Los Angeles County has the worst traffic congestion in the world. In November 2016, the LA County voters approved Measure M, an increase of 0.5 percent in sales tax, to improve transportation in Los Angeles. The Measure required a 66 percent approval and received a little over 70 percent—a resounding vote for the additional tax to solve the LA congestion problem.

Measure M will raise over $120 billion in the next 40 years. Los Angeles County Metropolitan Transportation Authority (LA Metro) is the agency responsible for all bus and transit in Los Angeles County, as well as the Metro express lanes.

Considerations

In September 2017, Los Angeles was awarded the 2028 Olympics. With millions from all over the world planning to descend on Los Angeles, LA Metro immediately went to work to determine how many of those 40-year projects could be completed in the next 10 years.

Additionally, in January 2016, it was determined that Los Angeles would once again have not one, but two professional football teams. City of Inglewood was
the designated location for the stadium. However, the proposed projects under Measure M were too far along at the time to bring a rail line directly to the stadium. The stadium is anticipated to hold 80,000 people and be completed in 2020—long before the nearest rail lines will be completed. In addition, there are plans for a new basketball arena and a new concert venue immediately adjacent to the football stadium. If all of them had an event at the same time, there could be hundreds of thousands of people streaming in and out of Inglewood with the nearest station being approximately two miles (and five years) away.

Finding Solutions

A funding shortfall of $26 billion to expedite the projects has prompted an intense search for sources of additional funding. LA Metro is very active in securing state and federal funding. However, it’s believed that more funds will be required. Metro has looked more actively than ever for P3 partners and is studying revising its existing toll road pricing.

Although congestion pricing was originally viewed as an option to bridge the funding gap, it is now being viewed as a potential way to finally solve the “car culture” in LA. In February 2019, Metro’s board authorized a study to look at congestion pricing. Congestion pricing can take multiple forms: a fee to drive into certain parts of the city/county, a corridor fee for specified highways (in many cases, making them toll roads instead of toll lanes) or it could be assessed on a miles-traveled basis with odometer readings reported and then owners paying a fee for being over a certain threshold. Congestion pricing has been implemented successfully in other cities around the world, but not yet in the United States.

An Extensive Program

Under Measure M, there are 13 new rail and bus rapid transit (BRT) segments being studied just within Los Angeles County. This program will be unlike anything LA has ever seen before, and it will be one of the most ambitious transit programs in the world. Los Angeles County has 88 cities and Measure M will impact each one of them. Each city and community has different needs and LA Metro will have to address those needs while balancing them with the timing and budget constraints of the projects. One of the projects, the West Santa Ana Branch line, goes through 11 different cities. In order to make this ambitious program happen, thousands of parcels will need to be acquired. All of those parcels are in highly urban and compacted areas, and the severance damages and loss of goodwill implications are significant. The properties run the range of mobile home parks, federal buildings, state buildings, school districts, long-term local businesses and long-term residences.

In Summary

A right of way program of this magnitude is challenging. Los Angeles currently has minimal underground transit, but there are several Measure M projects that include tunnels under residential and commercial areas. Although transit tunnels are common in other cities, defining the valuation approach for a tunnel easement in a city that doesn’t have tunnels requires consideration.

Some of the other right of way issues being discussed include the fact that purchasing so much land in Los Angeles could drive the real estate costs up artificially. Although project benefits can be offset against compensation, how do you define project benefits if there are multiple projects in the same area? Do we have sufficient replacement business and housing locations in the timeframe needed to accommodate those relocated by a project? Are there sufficient number of staff and consultants to perform the work? How do we ensure consistency, particularly in valuation, when utilizing multiple staff and consultants? Is our board prepared for the number of condemnations that may be necessary to accommodate the project schedules? Are the courts? These will all be questions discussed at our presentation.

Holly Rockwell is a Senior Executive Officer in the Los Angeles County Metropolitan Transportation Authority (LA Metro) Planning department. She oversees Real Estate, Transit Oriented Communities and Transportation Demand Management. For the 18 years prior to joining LA Metro, Holly was the president, owner and founder of a firm that provided right of way services to transportation agencies.

BJ Swanner manages the Right of Way Planning division at Epic Land Solutions, Inc. For 12 years, BJ has led this department dedicated to performing right of way impact assessments, relocation studies and cost estimates for infrastructure projects up and down the west coast. BJ has been the lead cost estimator on a significant number of LA Metro’s most complex transit projects.