

**ATTACHMENT A**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE  
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY  
AND THE  
EXPOSITION METRO LINE CONSTRUCTION AUTHORITY  
FOR ITEMS THAT REMAIN AFTER THE DISSOLUTION OF THE AUTHORITY**

This Memorandum of Understanding ("MOU") dated and effective as of the \_\_\_ day of \_\_\_\_, 2018, is by and between the Los Angeles County Metropolitan Transportation Authority ("Metro") and the Exposition Metro Line Construction Authority ("Authority"), and constitutes the agreements between the parties related to items that may remain after Authority dissolves pursuant to California Public Utilities Code Section 132650.

**RECITALS**

WHEREAS, Metro is a public entity existing pursuant to P.U.C. section 130050.2, et seq. for, among other purposes, the planning, design, construction and operation of a multi-modal transit system including rail and bus facilities in Los Angeles County; and

WHEREAS, Authority is a public entity existing pursuant to P.U.C. Sections 132600, et seq., for the exclusive purpose of awarding and overseeing all design and construction contracts for completion of the Exposition Metro Line Light Rail Project ("Project") and has all of the powers necessary for planning, acquiring, leasing, developing, jointly developing, owning, controlling, using, jointly using, disposing of, designing, procuring, and building the project as defined under PUC Sections 132600(e) and 132610; and

WHEREAS, the Project has been divided into two phases with Phase I extending from downtown Los Angeles to Culver City, and Phase II continuing to Santa Monica; and

WHEREAS, Metro and Authority entered into that certain Memorandum of Understanding for Phase 1 of the Project ("Phase 1 MOU"), as amended and restated pursuant to that certain Amended and Restated MOU dated as of March 18, 2011 between the parties ("Amended and Restated Phase 1 MOU"). The Amended and Restated Phase 1 MOU provided funding and set forth the parties roles and responsibilities with respect to design and construction activities for Phase 1; and

WHEREAS, the Phase 1 Project consisted of approximately 9.6 miles of dual track configuration track alignment extending from Downtown Los Angeles to Culver City which included eight stations and a parking structure; and

WHEREAS, the Phase 1 Project is complete, and turn back of the Phase 1 Project and demonstration of system performance have been achieved; and

WHEREAS, Metro and Authority entered into a Master Cooperative Agreement for the Exposition Light Rail Transit Project Phase 2, dated for reference as of January 28, 2014 ("Phase 2 MCA") and that certain Funding Agreement ("Funding Agreement") which provided for the funding for Phase 2 of the Project; and

WHEREAS, the Phase 2 Project consisted of (i) an alignment project consisting of a light rail project of approximately 6.6 miles of double light rail main track from Culver City to Santa Monica (the "Alignment Project"); and (ii) the operations and maintenance facility (the "O and M Facility"); and

WHEREAS, since the Cities of Los Angeles and Santa Monica (the "Cities") desired the construction of a bikeway that parallels the Phase 2 Project (the "Bikeway Project"), Authority agreed to manage the construction of the Bikeway Project as a separate project from the Phase 2 Project. The Bikeway Project is located in close proximity to the Phase 2 Project, therefore the Authority and Metro agreed to include the Bikeway Project within the Phase 2 MCA; and

WHEREAS, in accordance with PUC Section 132650, upon completion of construction of the Project, Metro shall assume responsibility for operating the Project. Revenue Operations was achieved on May 20, 2016; and

WHEREAS, the Phase 2 Project and the Bikeway Project are complete, demonstration of system performance has been achieved for the Phase 2 Project and turn back of the Phase 2 Project is anticipated by June 2018; and

WHEREAS, the Project audit and accounting requirements specified in the Phase 1 MOU dated May 5, 2006, have been met with the inclusion of Authority's financial activities as a component unit of Metro; and

WHEREAS, per state legislation, upon completion of the project as well as the close out of the contract and the Authority, Authority will be dissolved; and

WHEREAS, the Parties desire to enter into this memorandum of understanding to set forth the respective obligations of the Parties to memorialize funding and implementation for items that may remain after Authority is dissolved;

NOW, THEREFORE, the Parties agree as follows:

## **SECTION 1. POST DISSOLUTION OBLIGATIONS OF THE PARTIES**

1.1 Transfer of pension obligations, accounts. Concurrent with the dissolution of Authority and with respect to former CEO Richard Thorpe, Authority has pre-funded all pension obligations pertaining to the Defined Benefit plan with PARS covering all PARS eligible Authority employees, including Mr. Thorpe. PARS will administer the plan and the Metro Pensions and Benefits Department will assume the Plan Administrator role for the PARS plan effective July 1, 2018. Authority has funded Metro's future administrative staff cost for PARS activities. Authority's CalPERS plan was prefunded and closed out as of June 30, 2017 and CalPERS assumed full responsibility for the plan's administration as of July 1, 2017.

1.2 Lifetime medical benefits. With respect to former CEO Richard D. Thorpe, Authority has pre-funded his lifetime retiree medical benefits into the Los Angeles County Metropolitan Transportation Authority Healthcare & Welfare Benefits Trust. Metro's Pension and Benefits Department will continue to administer these benefits.

1.3 Authority contractors and Third Party Claims. It is currently Authority's intent to close out all claims from Authority's contractors prior to the dissolution effective date. To the extent these or any other claims, including third party claims where Authority is named as a potential defendant, arising prior to the dissolution effective date have not been closed out, the parties agree that following the dissolution effective date, Metro will assume responsibility for and administer the claims and the parties agree to take necessary steps to substitute Metro for Authority as the party to the proceeding. Concurrent with the dissolution effective date, Authority will tender all outstanding claims to Metro, and Metro agrees to assume responsibility for administration of all such claims and litigation. Authority has agreed to fund this potential future liability.

#### 1.4 Phase 1 Project Obligations.

1.4.1 Washington Siding Project – Authority will transfer funding and Metro will continue to administer the Washington Siding Project that is part of the Phase 1 project.

1.4.2 Phase 1 Art Frames – Authority will be responsible for funding the repair of the art frames to address corrosion issues identified after the warranty period. Metro will administer and implement the work.

1.4.3 Clean Mobility Center – Authority will transfer funding and Metro will continue to administer the Clean Mobility Center Project that is part of the Phase 1 project at the Culver City Station.

#### 1.5 Phase 2 Project Obligations.

1.5.1 Continuance of Street Tree Maintenance obligation. The City of Los Angeles has a three year street tree maintenance requirement. The Authority contractor for the main alignment was responsible for the first year of maintenance. The Authority has funded and executed a contract with City Plants for the 2nd and 3rd years of street tree maintenance and will transfer the contract administration to Metro for the remaining time of this contract which is scheduled for completion in May 2019.

1.5.2 OMF Project Modifications. Authority will transfer funding and Metro will administer and perform work on minor items identified during the warranty period of the OMF Project. It was determined to be more efficient to allow Metro staff repair/modify a variety of items due to the minor scope of work and coordination with Metro's daily activities in the facility.

1.5.3 Project Noise Mitigation. Authority will transfer funding and Metro will continue to monitor and mitigate any identified noise levels exceeding those established in the Phase 2 Project EIR.

1.5.4 Monitoring Project Retaining Walls. Authority will transfer funding and Metro will continue to monitor the retaining walls constructed for the Phase 2 Project and address any issues identified.

1.6 Funding for Post-Turnover Obligations. The obligations set forth in this MOU above are noted in Attachment A. Expo will set aside whatever funds are remaining in the line items at the time of dissolution from the Phase 1 Life of Project Budget for the activities noted in 1.4.1, 1.4.2, and 1.4.3. Expo will set aside whatever funds are remaining in the line items at the time of dissolution from the Phase 2 Life of Project Budget for the activities noted in 1.1, 1.3, 1.5.1, 1.5.2, 1.5.3, and 1.5.4. At Metro's discretion, Metro may establish a trust or other restricted fund for this activity or include these funds in a Metro project budget to complete this activity.

1.7 Based on actual costs incurred plus the allowances for Phase 2 open items in 1.1, 1.3, 1.5.1, 1.5.2, 1.5.3, and 1.5.4, Expo will distribute a preliminary proportionate share of Phase 2 project savings based upon their 3% local contributions to the project to the Cities of Los Angeles and Santa Monica. Any funds remaining after Metro completes those Phase 1 and Phase 2 obligations noted above will revert to Metro. From any funds remaining from Phase 2 items above, Metro will make a final distribution to the Cities of Los Angeles and Santa Monica based upon their 3% local contributions to the project.

## **SECTION 2 MISCELLANEOUS**

2.1 Governing Law. This MOU shall be governed by, interpreted under, construed and enforced in accordance with the laws of the State of California.

2.2 Contract Period. This agreement shall be effective from as of the date written above through the last date upon which all obligations of Authority are fulfilled or in no event later than December 31, 2018

2.3 Amendments. No variation, modification, change or amendment of this MOU shall be binding upon either party unless such variation, modification, change or amendment is in writing and duly authorized and executed by both parties. This MOU shall not be amended or modified by oral agreement or understanding between the parties or by any acts or conduct of the parties.

2.4 Counterparts. This MOU may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

2.5 Assignment. Neither party shall assign this MOU or any of such party's interest, rights or obligations under this MOU without the prior written consent of the other party.

2.6 Further Actions. The parties shall develop and execute any other documents of any kind or type whatsoever, including procedures and policies, necessary to carry out the intent of the provisions of this MOU.

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IN WITNESS WHEREOF, the parties have caused this MOU to be duly executed and delivered as of the above date and the person executing this MOU by their signatures hereby attest that they have the requisite authority to enter into this MOU.

**LOS ANGELES COUNTY  
METROPOLITAN TRANSPORTATION  
AUTHORITY**



**EXPOSITION METRO LINE  
CONSTRUCTION AUTHORITY**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_





ATTACHMENT A

<u>SCOPE</u>	<u>Dollars(1000s)</u>
PARS Administrative Cost	100
Contractor/Third Party Claims	1000
Washington Siding Project	11500
Art Frames	2000
Clean Mobility Center	200
COLA Plant Establishment	200
OMF Modifications	100
Noise Mitigation	500
Retaining Wall Monitoring	1000
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Total	\$16,600,000