

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Minutes of Regular Meeting of
the Board of Directors of the District

January 7, 1976

Upon notice duly given, the Directors of the Southern California Rapid Transit District met at a regular meeting in the District Board Room, 1060 South Broadway, Los Angeles, California, at 1:00 p.m. on January 7, 1976, at which time President Byron E. Cook called the meeting to order.

Directors present:

Byron E. Cook
George W. Brewster
Donald Gibbs
Adelina Gregory
Marvin L. Holen

Jay B. Price
Pete Schabarum
George Takei
Baxter Ward (entered at 1:07 p.m.)

Director absent:

Victor M. Carter

Staff present:

Jack R. Gilstrap, General Manager
George W. Heinle, Manager of Operations
Richard T. Powers, General Counsel
Richard Gallagher, Manager of Rapid Transit
Joe B. Scatchard, Controller-Treasurer-Auditor
Jack Stubbs, Asst. General Manager for Administration
George L. McDonald, Manager of Planning & Marketing
Robert Williams, Manager of Customer Relations
Richard K. Kissick, Secretary
John S. Wilkens, Manager of Employee Relations

Also present were members of the public and the news media.

Resolution
No. assigned

Committee of the Whole Report - Item No. 1

On recommendation of the Committee of the Whole and on motion of Directory Gregory, seconded and carried as noted below, Agenda Item No. 1 was approved and the following resolution was adopted:

Authorized an increase in funding of the amount reserved for Public Liability and Property Damage losses and allocated expenses in the amount of \$500,000, from \$5,760,000 to \$6,260,000, and an increase in funding for the Workers' Compensation program from \$1.1-million to \$2.1-million, during the balance of the fiscal year ending June 30, 1976.

Ayes: Brewster, Cook, Gibbs, Gregory,
Holen, Neusom, Price, Schabarum,
Takei

Noes: None

Absent: Carter, Ward

(Director Ward entered the meeting at 1:07 p.m.)

Report of the Rapid Transit Committee - Item Nos.
2 through 4

Director Neusom, Chairman of the Rapid Transit Committee, reported that the Committee had met on January 5 and recommended with respect to Agenda Item No. 2(b) that a decision on the Alternative Analysis Work Program on the Rapid Transit Starter Line be withheld at this time and that a final recommendation be presented after a consultation with the Los Angeles City Council Ad Hoc Committee on Rapid Transit, except that the staff is instructed

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

to continue with the previously authorized pre-preliminary engineering work on the southerly portion of the line. He further reported that Directors Price and Takei had met with the City Council Committee yesterday (January 6) and inquired if they had a report.

Director Price reported that the committee had passed a recommendation which was concurred in by the City Council this morning by a vote of 13-0, copies of which motion were distributed to the Board. The motion recommended that the Alternative Analysis Work Program be conducted on the full corridor of the Rapid Transit Starter Line. Also distributed was a copy of a letter dated January 6 from UMTA Administrator Robert E. Patricelli suggesting that the entire corridor be analyzed, and that the March deadline for submission of a capital grant application for the initial increment had been UMTA's understanding of when the District had expected to complete the studies.

Director Takei suggested compliance with the UMTA letter, and not only to begin the work on the southerly corridor but also comply with UMTA's request and do the whole corridor as well which would

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

allow the Los Angeles City Council to have full information and make their decision.

Director Gibbs felt the City just wanted to keep the matter open so they could still lobby running down Wilshire Blvd., that to drop this information on the Board and expect an immediate decision is unfair without the opportunity for further checking, that the consensus up to this point has been largely without the Los Angeles City Council, that he would like to have time to talk to the people in his area and that it was unfair to make a change like this and the District should proceed with the work on the southerly portion.

Mr. Takei felt we still need to get the full information to the Los Angeles City Council, and Mr. Gibbs felt we would have to start all over and destroy what we have so far.

Mr. Neusom felt that his original motion did not prevent the District doing what was necessary, restated it, which motion was seconded.

Director Schabarum inquired concerning the three contracts which had been let to do the work and was informed they had been forwarded to UMTA for approval to do the alternatives work on the entire corridor

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

but, as a result of subsequent Board action, we have started on the southerly corridor only, and, further, if we change back, we will lose about two weeks and also the staff has just learned the State's computer time allocation in Sacramento is causing problems which will lose us another two weeks, so we should anticipate a completion of the whole corridor on about April 30. On inquiry of Mr. Schabarum, Mr. Gallagher stated that the total cost of the studies for the three-month period for the entire corridor alternatives is approximately \$350,000.

The question was called for on Director Neusom's motion, carried as noted below, and the following resolution adopted:

R-76-2

RESOLVED, that a decision on the Alternatives Work Program for the Rapid Transit Starter Line be withheld at this time, and that a final recommendation be presented after consultation with the Los Angeles City Council Committee on Rapid Transit, except that the District staff is instructed to continue with the previously authorized pre-preliminary engineering work on the southerly portion of said Rapid Transit Starter Line.

Ayes: Brewster, Cook, Gibbs, Gregory,
Holen, Neusom, Price, Schabarum,
Takei, Ward

Noes: None

Absent: Carter

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

Following adoption of the above resolution, Director Gregory inquired if any action would be taken at tomorrow's meeting with the City Council Ad Hoc Committee and was advised that no action would be taken since it was a Committee of the Whole meeting, followed by a meeting of the Rapid Transit Committee.

Director Price reported that two members of the City Council committee had stated they would not attend and that a third one had expressed his disinterest.

Director Neusom reported with respect to Agenda Item No. 2(c) and that the Rapid Transit Committee recommended inclusion in our UMTA application the people mover system project proposed by the City of Long Beach and, since the City of Los Angeles Community Redevelopment Agency had not yet made a commitment of local matching funds, that they be advised that as soon as such commitment is received by the District, together with necessary information thereon, their proposed people mover system will be included as an amendment to the application, and so moved, which motion was seconded.

Director Ward requested an inclusion in the motion that funds to which the City of Los Angeles

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

CRA would be entitled to would be commensurate to their contribution so that they could not in any way exceed the match, since Washington may only give two to one, and that the people mover project would not detract from the funds available for the actual starter line from downtown to Long Beach, which amendment was accepted by Directors Neusom and Gibbs.

Director Neusom stated that the amendment could be a simple statement to the effect that "there could be no diminution of funds based on that proposed people mover system and that they would be based on whatever their contribution would be."

The question was called for on Director Neusom's motion, as amended, carried as noted below, and the following resolution adopted:

R-76-3

RESOLVED, that the General Manager is authorized to include in the letter pre-application to the Urban Mass Transportation Administration for a capital grant covering the preliminary engineering for the Rapid Transit Starter Line the people mover system project proposed by the City of Long Beach and, since the City of Los Angeles Community Redevelopment Agency has not yet made a commitment of local matching funds, that said agency be advised that as soon as such commitment is received by the District, together with necessary information thereon, their proposed people mover system will be included in an amendment to the application, with the understanding that by said inclusion there will be no diminution of funds available to the District for the Rapid Transit Starter Line project.

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

Ayes: Brewster, Cook, Gibbs, Gregory,
Holen, Neusom, Price, Schabarum,
Ward

Noes: Takei

Absent: Carter

Director Neusom moved approval of Agenda Item No. 3, authorization of the General Manager to file a letter pre-application to UMTA for a capital grant covering preliminary engineering for the Rapid Transit Starter Line, which motion was seconded.

General Manager Gilstrap reported that as a result of Directors Price and Takei's meeting yesterday with the City Council committee and the City Council resolution passed today, he wanted the Board to be aware that the City is concerned because the application speaks only to the southerly portion of the rapid transit corridor and they want the application to speak to the entire corridor, and that this was the crucial point of the discussion with Directors Price and Takei.

Director Price quoted from the City Council resolution to the effect that the City has not taken any position on any segment of the corridor as a priority of construction or any mode or commitment

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

of funding, that the City wants to await the findings of the total alternatives analysis before taking any final action. He also stated we can't tell Washington how the City feels, it is up to the City to do that.

Director Takei felt we are co-partners and the City is a key participant and we should not offend them and we are meeting with them tomorrow, to which President Cook inquired as to how do we get action out of the City, and further that the meeting tomorrow will be unattended by most of the members of the committee. Director Takei felt we could hold off until other meetings have been held, including pending ones between Mr. Cook, Councilman Ferraro, Mayor Bradley, and others.

Mr. Neusom stated his motion related to only a letter application at this time relating to the southerly portion; that it is necessary at this preliminary stage to have a letter application, and that an amendment could be considered if agreement is reached with the City. On inquiry, it was determined that RTAC has not taken a position on the application.

Mr. Takei felt that action today would further irritate the situation, and Mr. Ward replied that

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

the City Council has raised a serious problem, that the RTD Board is charged with the task of development of the program and the City appears unaware of the consequences of their action. He stated that there is word that the City of Chicago is readying an application for \$1.6 billion and, since there is only \$2 billion left, this would leave very little for Los Angeles. Further, that every week of delay results in a reduction of CalTrans' funds of \$2 million a week which match amounts to a \$10 million loss each week. He said we should prepare some alternate plans to show the City of Los Angeles how much they cost and how little they could end up with; also, that we might be able to work out some changes with the City of Long Beach; that there should be some conferences in the next 24 hours; that we should let the City know what the risks are and that we have to guard the money which is available. He agreed with Mr. Neusom's motion and felt the District should get going, that we are talking about a \$25 million contribution from the City, \$53 million from the County, plus Long Beach, and if the line were eliminated from Long Beach and South Central Los Angeles, how many votes

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

would be lost, and that all the equities should be weighed as quickly as possible; also, how can we apply for the full corridor which will cost \$2 billion or \$3 billion when we don't have the money for it?

Mr. Takei felt the City should be advised of all of these ramifications, and Mrs. Gregory inquired as to what kind of informaton the City has been receiving.

Mr. Gilstrap reported on the extensive number of meetings which had been held, including those with Secretary Burns, Mayor Bradley and others, the RTAC meetings, the CalTrans report, and that the costs are well known to the City, the County, the State and all participants. He stated he felt that the City Council did not want to decide until the alternative analysis is completed because there are advocates on the Council for so many different courses of action, including doing nothing, also light rail advocates, heavy rail advocates, etc., and they are also waiting to see what the benefits and costs of these alternatives are before they even make a preliminary application or commitment.

Mr. Cook stated at the last meeting with Mr. Patricelli, at which both Mayor Bradley and Councilman Ferraro were present, Mr. Patricelli had

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

made it very clear that the money reserved for rapid transit is being diminished by applications, but he didn't have any confidence in the City making a decision soon and that he felt we should proceed with the application now.

On inquiry of Director Schabarum, Mr. Gilstrap explained the difference between the letter application and a regular application; that the letter application puts us on record that we have commenced the alternative analysis, is due to be completed within 90-120 days, and we are working on the local commitment for the money needed to qualify for the federal funds; that we foresee a project of a fixed guideway system running from Long Beach to Union Station at estimated construction costs of about \$1 billion, with cars required in the neighborhood of \$100 million and anticipated operating costs of about \$30 million per year. Upon submission of the alternatives analysis in 90-120 days, we will have a completed application on which UMTA can make a decision, and UMTA has indicated that once they have received the completed package it will take them about 60 days to give us a decision. If approved by UMTA, the preliminary engineering funds would start coming to the District roughly in the summer.

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

On further inquiry of Mr. Schabarum, it was determined all the District is expending at this time is approximately \$350,000 for alternative analysis work necessary to complete the application which could result in receipt of approximately \$4.4 million for the preliminary engineering. Mr. Schabarum also inquired if we were signing capital grant 13(c) agreements in connection with the application and was told we were not.

Mr. Takei still felt it might be possible to obtain eight votes from the Los Angeles City Council in the next few days. Both Mr. Price and Mr. Cook felt the City had already taken a position which would not change at this time, and also that an amended application could be submitted if the City's position did change.

Mr. Gilstrap stated that in the application the whole thrust of the alternatives analysis is that at this point in time the Board feels the starter line should be a fixed guideway system from Union Station to Long Beach, and the alternative analysis will give us the detail and other alternatives and if, on the completion of that, UMTA and the local policy-maker bodies change their minds, that is part of the process, that it is understood by UMTA and should be understood by all concerned.

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

The question was called for on Director Neusom's motion, carried as noted below, and the following resolution adopted:

R-76-4

RESOLVED, that the General Manager be and he hereby is authorized to execute and file with the U.S. Department of Transportation, Urban Mass Transportation Administration, a letter pre-application for a capital grant to cover the cost of preliminary engineering on a rapid transit starter line segment from Los Angeles Central Business District to Long Beach, and that copies of said application be transmitted to potential local funding agencies for their information:

RESOLVED FURTHER, that the General Manager is authorized to execute and file all other documents necessary for the completion of said application; form of all documents subject to approval of the General Counsel.

Ayes: Cook, Gibbs, Gregory, Holen,
Neusom, Price, Schabarum,
Takei, Ward

Noes: Brewster

Absent: Carter

Director Neusom next reported that the Rapid Transit Committee had considered Agenda Item No. 4 and recommended the sending of letters to the funding agencies relative to the Rapid Transit Starter Line schedule and the provision of funding for transit vehicles and operating costs, with letters to include potential sources of funding including a general sales tax, moved approval of the recommendation, which motion was seconded.

Mr. Price suggested including in the letter sent to Los Angeles language indicating the urgency of the action, which action does not prejudice their desires and should prevent some misunderstandings.

A draft letter was distributed which included the possible sources of funds as requested by the Rapid Transit Committee and, upon inquiry from Mr. Neusom, Mr. Gilstrap stated Mr. Price's suggested amendment to the motion could be handled by inclusion of a sentence at the end of the first paragraph following "A copy of the application is attached for your information" to the effect that "It should be understood that this is a preliminary decision on the alignment and mode and that this may well change, without prejudice, as it is worked out with the City of Los Angeles on the conclusion of the alternatives analysis project."

Mr. Ward observed that the cost of the starter line appears to have increased from \$911 million, which was the figure discussed with Secretary Burns, to \$1.1 billion, with only a small portion of that being for vehicles. He stated that recently the staff had been requested to find means of reducing costs so they could come within the available funding, and if CalTrans and the City of Los Angeles come in that could give us between \$800 to \$820 million, particularly if Long Beach can pare down

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

something from its people mover proposal, and it is the District's obligation to send to UMTA a perfected application based on truth and reality. He acknowledged we have to have some means of getting the operating and car costs, but he couldn't vote for a letter which states \$911 million but could vote for one that says \$820 million, and acknowledge outright that we don't have the rolling stock and operating money.

On inquiry of Mr. Price, Mr. Gallagher stated that \$100 million could be saved by building the Willowbrook line. Mr. Gallagher also stated that in regard to Director Ward's request, the staff is adding for study three or four more alternatives to the list of alternatives we already had; that some will be within available funding, some will be higher level service and stretch the funding..... that at Mr. Ward's request he had taken the State's highest cost figure, but had added \$89 million because the State did not fully separate this alternative which was otherwise fully grade separated between the Coliseum and Gage Avenue. He repeated that we have half a dozen other alternatives, some of which will be down within the limits of the available funds, and that this request was for the other agencies to consider and what could be said are the maximum funding requirements.

Mr. Gilstrap stated that if we are to base the planning only on firm commitments it won't be realistic, since we have commitments only from the County and Long Beach, which would mean we are talking about only \$400 to \$500 million.

Mr. Ward stated that CalTrans' contribution is now down to \$60 to \$65 million, and knowing all the other ceilings we will just have to work within those ceilings.

Mr. Ward made a substitute motion that the letter be rewritten to place a ceiling on the expenditures of the realistic estimate of revenues from the funding partners of \$820 million, and acknowledge that operating costs and purchase of vehicle expenditures will be in addition and will require separate funding, which motion was seconded.

Mr. Schabarum stated he was glad to hear the discussion today and it was to his knowledge the first time there had been identification of known dollars on some items that had not been discussed before, namely, the rolling stock and the annual subsidy, and getting down to what the entire package will cost. He said the figures would also help the Board of Supervisors in their budget discussions; that he was going to continue to push for more

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

equitable distribution of the transportation tax dollars around the County; that he would not support the continued diversion of Prop 5 money until the transportation dollars are more equitably distributed, and, with reference to the State's local share, he felt the Division of Highways will want to know which state highway road projects will you give up in exchange for diverting those dollars to public transportation, and that, like it or not, that's going to be a function of the SCAG group.

Mr. Gilstrap stated that if we are going to put that \$820 million ceiling, then we should not even bother in our alternatives analysis to study anything that's going to exceed that in cost, and inquired if everybody accepted that.

Mr. Cook felt that was correct, and Mr. Holen inquired if that left us with any kind of system that anybody's going to accept, to which Mr. Gilstrap replied he doubted it, and Mr. Gallagher stated it would mean we couldn't get a fully grade-separated line that entire distance, but we could have a fully grade-separated line a shorter distance or some at-grade mileage in connection with grade separated, a combination.

Mr. Brewster inquired as to why the letter couldn't address itself to a range of cost possibilities. Mr. Neusom replied that is what it's doing now, to which Mr. Brewster stated that was not the way Mr. Ward was interpreting it.

Mr. Ward explained his reasons for placing the \$820 million ceiling, and further stated the staff should furnish a report of an analysis on how money can be saved by building in so many years. He stated he could give the Board figures for grade separated construction, at-grade, elevated, or whatever, and we could do it in a reasonable time, but if it takes ten years to build above ground it will cost \$911 million.

Mr. Gallagher stated if the entire series of contracts were let for all the work at this time, this year or even next year, we could probably build the whole line for \$820 million. However, it takes time to get the line designed and the contracts let, but the sooner done there is no question we would save on inflation, including saving on the tunneling contracts, which cost more.

There was a short discussion on the various costs per mile of subway, at-grade and elevated.

Mr. Gallagher stated it was calculated that the Willowbrook alignment would cost about \$130 million less than either the Vermont or the Harbor Freeway alignments, and Mr. Ward asked him to give the Board a report at the next meeting, to which Mr. Gallagher replied that the costs were included in the State report and Mr. Gilstrap stated that everybody has copies of that report. Mr. Ward replied that we don't have it by segments and Mr. Gallagher stated the staff could pull it out and summarize it. He also stated that the \$60 million State limitation is a five-year calculation, and although it might be difficult to get it out of the State, there is no restriction on them going beyond the five-year limit, that the law permits it.

Mr. de la Cruz appeared before the Board and stated the staff had briefed Mr. Ward on the schedule and the program, and that there was probably a misunderstanding in the proposed letters, which is a transmittal of the application and, at Mr. Ward's request, on pages 3 and 4 and in the following funding sections, recognized the dollar amounts that would be available from the County, the State and

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

the City of Long Beach; further, that the letters only cite the high figures of \$911 million for the guideway construction, but in the letter pre-application we do recognize a short fall of dollars.

Director Holen inquired if it was true we didn't know at this point whether the system would be below ground, at ground or above ground, and that we do not know if it will be light bus or heavy bus such as the El Monte Busway, light rail, medium or heavy rail, and was told that was correct.

Mr. Holen also inquired if the variables make a substantial difference in the price tag, that at this point we don't know what the system will cost and also we don't know whether additional tax funds may be available at some time in the future for building a system in the Southern California area, to which he was told all of that was correct.

Mr. Ward stated the \$1.1 billion figure shown is the rail line, but that if it were going to be buses that figure is not shown, but that his principal point was the \$1.1 billion figure is in excess of what we have in hand. If UMTA comes back and says it should be all buses then that will be a problem to be faced at that time.

Resolution
No. assigned

Report of the Rapid Transit Committee (continued)

Upon further inquiry of Mr. Holen, Mr. Ward stated the \$820 million would not provide the total subway, but the partial subway is all we are considering now.

The question was called for on Mr. Neusom's original motion, Mr. Price's amendment and Mr. Ward's substitute motion, carried as noted below, and the following resolution adopted:

R-76-5

Resolution authorizing the General Manager to send letters to funding agencies relative to the Rapid Transit Starter Line schedule and the provision of funding for transit vehicles and operating costs, with the letters to include potential sources of funding including a general sales tax, with the understanding that agencies be advised this is a preliminary application and, without prejudice, subject to amendment, and with the further understanding that the cost of the southerly portion of the Rapid Transit Starter Line will be an estimated \$820 million, plus the cost of rolling stock and the subsidies required for annual operating costs.

Ayes: Cook, Gibbs, Gregory, Holen,
Neusom, Price, Schabarum,
Takei, Ward

Noes: Brewster

Absent: Carter

Resolution
No. assigned

Report of Surface Operations Committee - Agenda
Item Nos. 5 through 10

On motion of Director Price, Chairman of the Surface Operations Committee, seconded and carried as noted below, Agenda Item Nos. 5 through 10, except Item No. 9 which was removed from the Agenda, were approved as follows:

Ayes: Brewster, Cook, Gibbs, Gregory,
Holen, Neusom, Price, Schabarum,
Takei, Ward

Noes: None

Absent: Carter

R-76-6

Authorized the General Manager to execute a contract with Blake, Moffitt & Towne, 2600 S. Commerce, Commerce, California, the lowest responsible bidder under Bid No. 12-7523, covering the purchase of the District's bulk paper stock requirements for the balance of the fiscal year at an estimated cost of \$66,435; form of contract subject to approval of the General Counsel.

R-76-7

Authorized the General Manager to execute contracts with the following primary and secondary vendors under Request for Proposal No. 77531, covering the Marketing Department's printing requirements for the balance of the Fiscal Year 1976 at an estimated cost of \$50,000; form of contracts subject to approval of the General Counsel.

a. Primary Vendor:

Parker & Son, 6500 Flotilla,
Los Angeles

b. Secondary Vendors:

Stewart Litho, 1839 Blake St.,
Los Angeles
Continental Graphics, 101 S.
La Brea Ave., Los Angeles.

Resolution
No. assigned

Report of Surface Operations Committee (continued)

R-76-8

Approved rejection of bids submitted by Smart Supply Company and Advance Process Supply, and authorized the General Manager to execute contracts to the lowest responsible bidders under Bid No. 12-7516, as follows:

Western Supply Company, 2525 W. Washington Blvd., Los Angeles, covering the purchase of nine (9) miscellaneous items of silk screen equipment at a total cost of \$38,131.24; and

3-M Company, 3-M Center Building, 223-3N, St. Paul, Minn., covering the purchase of one (1) item of silk screen equipment at a total cost of \$17,490;

subject to concurrence of UMTA; form of contracts subject to approval of the General Counsel.

R-76-9

Approved Requisition No. 7300-305, together with authorization of the General Manager to execute an option with Teledyne Battery Products, 204 N. Lorraine, Pomona, covering the District's battery requirements for a one-year period commencing February 6, 1976, at an estimated cost of \$80,000; form of option subject to approval of the General Counsel.

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Agenda Item No. 9, a proposed lease agreement with ARA Transportation Group covering the lease of a portion of the District's Vernon Yard property, was removed from the Agenda.

R-76-10

Authorized the General Manager to execute a month-to-month lease agreement with Southern Pacific Transportation Company covering lease of a portion of the former Pomona Station parking area by the District for transit patron parking, at a total monthly rental of \$244; form of agreement subject to approval of the General Counsel.

(Director Holen departed at 2:18 p.m.)

