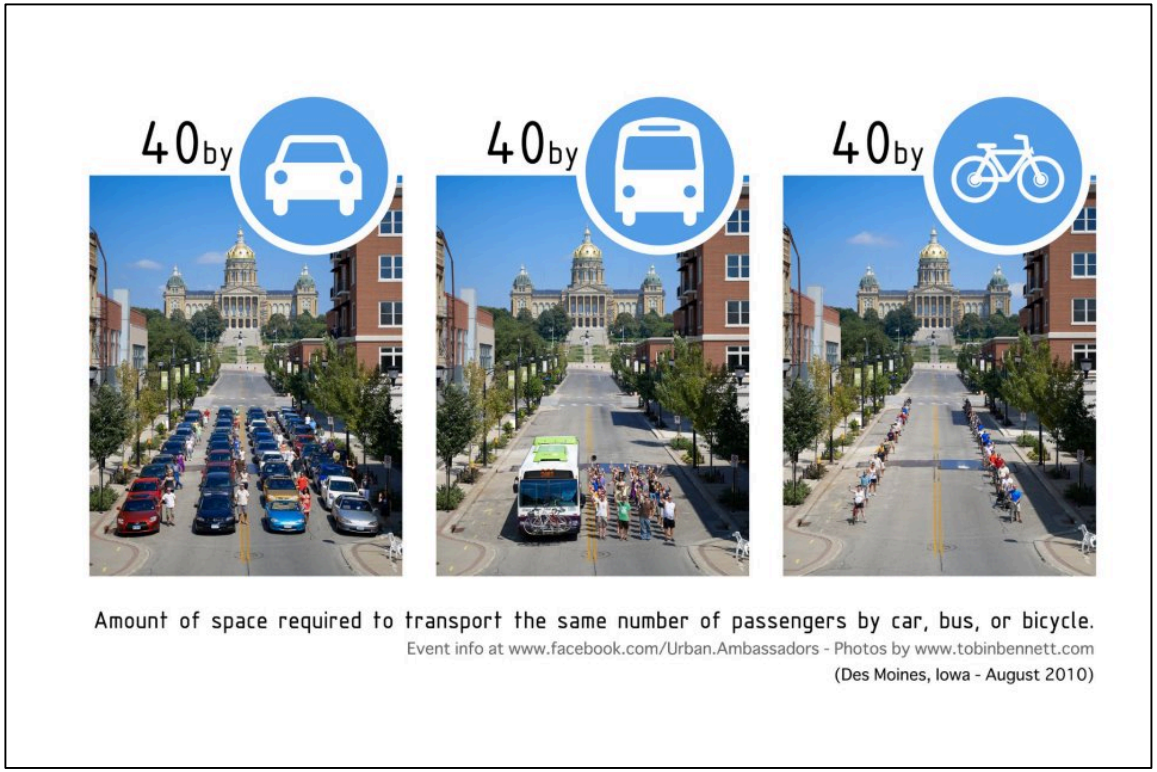

# STRATEGIC MOBILITY: SUPPLY

- Increase capacity for non-SOV modes
- Improve quality of existing transit system


Metro

# STRATEGIC MOBILITY: DEMAND

- Manage demand
  - Pricing beyond transit fares
  - Congestion pricing
  - Regulate TNCs




Amount of space required to transport the same number of passengers by car, bus, or bicycle.
Event info at www.facebook.com/Urban.Ambassadors - Photos by www.tobinbennett.com
(Des Moines, Iowa - August 2010)

Metro

"This is a really innovative idea but we can't do it. It's never been done before"

Metro

# MicroTransit Pilot

**Can Metro increase customer satisfaction & attract new riders?**

- A cross between a pooled ride and a shuttle bus
- Meets increasing expectation for convenience
- Expands FMLM solutions
- Flexible and seamless
  - Integrated with transit system
  - Serves non-linear travel

**On Demand | Dynamically Routed Data Driven | Corner to Corner**

Metro

"If we improve our service more people will use it and we can't afford that."

Metro

# Mobility on Demand

Partner with a transportation network company to provide better and more equitable access to 3 pilot transit stations



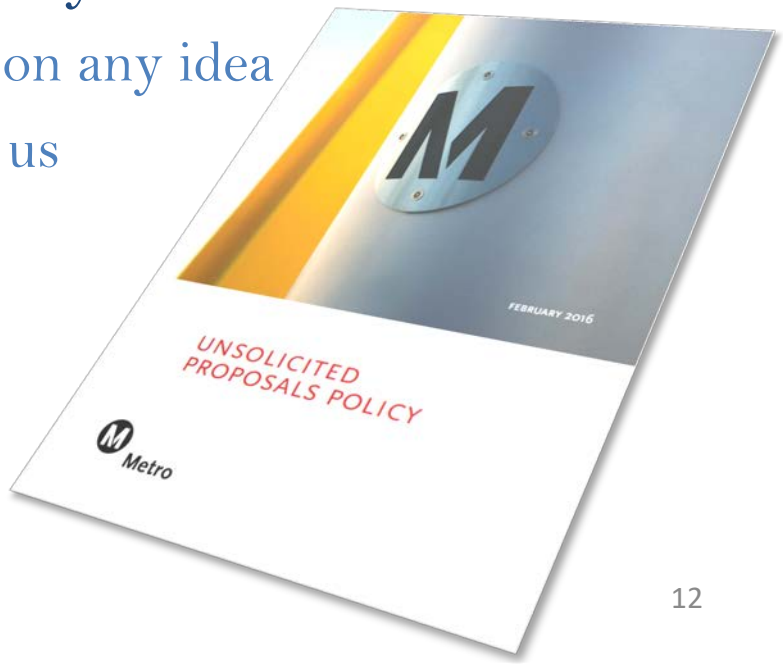
"We could have thought of  that on our own."

Metro

# Unsolicited Proposals: Background

**In February 2016, Metro opened its doors to the private sector, at an Industry Forum.**

- Pledged our commitment to pursing agency-wide innovation
- Focus on partnerships-based approach to drive value
- Debuted the Unsolicited Proposal Policy
  - Any company can submit a proposal on any idea
  - Encourages the private sector to tell us what we should do differently
  - Declares intention to implement ideas with financial/technical merit

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# Megaproject & Finance Proposals

## OEI has advanced 3 megaprojects based on unsolicited proposals

- West Santa Ana Branch Transit Corridor
  - Will be a competitive P3
- Sepulveda Pass Transit Corridor
  - Will be a Project Development Agreement (PDA)
- Strategic Managed Lanes Network
  - Toll bond underwriting pool

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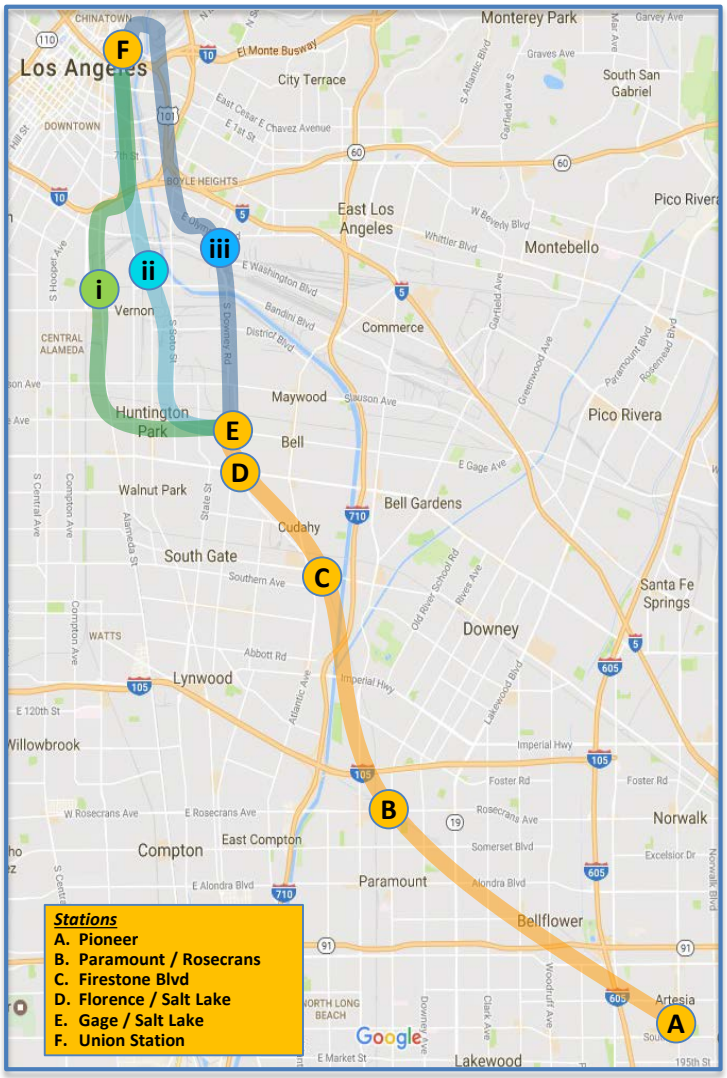
# West Santa Ana Branch Corridor




## Metro Planned Delivery

> Light rail transit split into two phases:
  - $3.7-$4.5 billion capital cost
  - Groundbreaking in 2022
  - Delivery in 2028 (Phase I) & 2041 (Phase II)

## Unsolicited Proposals

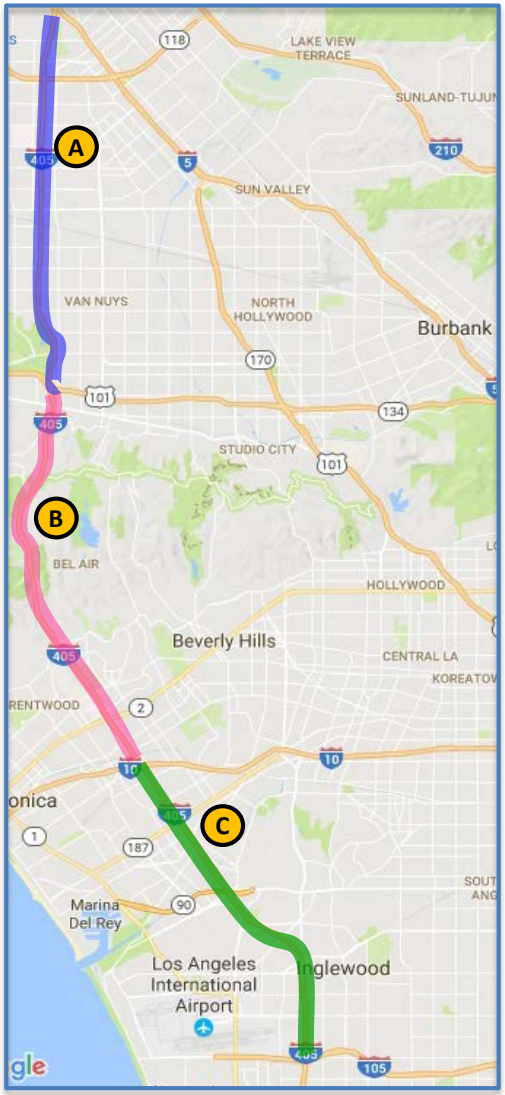
> Kiewit and Skanska proposed different models for P3 delivery, both of which combine phases and provide substantial acceleration

> Sufficient evidence from financial analysis to indicate P3 is preferred delivery method

> Still need to solve cash flow challenges due to early operations and debt financing

> A Project Development Agreement did not offer substantial benefits because cash flow is the key issue

# Sepulveda Pass Transit Corridor




## Metro Planned Delivery

> Managed lanes through Sepulveda pass with transit element
  - $9.8 billion capital cost
  - Groundbreaking in 2024
  - Delivery in 2026 (Managed Lanes), 2033 (transit element), & 2048 (transit to LAX)

## Unsolicited Proposals

> Parsons and Cintra each submitted proposals suggesting design and delivery innovations that could speed delivery and reduce cost of transit element significantly

> Managed Lanes component was removed from P3 consideration due to lack of value to Metro, but revenue will still be allocated to this project

> Includes a Project Development Agreement (PDA) through environmental process before proceeding to a P3

# Express Lanes System Financing

METRO EXPRESSLANES

## Metro Planned Delivery

> Tiered deployment of Express Lanes projects based on cap-ex needs on a single-project basis

## Unsolicited Proposal

> Goldman Sachs suggested using excess revenues from existing Express Lanes Projects to finance cap-ex of new projects through a system-wide security with a single revenue pledge
  - Avoids use of Measure M sales tax/bond revenue, freeing funds for other projects
  - Reduces need for short term borrowing at higher rates to fund initial project costs
  - Requires us to develop a toll bond underwriting pool, among other steps
  - Is not a traditional P3, but could support/accommodate P3s with statutory authority

Metro

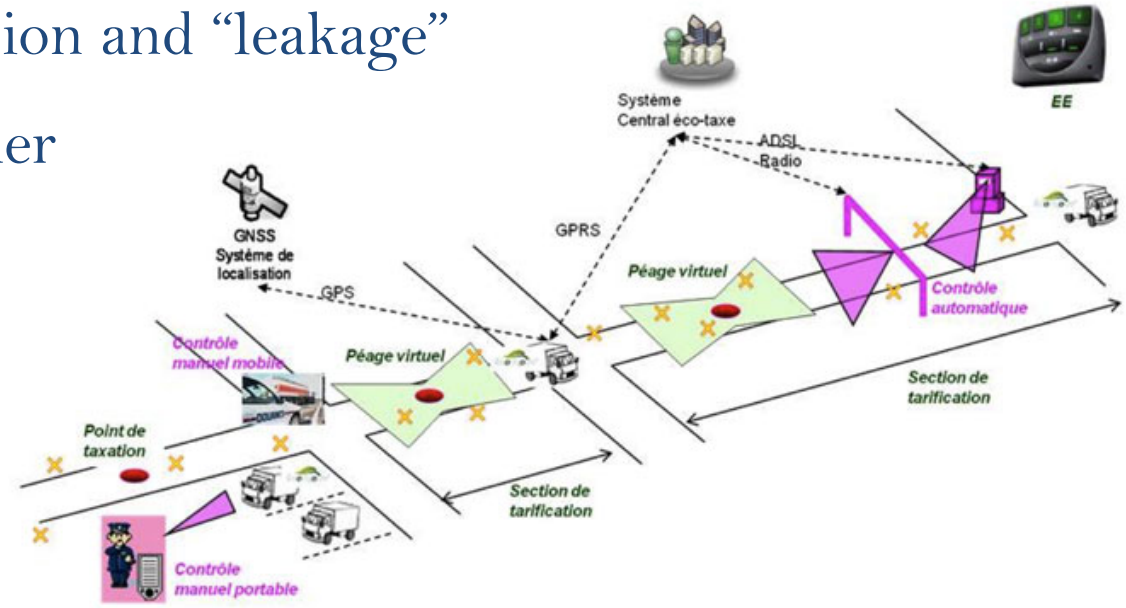
"We shouldn't give our customers more options – that will confuse them"

Metro

# Mobile Tolling Concept

**Can smartphones replace ExpressLanes infrastructure and improve system performance?**

- Reduce need for gantries and transponders
- Increase ExpressLanes user base
- Reduce toll evasion and "leakage"
- Improve customer experience and convenience
- Reduce costs

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# Real-Time Customer Information

**Could more accurate ETAs when riders need them most improve customer confidence?**

- Evidence that poor arrival info hurts rider retention
- Improved arrival prediction + better bus location data
- Prediction accuracy improves as bus nears
- **More certainty for customer, especially to avoid missed pick ups**


Metro

# Smart Bike Racks

**Could better bike access at stations allow more people to bike to Metro with fewer bikes on board trains?**

- Stronger locks and CCTV
- Shared-use, free to customer
- Accessible via walk-up or app
  - Potential TAP integration
- Complements other bike planning initiatives

Metro

"This is a waste of time and money. That's what Bob told me."

Metro

# Vehicle-to-Infrastructure Communication

**Can better information help Bus Operators catch more green lights on the Orange Line?**

- > Faster, smoother ride for customers
- > More service with fewer buses
- > Reduced fuel consumption
- > Software development planned for small scale pilot

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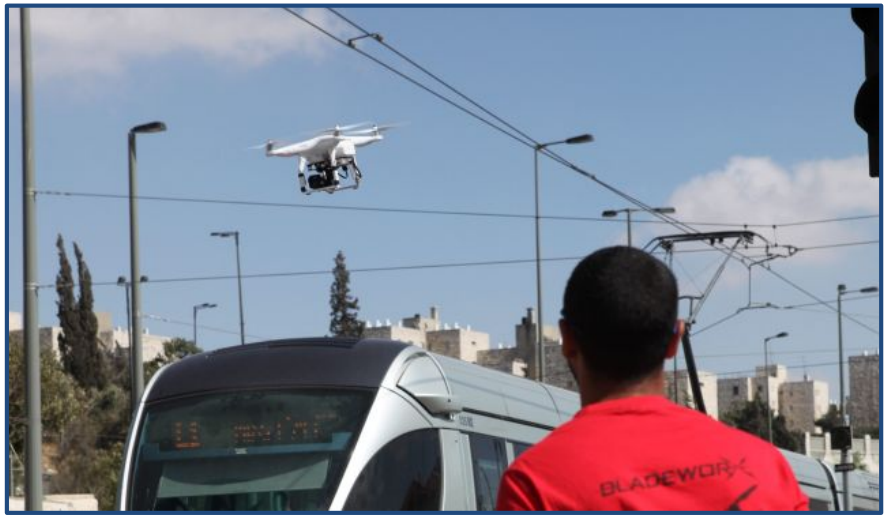
# Drone-Based System Inspection

**Can Metro utilize drones to inspect more for less?**

- Safer, more flexible operation
- Increased efficiency, cost effectiveness and data capture
- Broad range of additional use cases



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# Creating a Culture of Innovation

**The Office of Extraordinary Innovation brings Metro staff together to solve problems and drive innovative thinking…**

## Systems Thinking

Matrix-based structure promotes connections & systems over silos

## Market Exposure

Exposes Metro staff to a wide range of ideas, approaches, and products

## Critical Thinking

Novel concepts that don't fit with existing protocols demand critical thinking

## Solutions Focus

Shift from process-focused "Can we do this?" to solutions-focused "Would it add value?"

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