



United Neighborhoods for Los Angeles

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UN4LA Board

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February 2, 2023

Controller Kenneth Mejia
Office of the Controller
200 N. Main Street, Suite 300
Los Angeles, CA 90012
Sent via e-mail: controller.mejia@lacity.org

Re: Sidewalk & Transit Amenities Program (STAP)
Request for Controller's Review of Costs, Funding and Revenues

Dear Mr. Mejia,

United Neighborhoods for Los Angeles (UN4LA) is a community group formed to foster better planning and better government within the City and County of Los Angeles. Our areas of focus are planning, governance and accountability, and the environment. Our goal is to serve the interests of those who reside in the Los Angeles area and to advocate for their health, well-being, and quality of life.

We're writing to you because we're troubled by the City Council's recent approval of the Sidewalk & Transit Amenities Program (STAP). While we are supportive of establishing 3,000 new bus shelters throughout the City, we have serious concerns about the program and would like you to review and analyze it with the intent of releasing your findings to the public.

In fact, we believe there is a pressing need to provide the public with clear and accurate

information about the program. We were surprised and shocked when, less than a month after the City Council approved the STAP, Tranzito-Vector released their STAP Rollout Schedule, which showed that the cost had risen from \$236,731,507 to \$380,471,227, an increase of 61 %. We're including the STAP Rollout Schedule as an attachment to this letter. You can see the capital expenditure cost estimates on page 15.

Here's a list of our concerns:

- Why is the City fronting all of the construction costs, which amount to \$236 million? Isn't this the responsibility of the contractor, Tranzito-Vector?
- How does the City intend to finance the \$236 million needed to fund the capital expenditure program over the next 3 to 5 years?
- How was the City's revenue share of 60.5% determined?
- The capital expenditure program was recently increased to \$380 million. At the same time, the City's revenue participation remained at 60.5%. Why has this not been reassessed? Again, how does the City propose to fund this obligation?
- We were told that the increase in the capital expenditure program was to repair the surrounding sidewalks. Will the City use money from the Willits settlement to pay for this sidewalk repair program?
- Are the revenue projections provided by Tranzito-Vector realistic? Projections prepared by Tranzito-Vector are substantially higher than those prepared by the Outfront Decaux, the former operator, especially during the first five years (74%).
- Is Tranzito-Vector anticipating revenue from the existing shelters installed by Outfront Decaux? If so, how does Tranzito-Vector intend to purchase the existing shelters? Or will that be the City's responsibility?
- Does Tranzito-Vector have the demonstrated financial resources to make the Minimum Annual Guarantee?
- What are the administrative expenses and staffing required to oversee this program?
- Many stakeholders have expressed concern that the digital advertising associated with this program will distract drivers and result in increased safety risks to Angelenos. Does the Controller's Office see the potential for increased traffic-related injuries and fatalities? This could also be exacerbated by the 93 digital billboards recently approved by Metro for their Transportation Communications Network.
- The vast majority of the bus shelters created for the program will be serving Metro busses. Why is the City accepting the financial responsibility for the installation of these shelters instead of Metro?

Thank you for your time. We hope that you will consider our request for an independent review and analysis of STAP by the Controller's Office since substantial amounts of

public money will be at risk. We see a need for increased transparency because the public has a right to detailed information on these expenditures and the true benefits that can be expected. Please feel free to contact us if you need any additional information.

Sincerely,
Casey Maddren, President
United Neighborhoods for Los Angeles

To assist you in accessing the STAP documents, we have listed the six council files related to STAP. The number of council files is excessive and makes it very difficult for Angelenos to understand this program. We note that there is no memo outlining the program in its entirety.

STAP Council Files

20-1536
STAP/Public Engagement/RFP

20-1536-S1
Tranzito-Vector/STAP/Outdoor Ads/Additional Staff

20-1536-S2
Tranzito-Vector/Shelter Installation/Advertising/STAP Contract

20-1536-S3
Sidewalk and Transit Amenities Program (STAP) / Reinvestment in Accessibility, Infrastructure and Streetscape Enhancements for Los Angeles (RAISE LA) Fund / Program Administration

20-1536-S4
Sidewalk and Transit Amenities Program (STAP) / City Toilet Program / Tranzito-Vector LLC / Status

21-0451
STAP/Public Right of Way/Solar Power & Storage/Off-Load Peak Hour Energy Use/Distributed Energy Resource

Attachment: STAP Rollout Schedule

CC: Mayor, City Council, City Attorney, Neighborhood Councils