

Metro Orange Line Extension

Project Description

The Metro Orange Line Extension project involves the extension of this dedicated transit line to Chatsworth. The Orange Line began operation in October of 2005 and travels between the Warner Center and the North Hollywood Metro Red Line subway station in the San Fernando Valley. Plans to extend the line to Chatsworth were approved in September of 2006. The project will involve the construction of four new stations; a new bikeway and pedestrian path that will run parallel to the dedicated Busway; a new park-and-ride lot at the Sherman Way Station; additional parking at the Chatsworth Station; and overcrossing of Lassen Street and the railroad tracks on an elevated bridge.

This is the first project to be undertaken with Measure R funding. Completion is scheduled for the summer of 2012.



Project Direct Spending

Construction of the Orange Line Extension will cost \$215.6 million, which will be funded by Measure R.

The LAEDC estimated the total economic impact in Los Angeles County and statewide of the Measure R spending for the project. The results are shown on the reverse.

Total Economic Impact of Measure R Spending

Initial Spending

\$ 215.6 million

- We used initial spending estimates for the project as direct activity, and estimated the indirect and induced effects using multipliers from the Regional Input-Output Modeling System developed by the Bureau of Economic Analysis at the U.S. Department of Commerce.
- All dollar figures are quoted in 2009 dollars.

Total Output

L.A. County: \$ 461 million
California: \$ 541 million

- The total economic output includes direct, indirect and induced business revenues.
- **Direct revenues** are captured by construction, architecture and engineering firms hired by Metro.
- **Indirect revenues** stem from the purchases made by Metro and those generated by the spending of employees whose wages are sustained by both direct and indirect spending.

Total Employment

L.A. County: 3,000 FTEs
California: 4,220 FTEs

- **Direct employment** includes the Metro workers and other employees hired during the project.
- **Indirect workers** are those whose jobs are sustained by purchases for the project and household purchases funded by project-related wages.
- One FTE (full-time equivalent) job represents one year's worth of full-time work. FTEs measure the work, *not workers*. Thus, one FTE could be two people each working 20 hours a week for a year, or twelve people each working full-time for one month.

Total Earnings

L.A. County: \$ 125 million
California: \$ 176 million

- Total earnings may exceed the initial project spending because they include the earnings of direct *and* indirect workers.

Industry Sector Impacts

The economic impact spills across industries in Los Angeles County through the indirect and induced effects.

The complete list of impacts by industry sector due to the Measure R spending appears in the table below.

Impact of Orange Line Extension Measure R Spending in Los Angeles County by Industry Sector			
Industry	Output (\$ million)	Jobs (FTEs)	Earnings (\$ million)
Agriculture	\$ 1.0	9	\$ 0.2
Mining	1.5	2	0.2
Utilities	6.0	7	0.8
Construction	216.5	1,430	64.0
Manufacturing	53.2	165	8.1
Wholesale trade	16.2	68	4.2
Retail trade	23.7	280	6.9
Transportation and warehousing	10.1	61	2.7
Information	9.4	33	2.1
Finance and insurance	20.7	71	5.0
Real estate	28.5	60	1.8
Professional, scientific and technical services	24.5	175	9.8
Management of companies	6.0	28	2.3
Administrative and waste management	8.0	112	3.1
Education services	2.7	39	1.1
Health care and social assistance	14.4	145	6.2
Arts, entertainment and recreation	2.6	41	1.0
Accommodations and food services	7.5	160	2.7
Other services	8.9	84	2.5
Households	n/a	20	0.2
Total *	\$ 461	3,000	\$ 125

* May not sum due to rounding
Source: LAEDC