

# South Bay Cities Council of Governments

To: SBCCOG Board of Directors

From: Jacki Bacharach, Executive Director  
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Re: I-405 Auxiliary Lanes Project: Wilmington Ave to Main Street

## BACKGROUND

The SBCCOG Board adopted a policy in March 2020 that restricted the SBCCOG to funding the environmental and design phases of large freeway projects so that they are well-positioned to compete for outside funding (primarily state and federal grants) for the right-of-way and construction phases. The Board felt that the subregion could assist with the development of these large projects but should not bear sole financial responsibility for building improvements that benefit the entire county and beyond.

The I-405 Artesia Blvd to I-105 project, the first of two I-405 auxiliary lane projects, had been designed by Metro with funding provided by the SBCCOG through the Measure R South Bay Highway Program. Approximately \$17.4 million was programmed by the SBCCOG towards the project for design phase work. In the spring of 2025, the SBCCOG was informed that the estimated construction cost for the project would be approximately \$170 million. While Metro staff explored funding opportunities to fund the cost of construction, the SBCCOG was asked to assume fiscal responsibility for the project. In May 2025, the SBCCOG Board elected not to assume this role, citing concerns surrounding taking on liability for cost increases for which the SBCCOG would have no control and insufficient Measure R Highway and Measure M MSP program funds to cover said increases. When Metro staff stated that there was no other agency that would accept the fiscal responsibility for the project, SBCCOG told Metro to pause work on the project until a responsible agency could be identified.

The I-405 Wilmington Ave to Main St Improvements Project is the second of the two I-405 auxiliary lane projects in the South Bay. The project is intended to improve traffic time reliability and safety along the I-405 between Wilmington Ave and Main St in the City of Carson for all users in the corridor by improving freeway operations. A Project Initiation Document was approved in September 2020, and the Environmental Phase was initiated in October 2023. The project scoping period began in September 2024, where three public scoping meetings were held. On August 26, 2025, FHWA, EPA, and Caltrans HQ concurred that the project was not of air quality concern for particulate matter. A Draft Environmental Document (EIR) is expected to be published in Summer 2026. Similar to the I-405 Artesia project, Metro is looking to the SBCCOG to assume fiscal responsibility for the I-405 Wilmington project, meaning that the SBCCOG would be responsible for the cost of the project as estimated and all cost overruns.

## ANALYSIS

The Project Initiation Document prepared in September 2020 estimates construction capital costs of \$90 to \$120 million. To date, the SBCCOG has programmed \$10,400,000 to the I-405 Wilmington project under the Measure R South Bay Highway Program. Of this, \$4.8 million has

been reserved for the PA&ED phase (which includes the environmental phase). As of July 2025, Metro has expended \$3.1 million, or approximately 65% of the \$4.8 million contract amount, with a balance of \$1.7 million (35%) remaining.

If the SBCCOG continues to fund the project as-is, Metro staff will complete the EIR, which will allow Metro to produce refined project cost estimates for the design and construction phases.

Refined cost estimates are to include:

- Approximately 30% refined geometric design
- Environmental mitigation measures
- Right-of-Way (ROW) and utility relocation costs
- Contingency allowance

This cost estimate will guide the budget for final design and ultimately for construction.

The EIR will not have a set expiration date but may become outdated or require reevaluation if significant time has passed or if project conditions have changed. In practice, agencies often use a certified EIR for 3 to 5 years before changing conditions render the document outdated.

In addition, Metro staff will identify opportunities for outside grant funding. In contrast to the I-405 Artesia project, Metro has approached the I-405 Wilmington scope of work with a greater multimodal emphasis to leverage grant opportunities. Metro staff have expressed intent to explore funding sources such as the Trade Corridor Enhancement Program (TCEP), which may fund design, right-of-way acquisition, and construction phases.

Because the SBCCOG has also allocated Measure R funds towards the design phase of the project, the SBCCOG Board may consider establishing a mechanism to reevaluate the project upon completion of the EIR. This allows the Board to assess the most up-to-date design cost estimates and determine whether to fund shortfalls in design funding. Completion of the EIR would provide additional data points that may prove valuable for discussions with Caltrans regarding ongoing safety issues along the corridor and their responsibility to address them.

Alternatively, if the SBCCOG Board of Directors votes to notify Metro staff to pause all work on the I-405 Wilmington project immediately, any remaining funds will be de-obligated and returned to the Measure R South Bay Highway Program. All progression towards EIR completion will pause, and Metro staff will cease to pursue additional funding sources.

Although SBCCOG staff believes the project is a critical safety improvement project, staff cannot recommend the SBCCOG assume fiscal responsibility for the project for the same reasoning as the I-405 Artesia project. If the SBCCOG Board does not choose to become its responsible fiscal agency, it does not mean that the project may never come to fruition. SBCCOG staff remains supportive of the project and will continue to work with Metro and other stakeholders to find funding to complete the project in the future.

At its September 8<sup>th</sup> meeting, the Transportation Committee received an update by Metro staff on the project and discussed the issues and considerations previously noted. Upon discussion, the Transportation Committee voted to recommend the Board of Directors notify Metro that the SBCCOG will not become the responsible fiscal agency for any I-405 Auxiliary Lane project and to cease work on the project prior to the completion of the EIR and return any un-used funds currently programmed for the project to the program after closeout.

### RECOMMENDATION

The Transportation Committee recommends that the Board of Directors formally notify Metro that 1) the SBCCOG will not become the responsible fiscal agency for all I-405 Auxiliary Lane Projects and 2) cease work and close out current work on the project and de-obligate the remaining funds programmed to the I-405 Wilmington project and return them to the Measure R Highway Program for repurposing.

### ALTERNATE RECOMMENDATION

That the Board of Directors notify Metro staff to complete the EIR with the remaining \$1.7 million of Measure R Highway Program funds programmed to the PA&ED phase and return to the SBCCOG for direction prior to entering into the design phase; and instruct SBCCOG staff to continue working with Metro and Caltrans to identify a responsible fiscal agency with the understanding that the SBCCOG will not assume that role.

*Prepared by: Anne Tsai, Project Coordinator and David Leger, Program Manager*