

Inglewood Transit Connector Project
Inglewood, California
New Starts Engineering
(Rating Assigned October 2023)

The information reflected in this profile was based on the information provided by the Inglewood Transit Connector Joint Powers Authority (JPA) with its Engineering request submitted to the Federal Transit Administration (FTA) in August 2023. The Engineering approval letter notified JPA that the maximum amount of Capital Investment Grants (CIG) funding FTA will provide to the project should a Full Funding Grant Agreement (FFGA) be awarded is \$1,009,430,999 (50 percent) rather than the amount requested and shown in the rating information below.

Summary Description	
Proposed Project:	Heavy Rail 1.6 Miles, 3 Stations
Total Capital Cost (\$YOE):	\$2,018.86 Million (Includes \$128.9 million in finance charges)
Section 5309 CIG Share (\$YOE):	\$1,210.98 Million (60.0%)
Annual Operating Cost (opening year 2030):	\$33.44 Million
Current Year Ridership Forecast (2023):	2,200 Daily Linked Trips 1,329,600 Annual Linked Trips
Horizon Year Ridership Forecast (2040):	4,300 Daily Linked Trips 2,111,400 Annual Linked Trips
Overall Project Rating:	Medium
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium

Project Description: The City of Inglewood (City) and the Los Angeles County Metropolitan Transportation Authority (LACMTA) have formed the Inglewood Transit Connector Joint Powers Authority (JPA) to implement a fully automated, elevated, fixed-guideway transit system to complete a critical first/last mile gap between the underserved Inglewood community and the countywide LACMTA Metro Rail system. The JPA is the entity that will own, manage, and oversee the design, construction, financing, operation, and maintenance of the project. The project includes the construction of the guideway, the stations, and the purchase of 24 vehicles. The service is planned to operate every six minutes from 5:00 AM to 12:00 AM, seven days a week. During events on weekday evenings and weekends, service is planned to operate every two to four minutes, as needed.

Project Purpose: Multiple large-event venues are located along the project corridor. These include the Forum (a multi-purpose indoor arena), SoFi Stadium, Hollywood Park redevelopment, and the Inglewood Basketball Entertainment Center including the Intuit Dome (an indoor arena). Metro Bus currently provides local services to the area, with limited service on weekends and evenings. The project is intended to provide quick, modern, and reliable transit service to and from new employment opportunities, residential areas, and entertainment centers in Inglewood.

Project Development History, Status and Next Steps: The project entered Project Development in July 2021. The City selected the locally preferred alternative in December 2021, and it was adopted into the fiscally constrained long-range transportation plan in January 2022. The JPA completed the environmental review process with receipt of a Finding of No Significant Impact from FTA in March 2023. A NEPA re-evaluation was conducted in August 2023. The JPA anticipates receipt of a Full Funding Grant Agreement in 2024 and opening for revenue service in early 2030.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 CIG	\$1,210.98	60.0%
USDOT Rebuilding American Infrastructure with Sustainability and Equity Grant	\$15.00	0.7%
Downtown Inglewood Revitalization Project Fiscal Year 2022 Federal Earmark USDOT Transit Infrastructure Grant	\$5.00	0.3%
Requested Fiscal Year 2024 Earmark in the Transportation, Housing and Urban Development and Related Agencies Bill	\$5.00	0.3%
Inglewood Transit Connector Project Fiscal Year 2022 Transit Infrastructure Grant from the US Department of Housing, and Urban Development	\$3.00	0.1%
State:		
Transit and Intercity Rail Capital Program (Cycles 4 and 6)	\$491.45	24.3%
California State Community Project Funding	\$9.00	0.5%
Local:		
LACMTA Measure R Sales Tax	\$118.08	5.8%
City of Inglewood Capital Fund Revenues for Signal Improvements	\$2.50	0.1%
Caltrans and City of Inglewood Fund Transfer Agreements	\$2.00	0.1%
Unspecified Sources:		
Federal, state, local, and/or other unspecified sources	\$156.85	7.8%
Total:	\$2,018.86	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

**California, Inglewood, Inglewood Transit Connector
(Rating Assigned October 2023)**

Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 CIG Share	N/A	<ul style="list-style-type: none"> The CIG share requested is 60.0 percent.
Summary Financial Plan Rating	Medium	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium-High	<ul style="list-style-type: none"> The Inglewood Transit Connector Joint Powers Authority (JPA) was formed in 2022 and is comprised of the City of Inglewood and the Los Angeles County Metropolitan Transportation Authority (LACMTA). The JPA does not currently operate transit service so there is no average fleet age. Likewise, the City of Inglewood does not operate bus transit service. The average age of the bus fleet for LACMTA is 7.2 years, which is in-line with the industry average. The City of Inglewood has not issued bonds in the past two years. The most recent bond ratings issued in August 2021 are as follows: Moody's Aa1. The City of Inglewood's current ratio of assets to liabilities as reported in its most recent audited financial statement is 4.07 (FY2022). LACMTA's current ratio of assets to liabilities as reported in its most recent audited financial statement is 4.54 (FY2022). There have been no service cutbacks or cash flow shortfalls in recent years for either the City or LACMTA.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	Medium	<ul style="list-style-type: none"> Approximately 79 percent of the non-CIG capital funds are committed or budgeted, and the rest are considered planned or unspecified. Sources of capital funds include: Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant; a Fiscal Year (FY) 2022 United States Department of Transportation (USDOT) Transit Infrastructure Grant earmark; a FY2022 Housing and Urban Development Community Development Fund earmark; a requested FY2024 Transportation, Housing and Urban Development and Related Agencies (THUD) Bill earmark; State Transit and Intercity Rail Capital Program (TIRCP) funds from Cycle 4 and Cycle 6; State Community Project Funding; a one-time funding transfer from the California State Transportation Agency general fund to the City; LACMTA Measure R sales taxes; City of Inglewood capital fund revenues for signal improvements; and funds from unspecified sources including possible additional Federal, state, and local funding. Approximately 7 percent of the funds needed to operate and maintain the transit system in the first full year of operations is considered committed or budgeted, and the rest is considered planned or unspecified. Sources of operating

		<p>funds include state Low Carbon Fuel Standard Tax Credits; signage, advertising and naming rights; farebox revenue; parking lot revenue; City of Inglewood funding from existing third party commitments which include local Transient Occupancy Tax, Infrastructure Impact Fees, allocations from Metro Local Return Revenue and existing City billboard revenues; and proposed private funding from third party agreements with neighboring sports and entertainment venues in the transit corridor.</p>
<p>Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)</p>	<p>Medium-Low</p>	<ul style="list-style-type: none"> • Assumed growth in capital funds is reasonable compared to recent historical experience. • The capital cost estimate is reasonable. • Assumed growth in the operating funding assumptions for farebox revenue, the Low Carbon Fuel Standard Tax Credits, the City of Inglewood funding from existing third-party commitments, the forecasted signage, advertising, and naming rights revenue are optimistic compared to recent historical experience. • Operating cost estimates are reasonable. • The City of Inglewood has identified access to \$210.2 million of funds via additional debt capacity, cash reserves, or other committed funds to cover unexpected cost increases or funding shortfalls equal to 10 percent of the estimated CIG capital cost and 21.5 percent of annual system wide operating expenses (3 months).

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<i>LAND USE RATING: Medium</i>
<p>The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county.</p> <ul style="list-style-type: none"> • Average population density within one-half mile of all station areas is 14,300 persons per square mile, corresponding to a MEDIUM-HIGH rating. An estimated 11,500 jobs would be served by the project, which corresponds to a LOW rating. Average daily parking fees in the central business district average \$12.63, which rates MEDIUM-HIGH. The ratio of station area to county LBAR housing is 2.41, corresponding to a MEDIUM-HIGH rating. • The development character is a combination of commercial recreational and residential. The area around the Market/Florence station is more densely developed and walkable. The area along Prairie Avenue consists of more sprawled and auto-centric development. A wide roadway separates the neighborhoods west of Prairie Avenue and the sporting venues to the east, with little street furniture or street trees.
<i>ECONOMIC DEVELOPMENT RATING: Medium-High</i>
Transit-Supportive Plans and Policies: Medium-High
<ul style="list-style-type: none"> • <i>Transit-Supportive Corridor Policies:</i> The City implemented transit-oriented development (TOD) plans for the station areas to promote transit-supportive development and has adopted plans that encourage multimodal and active transportation along the corridor. State Senate Bills 375 and 743 encourage development density and prioritize the reduction of greenhouse gases throughout communities in California. Regionally, the Southern California Council of Governments (SCAG) allows exemptions for high density development within 0.5 miles of a transit stop. • <i>Supportive Zoning Near Transit Stations:</i> Zoning near the transit stations varies significantly by station area. Allowed intensities are dense in the downtown Market/Florence station area due to the Downtown Inglewood and Fairview Heights TOD Plan which includes a TOD overlay zone. Permitted density along S. Prairie Avenue diminishes significantly and includes single-family homes and low-density businesses to the west, and event venues with large parking lots to the east. The Hollywood Park area near the Prairie/Hardy Station is currently planned to include mixed-use high-density zoning. • <i>Tools to Implement Land Use Policies:</i> The City utilizes zoning, design guidelines, traffic impact fees, and density bonuses to implement land use policies. State laws permit exemptions to environmental planning requirements for development near transit and set minimum density requirements.
Performance and Impacts of Policies: Medium
<ul style="list-style-type: none"> • <i>Performance of Land Use Policies:</i> Redevelopment along the corridor is occurring at the Market/Florence Station Area due to the success of the Downtown TOD Plan. New development is already occurring at the Hollywood Park Specific Plan area and exhibits the form and function highlighted in the plan. It is not clear how recent development was influenced by policies and incentives. Parking amounts, placement, and cost at large entertainment venues were not provided.

- *Potential Impact of Transit Investment on Regional Land Use:* The project area is developing, with approximately 13 percent of land area classified as underutilized, vacant, or surface parking. There is significant potential for development in the Hollywood Park area. Auto-centric uses along S. Prairie Avenue show enormous potential for impact from development.

Tools to Maintain or Increase Share of Affordable Housing: High

- The City of Inglewood has enacted a robust set of plans and policies to develop new affordable housing, simplify the process for creating Accessory Dwelling Units, and support homeownership for very low, low, moderate, and above moderate-income levels. The City received \$100 million from the developer of the Intuit Dome to support affordable housing. Recent affordable housing development has occurred.
- California laws and policies widely support affordable housing by assigning communities new affordable housing quotas to keep up with the region's housing need.

