



## Board Report

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### PLANNING AND PROGRAMMING COMMITTEE JANUARY 17, 2018

**SUBJECT: ADDITIONAL METROLINK REHABILITATION FUNDING**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

CONSIDER:

- A. PROGRAMMING the Los Angeles County Metropolitan Transportation Authority's (Metro) share of Southern California Regional Rail Authority's (SCRRA - operating as Metrolink) FY17 "Priority B" track and structure rehabilitation work up to \$13,297,500;
- B. APPROVING payment for the City of Los Angeles San Fernando Road Bike Path Three Settlement Costs totaling \$59,629;
- C. REPROGRAMMING prior year SCRRA MOU surplus funds totaling \$3,014,089 as listed below for SCRRA's state of good repair projects:
  - 1. FY 2010-11 MOU - \$1,038,316
  - 2. FY 2011-12 MOU - \$791,123
  - 3. FY 2012-13 MOU - \$471,898
  - 4. Capital Project MOUs - \$712,752
- D. EXTENDING the lapsing dates for funds previously allocated to SCRRA for the Rehabilitation and Renovation Program as follows:
  - 1. FY 2010-11 from June 30, 2017 to June 30, 2018
  - 2. FY 2011-12 from June 30, 2017 to June 30, 2018
  - 3. FY 2012-13 from June 30, 2017 to June 30, 2018
  - 4. FY 2013-14 from June 30, 2017 to June 30, 2018

- E. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements between LACMTA and the SCRRA for the approved funding and lapsing date extensions.

## **ISSUE**

Metro's share of SCRRA's urgent track and structure rehabilitation projects for FY 17 is \$31,864,316 that were divided into two sets of priority groupings, A and B, where A is a higher priority than B. On April 27, 2017, the Metro Board approved programming funding for the SCRRA's FY17 track and structure Priority A rehabilitation work totaling \$18,381,025. Staff is recommending programming approval for the remaining FY17 SCRRA track and structure Priority A and B rehabilitation work up to \$13,297,500.

## **DISCUSSION**

On April 27, 2017, the Metro Board approved funding in the amount of \$18,381,025 for SCRRA's "Priority A" Slow Order highest priority rehabilitation projects determined to require an immediate need for repair and funding. The "Priority B" rehabilitation projects were assessed during the due diligence field visits as well but were determined to require rehabilitation in later years and were not as urgent. SCRRA has since updated their information (ATTACHMENT A) which enabled staff to further assess the remaining Priority B projects on SCRRA's list. Although it was determined that the remaining rehabilitation projects did not have an immediate funding need, SCRRA's project delivery consists of location groupings in addition to need assessment to realize additional cost savings and economies of scale since some projects are adjacent to each other but may not require rehabilitation until a subsequent time period. As a result, LACMTA staff concurs that additional funding in the amount of \$13,297,500 is needed to bring LACMTA owned right of way into a state of good repair and prevent slow orders.

### "Priority A" Rehabilitation Work Progress

SCRRA has contracted the services of HDR to assist with project delivery, project prioritization and cost estimating. LACMTA now receives monthly project status updates due to SCRRA's collaboration with HDR.

During the last eight months since LACMTA's board action in April 2017, SCRRA has shown significant progress as demonstrated on the attached December 2017 State of Good Repair (SOGR) Program Status Update (ATTACHMENT B). As you will note, since approving the "Priority A" rehabilitation funding in April 2017, SCRRA has completed the replacement of four culverts which in most cases were nearing 100 years, replaced in excess of 16,000 ties, and is nearing completion of the rail top bridge replacement design - all in Los Angeles County and primarily on the Antelope Valley Line.

SCRRA has benefitted from economies of scale which has been demonstrated by their ability to complete three culvert replacements from realized savings in the amount of \$1,662,500. This savings allowed SCRRA to move forward with rail top bridge design and the purchase of additional materials.

### City of Los Angeles San Fernando Road Bike Path Three Settlement Costs

SCRRA paid \$59,629 in settlement costs to LACMTA's billboard lessee Outfront Media related to the San Fernando Bike Path Phase II project. SCRRA recently informed LACMTA that this balance has remained unpaid for several years because the project was already closed on SCRRA's books and final invoices were generated when SCRRA received the settlement from LACMTA's real estate department. Since this project was not budgeted when the settlement agreement was received, SCRRA paid the expense from their PL/PD account and would like to be reimbursed.

### Reprogramming Surplus LACMTA MOU Funds

SCRRA reconciled the FY11, FY12, FY13 and several closed capital project LACMTA MOUs which identified \$3,014,089 available for reprogramming as follows:

- FY 2010-11 MOU - \$1,038,316
- FY 2011-12 MOU - \$ 791,123
- FY 2012-13 MOU - \$ 471,898
- Capital Project MOUs - \$712,752

Staff is requesting that these funds be reprogrammed and applied to the SCRRA rehabilitation project funding requests as outlined in the Financial Impact section.

### Extend Rehabilitation Funds Lapsing Dates

SCRRA is requesting an additional extension for FY11, FY12, FY13 and FY14 rehabilitation funds which lapsed on June 30, 2017. SCRRA rehabilitation and renovation projects span over multiple years to maximize economy of scale and take advantage of matching federal funds. As a result, funds programmed over multiple years may not be completely invoiced prior to lapsing and LACMTA does not recognize project completion until we are invoiced. SCRRA has reassured staff that their work is in progress and will be completed and invoiced before the June 30, 2018 fiscal year end.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will have no impact on the safety of LACMTA's patrons and employees. However, maintaining LACMTA owned assets and infrastructure in a state of good repair will eliminate system failures which could result in additional cost to LACMTA or exposure to liability.

### **FINANCIAL IMPACT**

LACMTA staff is requesting the Board to approve programming \$10,340,340 in Measure R 3% funds

for the SCRRA “Priority B” urgent rehabilitation projects and Bike Path Settlement. However, pursuant to the cash flow provided by SCRRA no funding is needed until FY 19 and future years.

	Costs	Programming Cash Flow		
		FY 18	FY19	FY 20
Priority B Urgent Rehab	\$13,297,500		\$10,247,500	\$3,050,000
Priority A Urgent Rehab Approved April 2017	\$18,381,025	\$ 7,000,000	\$8,000,000	\$3,381,025
<b>Total Urgent Rehab Funding</b>	\$31,678,525			
Bike Path Settlement	\$ 59,629	\$ 59,629		
Reprogram Surplus Funds	\$ (3,014,089)		\$ (3,014,089)	
<b>Total New Funding Request</b>	\$10,340,340		\$10,340,340	

LACMTA staff will budget the necessary funding on an annual basis.

**ALTERNATIVES CONSIDERED**

The Board could chose not to approve funding the SCRRA rehabilitation work of LACMTA owned ROW nor approve the lapsing date extensions. This is not recommended since passenger safety and operational efficiency are among our agency’s highest priorities. Further, if this rehabilitation work is not funded slow orders could be imposed. If the lapsing dates are not extended SCRRA’s funding levels will be decreased.

**NEXT STEPS**

1. Monitor the progress of the SCRRA structure and rehabilitation work and provide updates to the Board as part of the quarterly Regional Rail report.
2. Continue to perform due diligence and work with SCRRA staff to determine the highest priority rehabilitation projects which will be included in the LACMTA 6 Year Funding Plan.

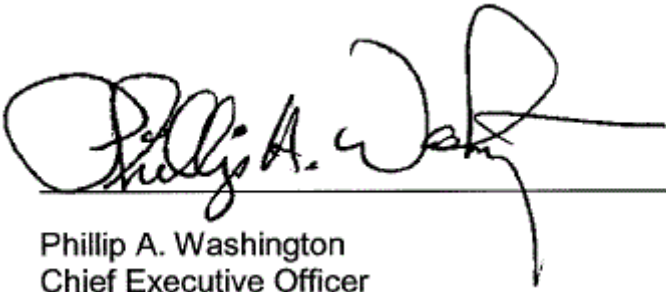
**ATTACHMENTS**

- Attachment A - Priority A & B Track and Structure Project List
- Attachment B - December 2017 Priority A Track and Structure Status Report
- Attachment C - SCRRA December 7, 2017 Surplus Funds Reprogramming Letter
- Attachment D - SCRRA October 2, 2017 Surplus Funds Reprogramming Letter

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