



January 17, 2024

Mr. Cory Zelmer
Deputy Executive Officer
One Gateway Plaza,
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Los Angeles, CA 90012
By Email and Overnight
Email: LAART@metro.net

Re: Preliminary Comments on the Final Environmental Impact Report
for the Los Angeles Aerial Rapid Transit Project, SCH No.
2020100007

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Dear Mr. Zelmer:

On behalf of The California Endowment, we submit the following preliminary comments on the Final Environmental Impact Report (“FEIR”) prepared for this unsolicited private Gondola Project (“Gondola Project” or “Project”) proposed by McCourt Global’s Aerial Rapid Transit Technologies LLC (“ARTT”) subsidiary. We find many of the FEIR Responses to Comments on critical matters such as project financing, eminent domain, and cultural, community and State Historic Park impacts to be vague, evasive, incomplete, and at worst, misleading. We identify some of these most egregious examples below and reserve the right to submit further comments as we review the FEIR in more detail.

I. Additional Time for Public Review Should be Provided.

Additional time must be provided for public review of the FEIR. Metro’s release of over 3,000 pages of responses and technical information coincided with the end of the calendar year winter holiday season and now the Lunar New Year. Accordingly, to provide a meaningful opportunity to review the FEIR, particularly for the Chinatown community which will be directly affected and includes many English learners, we respectfully request that the hearings for Metro’s consideration of this Project not begin until well after the Lunar New Year festivities of February 2024.¹ The failure to provide sufficient time for review of these documents is contrary to Metro’s public disclosure obligations under CEQA.

¹ The Lunar New Year is February 10, 2024. The Metro Board and the public deserve more time to consider the implications of a 3,000-page FEIR regarding an estimated \$500 million unsolicited private project with significant community impacts that could fail resulting in substantial tax liability for the public.

II. The Gondola Project's FEIR's Responses on Critical Issues are Vague, Inaccurate, and Misleading, Requiring Project Rejection.

The FEIR comment responses have left us with more questions than answers. Sadly, this confirms our fundamental fear that this Project will have an even greater negative impact on community than originally envisioned. The Project is flawed in at least 90 specific ways which we will describe in our more extensive comments. For purposes of this preliminary comment letter, however, we will highlight only the top half-dozen issues below, which we explain in more detail later in this letter. These include:

- A. No Financing Plan:** The FEIR Presents No Meaningful Information regarding Where \$500 million in Project Development and Operating Cost Will Come from Other Than Taxpayer-Funded Resources. (Topical Response L)
- B. Public Land/Private Land & Eminent Domain:** The Gondola's Path Requires use of Public and Private land and Airspace; FEIR does not Explicitly Reject Use of Condemnation Powers over Private Property (Topical Response N)
- C. Significant Community Impacts from the Gondola Project are Downplayed in the FEIR** (Topical Response E)
 - a. Impacts to Residents and Businesses in the Chinatown Community are Substantial.
 - b. Impacts on TCE's Center for Healthy Communities and Affordable Housing & Community Support Efforts will also be Substantial.
- D. Cultural Resource Impacts Will Be Significant.** Historic Landmarks such El Pueblo and Metro's own Historic areas are Threatened Contrary to statements in the FEIR.
- E. State Historic Park Impacts Will Be Significant, Park Land and Over 250 Trees Will be Lost** (Topical Response F).

Feasible and Environmentally Superior Alternatives are Disregarded.

An Electric Bus Option is Improperly Dismissed and Denied by Metro in the FEIR. (Topical Response H).

III. McCourt Global's Unsolicited Gondola Project Is a Bad Idea that Should be Rejected.

The Gondola Project is not a public transportation project but a privately-owned point to point “tourist attraction.” As a wholly owned private tourist attraction, it should not receive favored public treatment nor benefit from gifts of public land, airspace, or taxpayer resources. Below is a brief discussion of the issues raised above.

A. The FEIR Presents No Finance Plan and No Meaningful Information regarding Where \$500 Million in Project Development and Operating Cost Will Come from Other Than Taxpayer-Funded Resources. (Topical Response L)

The absence of clear project financing information in the FEIR raises serious concerns about the project's financial viability. Taxpayer funds are being relied upon without transparent disclosure of alternative funding strategies. This lack of clarity undermines public trust and exposes the project to potential financial instability.

The Project is now estimated to cost *as much as \$500 million*, up from the initial budget of \$125 million, an over 300% increase.

Last year, ARTT promised a financial plan to the Metro Board Executive Committee by September 30, 2022. No such plan was presented, and FEIR Section 4.0 provides slim evidence that financing will be available, or realistic.

ARTT provides no information about who will pay for operation and maintenance of the gondola system, including necessary mitigation measures. The sponsorships and farebox revenue suggested in the FEIR is inadequate. Farebox revenue will be low if Dodger fans ride for free. Sponsorship opportunities are likely to be limited to \$60 million or less based on similar projects. There is no precedent for expecting farebox and sponsorships to come anywhere close to covering hundreds of millions in gondola construction and operating costs. Additionally, using publicly financed bonds for a privately owned project will unnecessarily burden the taxpaying public.

B. Public Land/Private Land & Eminent Domain: The Gondola's Path Requires use of Public and Private land and Airspace and the FEIR does not Explicitly Reject Use of Condemnation Powers over Private Property. (Topical Response N)

The Gondola Project as presented will likely require the condemnation of private land and airspace. The FEIR's failure to clearly acknowledge that reality undercuts transparency. Eminent domain is an extreme legal tool that directly impacts communities, and the FEIR's failure to clarify the circumstances for its use denies residents the right to a full understanding of the potential consequences. ARTT and Metro must provide a forthright account of its intentions regarding land acquisition.

Public commenters inquired about the potential use of eminent domain. (FEIR, p. 6.0-533 to 534; 6.0-1897; 6.0-2250; 6.0-2436; 6.0-2938). The FEIR's

responses are evasive, claiming that “[h]ow the Project Sponsor acquires the aerial rights for the proposed Project is beyond the scope of the Draft EIR,” and claiming that eminent domain use is speculative. (FEIR, p. 6.0-2259.) However, the Project as designed would require acquisition not only of public land (city streets, roads, freeways, public parks, natural habitats) but of private property (homes and businesses) not within ARTT or Metro’s control. Metro claims that it has the power to use eminent domain to secure public rights of way, private land, and air easements (FEIR, p 6.0-534).

The failure of Metro and ARTT to explicitly reject the condemnation of private property for the Gondola Project leads us to believe that Metro will use eminent domain to secure rights for this unsolicited private project.

C. Significant Community Impacts from the Gondola Project are Downplayed in the FEIR. (Topical Response E)

The FEIR’s attempts to downplay the severe impacts on Chinatown homes and businesses and on public benefit organizations such as The California Endowment’s Center for Healthy Communities used daily by non-profits throughout the region. This lack of transparency undermines the very fabric of our community. Metro must confront these community impacts, not ignore them.

a. Impacts to Residents and Businesses in the Chinatown Community are Substantial.

The Project Description discloses a construction duration of 25 months (DEIR, p. 2-50). The estimated duration to complete construction of each of the Project components reveals that construction-related noise and vibration of each component will overlap – though it is not made clear which components coincide and for how long (DEIR, Appendix M, Table 2-1). The Appendix M states “Construction of more than one Project component would occur at the same time, with consideration of available materials, work crew availability, and coordination of roadway closures.” (DEIR, Appendix M, p. 16.)

Metro claims it conservatively analyzed onsite construction noise impacts when it assumed a 25-month construction schedule (over 2 years) with overlapping construction stages, plus baseline ambient noise conditions that were lower than average due to Covid-time measurements in 2020. (DEIR, Appendix M, pp. 31-32.) As raised above, the overlapping activities and the practical implications of such combined impacts to the nearby communities are not transparently presented in the FEIR. The continuous exposure to construction noise over such a lengthy period would obviously be quite significant. In fact, construction-related noise and vibration is the single impact area that cannot be mitigated to a level of insignificance. The Gondola Project would severely degrade the quality of life of residents and impact the viability of businesses in the surrounding neighborhood.

b. Impacts on TCE's Center for Healthy Communities and Affordable Housing & Community Support Efforts will be Substantial and Detrimental.

The California Endowment's Center for Healthy Communities Conference Center is an anchor pillar for the region's nonprofit community, annually hosting thousands of conference attendees to work on the wellness gaps in our community. Every year TCE welcomes hundreds of thousands of community stakeholders hosting over 500 grantee, 700 governmental and 800 non-profit conferences annually.

For the last several years the Endowment has engaged in deep listening with members of the local community, and worked to create a Village of Hope and Healing on The Endowment campus that would provide needed affordable housing and a range of community services, space, and amenities to support a thriving and connected community. As early as 2014, The Endowment has engaged the City in discussions regarding the incorporation of Alameda triangle park immediately adjacent to The Endowment into this larger vision for the TCE campus. Instead, a 195-foot Gondola tower adjacent to TCE is planned for this parklet.² Rather than providing a community-centered environment of hope and healing with much needed affordable housing and services for this community, Metro and ARTT propose a private, commercial tourist attraction for the benefit of a private company, McCourt Global.

The Endowment campus will also experience significant impacts related to parking and traffic congestion associated with gondola construction and operation. Depending on construction scheduling, the development of housing and services on the campus could be delayed due to the required construction and staging street closures, as well as the drilling and driving of the support piles necessary for the Alameda Tower location. Further, underground utilities would need to be re-routed, which requires further excavation along Alameda Street.

D. Cultural Resource Impacts Will Be Significant. Historic Landmarks such as El Pueblo and Metro's Own Historic areas are Threatened Contrary to Statements in the FEIR.

The FEIR's misleading representation of cultural resource impacts irresponsibly attempts to downplay the potential harm to our collective cultural heritage. Cultural resources are invaluable, and Metro's failure to adequately address the significance of their preservation raises serious doubts about the project's commitment to respecting our community's history.

The Project could hardly have been targeted for an area of Los Angeles with a greater concentration of sensitive cultural and historic resources. The FEIR identifies 13 historical resources within the area of the Project's impact. Two of the resources are districts that themselves have multiple historic or cultural resources.

² Draft EIR Los Angeles Aerial Rapid Transit Project, October 2022 – p. 2-26

Many are listed on the National Register of Historic Places, the California Register of Historic Places, or as California Historical Landmarks, designations that would require categorizing any harm to the resources as significant impacts.

The FEIR avoids finding significant impacts on such fragile cultural/historic resources as the El Grito Mural and the Old Winery by adopting into the Project Description various “Project Design Features (PDFs)” that it asserts would adequately protect these resources.

These cultural resource impacts are also environmental justice impacts because the resources that would be impacted are of special interest to communities in the area that have been historically displaced and marginalized.

E. State Historic Park Impacts Will Be Significant, Park Land and Over 250 Trees Will be Lost. (Topical Response F).

Downplaying the significant impacts on the State Historic Park in the FEIR is a further affront to the community’s cultural and historical heritage and its heroic and historic efforts to preserve open space in an urban environment for impacted communities. Metro’s failure to acknowledge the true extent of the project’s impact on this valuable site demonstrates a lack of commitment to preserving our shared history.

The Gondola Project would require the removal of over 250 trees in downtown Los Angeles, including 81 trees located within the Los Angeles Historic State Park grounds for the construction and aerial clearance required for the Gondola’s operation. (FEIR Appendix K, pp. 11-12 of PDF.) Furthermore, up to 1.87 acres of the 32-acre park (6%) would be restricted not only by the station, but by the overhead development and operational rights for the aerial infrastructure, including the cable ropeway, which would be suspended at just 26 feet over the park at its lowest spot.

The construction and operation of the Gondola will result in a loss of income associated with events as one of the park’s stage sites is below the Gondola’s aerial clearance area and would prohibit such activities. Further, disruption to park visitors will occur as Gondola passengers will likely use parking designed for park visitors. The community worked tirelessly for decades to establish the State Historic Park, yet the Gondola Project could destroy it in a matter of years.

F. Feasible and Environmentally Superior Alternatives are Improperly Disregarded. An Electric Bus Option is Summarily Dismissed by Metro in the FEIR. (Topical Response H)

The FEIR’s dismissal of environmentally superior alternatives is a glaring failure in the evaluation process. Metro’s refusal to seriously consider and transparently present alternatives raises questions about the integrity of the decision-making process. The community deserves a thorough exploration of all options, with evidence-backed justifications for the chosen approach.

The FEIR summarily dismisses the use of electric buses and a dedicated lane to bring Dodger Fans to the stadium like the wildly popular and free Dodger Express (FEIR, p. 6.0-91.) even though most major LA venues such as the Hollywood Bowl and the Ford and Greek Theaters use buses very effectively and the DEIR admitted that the Express Bus alternative is the Environmentally Superior Alternative (DEIR, pp. 4-76 to 77.).

The DEIR admitted that the Express Bus alternative would create no significant adverse effects and it also uses proven technology. The Los Angeles Times reported in October 2023 that Turner Engineering Company (“TENCO”), a transportation consulting and engineering company, has submitted a proposal to Metro which could facilitate setting up a system of transportation management similar to the way the Hollywood Bowl engages in mass transportation of audiences for events there. (<https://www.latimes.com/sports/dodgers/story/2023-10-05/dodgers-parking-mass-transportation-dodger-stadium-hollywood-bowl>.) The TENCO alternative posted on the Web underscores the feasibility of a bus-based alternative. (See <https://cityscale.turner-engineering.com/>).

Conclusion: McCourt Global and ARTT’s Unsolicited Privately-owned Gondola Project Burdens Community and Must be Rejected.

For the six (6) key reasons presented here and the additional eighty-four (84) reasons to be provided in our more extensive comment letter, the Gondola Project is a bad idea that the communities most directly burdened by the shifting of traffic from Dodger Stadium to Chinatown in the wake of this Gondola Project did not ask for and will not benefit from. Metro should reject the Gondola Project FEIR and engage the local community in identifying a true public transportation project that meets the needs of the community.

Sincerely,



Robert K. Ross, MD
President & CEO



Kurt Chilcott
Chair of the Board

Cc: Metro Board