



Board Report

File #: 2018-0556, File Type: Contract

Agenda Number: 37.

CONSTRUCTION COMMITTEE SEPTEMBER 20, 2018

SUBJECT: Foothill Gold Line Extension Phase 2B

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZE Amendment No. 1 for the Funding Agreement between the Foothill Gold Line Extension Construction Authority ("Authority") and the Los Angeles County Metropolitan Transportation Authority ("Metro") to reflect award of Cap & Trade Funding in the amount of \$290,200,000 and to increase the Measure M 3% Local Funding Commitment estimate from \$33,000,000 to \$36,161,067.

ISSUE

The Gold Line Foothill Extension Construction Authority is responsible for the design and construction of the Gold Line Foothill Extension Phase 2B Project. Funding for the project is provided by Metro along with responsibility for assuring the project is designed and constructed in accordance with the Metro Rail Design Criteria. Upon completion of the project, the Construction Authority is to turn the project back to Metro to operate and maintain. Responsibilities and guidelines for allocation of the funds and the specific commitments by the two agencies are established by a Funding Agreement and a Master Cooperative Agreement (MCA) between the two agencies.

With the award of the primary Mainline Design-Build Contract scheduled to be released by December 2018, an amendment to the Funding Agreement is needed to document the Cap & Trade award and to update the local contribution from each City along the alignment.

BACKGROUND

The Project includes stations and parking facilities in each of the six cities along the alignment and shares right of way with Southern California Regional Rail Authority (Metrolink) and the Burlington Northern Santa Fe (BNSF) freight line. A portion of the project extends approximately 1.5 miles into San Bernardino County terminating at the Montclair Station.

At its June 2017 meeting, the Metro Board approved a Life of Project (LOP) Budget in the amount of \$1,406,870,750 along with authorization for the Chief Executive Officer to enter into the Funding agreement and MCA. At that time, staff advised the Board that additional funds would be needed to achieve the LOP. The shortfall also included matching funds needed by San Bernardino County to

complete the project to Montclair. (The Agreement anticipated that Metro would fund the portion of the project within Los Angeles County and San Bernardino County would fund the portion in San Bernardino County.)

DISCUSSION

Cap & Trade funding - Foothill Gold Line Extension Phase 2B has advanced Preliminary Engineering based on the Certified Final Environmental Impact Report for the 12.3 mile alignment from Glendora to Montclair. In coordination with the Gold Line Foothill Construction Authority and the San Bernardino County Transit Authority (SBCTA), Metro took the lead in applying for state grant funds administered by the California State Transportation Agency (CalSTA) in order to support the budget requirements of the entire project. In June 2018, CalSTA provided a commitment of \$290,200,000 in Transit and Intercity Rail Capital Program (TIRCP), Cap and Trade Funds to be applied to the Gold Line Foothill Extension Project Phase 2B. \$41M of these grant funds were specifically committed to San Bernardino County for the segment from the Claremont Station in Los Angeles County to the Montclair Station in San Bernardino County.

Measure M 3% Local Contribution: During the development of the Funding Agreement, contributions from the local agencies were estimated based on projections of labor, materials and equipment to be supplied by the Cities through the course of the project. An original estimated dollar amount of \$33,000,000 included in the Funding Agreement has been revised to \$36,131,067 as project design and schedule have been further developed.

DETERMINATION OF SAFETY IMPACT

There is no safety impact for the Foothill Extension as a result of this action.

FINANCIAL IMPACT

For FY19, \$35,349,900 has been budgeted in Project 865202 Foothill Gold Line Extension 2B under cost center 8510 (Construction procurements) and Account 50316 Professional Services. If approved, the recommendation does not change the FY19 budget.

The recommendation to approve the Amendment to the Funding Agreement will document award of the CalSTA grant. The CalSTA (Cap and Trade) funds in the amount \$290,200,000 were recently authorized by the California Transportation Commission, contributing to the LOP Budget of \$1,406,870,750. Since this is a multi-year project, the Project Manager, Cost Center Manager and Chief Program Management Officer will be responsible for project budgeting for the Life of Project and future Fiscal Year budgets.

Impact to Budget

The source of project funding is Measure M Transit Construction 35% which is not eligible for bus and rail operating expenditures. Other sources of funding are the carry-forward of Measure R 35%

and/or Proposition C and/or other available non-federal funds from Phase 2A, 3% Local Agency Contribution, and the state Transit and Intercity Rail Capital Program (TIRCP).

Funding of \$290,200,000 was provided through the State Cap and Trade Transit and Intercity Rail Capital Program (TIRCP) as a Metro priority. The commitment to secure Cap and Trade Transit and Intercity Rail Capital Program (TIRCP) funds as a Metro Board priority comes from the Metro Board of Director's action to approve the 2009 Long Range Transportation Plan, which states, in part: "As a first priority, pursue other potential funding sources, excluding Federal New Starts, which are not currently included in the 2009 Long Range Transportation Plan, to be programmed to close the funding gaps on the Gold Line Foothill Extension and Crenshaw/LAX Transit Corridor.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This Board Action is related to the Metro Strategic plan by updating the project Funding Agreement and providing needed Cap & Trade grant funds to a portion of the Gold Line Foothill Extension Phase 2B project.

ALTERNATIVES CONSIDERED

The Board may decide to forego amending the Funding Agreement. Staff recommendation is to proceed with the Amendment in order to assure grant funds are accounted for as a requirement of the Funding Agreement between Metro and the Construction Authority.

NEXT STEPS

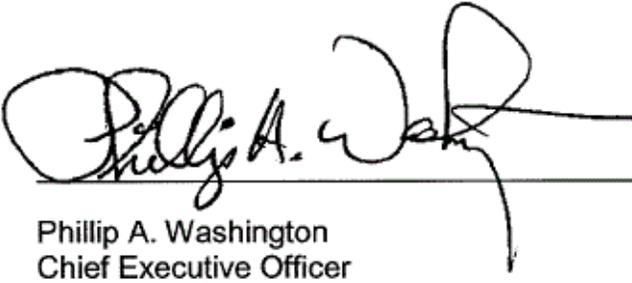
Upon Board approval, the Funding Agreement Amendment will be circulated for execution.

ATTACHMENTS

Attachment A - Project Funding Agreement Amendment No. 1

Prepared by: Rick Meade, Sr. Executive Officer, Program Management (213) 922-7917
William Ridder, Executive Officer, Countywide Planning & Development (213) 922-2887

Reviewed by: Richard Clarke, Chief Program Management Officer(213) 922-7557



Phillip A. Washington
Chief Executive Officer