



Board Report

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Agenda Number: 33.

REVISED
CONSTRUCTION COMMITTEE
FEBRUARY 16, 2017

SUBJECT: WESTSIDE PURPLE LINE EXTENSION PROJECT - SECTION 1

ACTION: AUTHORIZE THE CHIEF EXECUTIVE OFFICER (CEO) TO EXECUTE A MEMORANDUM OF AGREEMENT (MOA)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute a **Memorandum of Agreement (MOA) with the City of Beverly Hills (“City”)** to accommodate construction of the Wilshire/La Cienega Station and that requires Metro to (1) sell Parcel W-2307 located at 8421 Wilshire Boulevard to the City for the amount of \$15,845,000; and (2) to purchase back a ten (10) year temporary construction easement for the amount of \$2,345,000.

ISSUE

The Metro Board approved an MOA for the Westside Purple Line Extension Project - Section 1 (“the Project”) for Advanced Utility Relocation work in the City in October 2014. As stated in that Board Report, Metro staff was to begin to draft and negotiate an agreement with the City for the Design/Build elements of the Project that are also located within the City. The attached MOA concludes the negotiations for the Design/Build elements of the Project. The MOA describes how Metro (and the C1045 Design/Build Contractor) will coordinate and cooperate in the construction of the Wilshire/La Cienega Station and related street restoration in the vicinity of the station.

DISCUSSION

Support of the design and construction of the Wilshire/La Cienega Station by various departments of the City is extremely critical to the Project being completed on schedule.

The MOA describes the roles, responsibilities and obligations of Metro and the City as it pertains to the construction of the Wilshire/La Cienega Station. The MOA specifies the procedures which Metro and the City will follow as it relates to such tasks as the permitting process, design reviews, coordination efforts, meeting attendance, inspections, traffic control, construction staging requirements, allowable work hours, environmental mitigations and other essential elements. The

MOA further describes the manner in which the City will be reimbursed for its costs related to such activities and support services.

The MOA also contains the agreement that Metro will sell Parcel W-2307 to the City for its fair market value of \$15,845,000 (subject to Metro concurrently obtaining a temporary construction easement for the term of construction at a cost of \$2,345,000). The sale of this construction staging site while retaining a temporary construction easement would achieve the following: 1) Metro would retain full control of the property during the construction period of the project; 2) sale proceeds would be used to provide a beneficial supplement to the project contingency and thereby promote the successful and timely completion of the project; and 3) the sale would assist Metro and the City in reaching agreement on the MOA without impairing Metro's long-term control of the property for construction purposes. The Federal Transit Administration (FTA) concurs in Metro's sale of the property to the City and use of the sale proceeds to increase the contingency budget for the Project.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an impact on established safety standards for Metro's construction projects.

FINANCIAL IMPACT

Funds required in FY17 for this Board action are included in Project 865518 Westside Purple Line Extension Project - Section 1, in Cost Center 8510 (Construction Project Management), and Account Numbers 53101 (Acquisition of Building and Structure) and 53103 (Acquisition of Land). The approval of the MOA does not negatively impact the life-of-project budget. Since this is a multi-year project, the Chief Program Management Officer and the Project Manager will be responsible for budgeting costs in future years.

The net proceeds from the sale of Parcel W-2307 will be applied to the Project.

Impact to Budget

The sources of funds for the recommended action are Federal 5309 New Starts, Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan proceeds and Measure R 35%. These funds are designated for Westside Purple Line Extension Project - Section 1 and do not have an impact to operations funding sources. These funds were assumed in the Long Range Transportation Plan (LRTP) for the Westside Purple Line Extension Project. This Project is not eligible for Propositions A and C funding due to the proposed tunneling element of the Project. No other funds were considered.

ALTERNATIVES CONSIDERED

The Board may choose not to execute this MOA, however if the MOA is not executed, the City of Beverly Hills will not issue a permit for Contract C1045 Design/Build Contractor to begin construction of the Wilshire/La Cienega Station. This would potentially delay the Project.

NEXT STEPS

The next steps would be to consummate the sale of the property by executing a Contract of Sale and Temporary Construction Easement and opening an Escrow. Subsequent to the execution of the MOA by both parties, construction of the Wilshire/La Cienega Station will proceed as scheduled and the City will cooperate and proceed with required construction related activities

ATTACHMENTS

Attachment A - Memorandum of Agreement for Contract C1045 between the City of Beverly Hills and the LACMTA

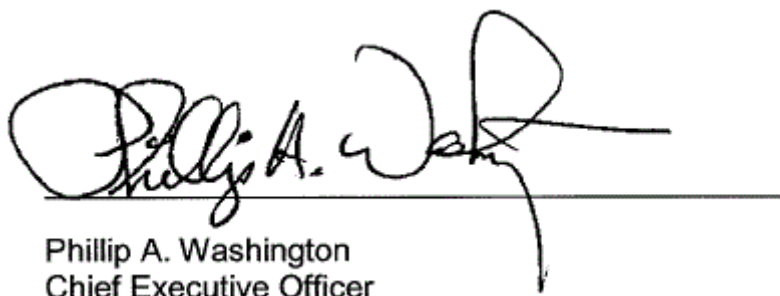
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