

April 23, 2020

Jacki Bacharach Executive Director South Bay Cities Council of Governments 2355 Crenshaw Blvd., # 125 Torrance, CA 90501

Dear Ms. Bacharach:

This letter supercedes the prior, related correspondence dated April 22, 2020.

With regard to funding cost increases on the Crenshaw/LAX Transit Project, I have discussed this matter with the Chair, Mayor Butts who is representing the City of Inglewood and the South Bay Cities Council of Governments (SBCCOG). I understand the SBCCOG is willing to support the use of local funds to pay its proportionate share of the \$90 million cost increase for the Crenshaw/LAX Transit Project.

The Project requires additional funding to address a \$90 million increase in the budget. Metro Board policy requires that staff evaluate the use of local funding sources to address a cost increase to a Measure R or M project prior to other countywide sources that could impact other subregions. Our analysis has found that there are Measure M Subregional Equity Program (SEP) funds and Measure R highway funds that might be potentially available from the South Bay and other applicable subregions.

Mayor Butts has conveyed to me that he and the SBCCOG will support the use of the subregional equity program for the South Bay's share of the \$90 million cost increase, so long as Metro staff commits to recommending the funding for the Centinela Grade Separation Project which serves the region. This plan has been agendized for the April 23<sup>rd</sup> SBCCOG Board meeting. I would like to request from the SBCCOG, in a letter, the approval to apply the South Bay's proportional percentage of subregional equity dollars that the SBCCOG has already earmarked for the Centinela Grade Separation Project. Metro staff will be presenting a progress update including their draft recommendation that the Centinela Grade Separation Project meets Metro's Grade Separation criteria and a proposed full funding strategy and project timeline at the May Metro Planning and Programming Committee meeting.

Because of the local funding support for the Crenshaw/LAX Transit Project and the Centinela Grade Separation Project from Mayor Butts and the SBCCOG, I have committed to the Mayor my leadership in pursuing funding for the Centinela Grade Separation Project and will work with Metro staff, the city, and SBCCOG to identify available local, state, and federal funding sources that can fund the cost to complete these projects of regional significance at the time funds are needed for construction.

Sincerely,

Phillip A. Washington Chief Executive Officer