



Board Report

File #: 2021-0773, File Type: Program

Agenda Number: 1.

REVISED
CONSTRUCTION COMMITTEE
MAY 19, 2022

SUBJECT: LINK UNION STATION PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

APPROVE:

- A. The California High Speed Rail Authority Project Management Funding Agreement (PMFA) in the amount of \$423.335 million for the Link US Phase A Project and authorize the CEO to execute the Project Management Funding Agreement (PMFA) pursuant to Senate Bill 1029; and
- B. A Partial Preconstruction Phase Life of Project Budget in the amount of \$297.818 million, including \$121.382 million for the new Preconstruction Work and \$176.436 million for work previously approved by the Board since 2015.

ISSUE

The California High Speed Rail Authority Board of Directors unanimously approved the PMFA in the amount of \$423.335 million for the Link US Phase A Project on April 27, 2022 pursuant to Senate Bill 1029. Subsequently, the California State Department of Finance approved the PMFA On May 11, 2022 pursuant to Chapter 152, Statutes of 2012. Staff is requesting the Board to approve the PMFA for the Link US Phase A Project and authorize the CEO to execute the PMFA. Staff is also requesting approval of a Partial Preconstruction Life of Project Budget in the amount of \$297.818 million, including \$121.382 million of the new Preconstruction Work and previously board-approved pre-construction work totaling \$176.426 million dating back to 2015.

BACKGROUND

The Link Union Station (Link US) Project will transform how commuter and intercity rail operates in Southern California with run-through capability at Los Angeles Union Station (LAUS) providing one-seat rides from San Luis Obispo to San Diego, increasing commuter and intercity rail services by up to 60%, and accommodating future high-speed rail service. The Link US Project is planned to be implemented in two phases:

1. Phase A would include construction of the full viaduct structure over the US-101 freeway that

accommodates up to nine (9) new run-through tracks, track, signal, and communication work in the throat area, run-through platform, quiet zone ready improvements at Main Street grade crossing, active transportation improvements and preliminary engineering design for Phase B. The Phase A improvements has received full funding commitments of \$950.398 million.

2. Phase B would include raising the rail yard up to 15 feet for the run-through track viaduct structure, new platforms, a newly expanded passageway with retail and passenger amenities, 2 new outdoor plazas, escalators and elevators to all platforms, optimization of the throat with a new lead track and opportunity for a world class terminal station. Phase B is fully funded for planning, environmental and preliminary engineering, but it is not funded for final design and construction. Staff is working with the funding partners to seek federal, state, and local funds for the design and construction of Phase B.

CEQA & NEPA

Under a separate funding agreement with CHSRA, LACMTA received American Recovery and Reinvestment Act federal funds in 2017 for environmental and planning work for the Link US Project. The Link US Project completed California Environmental Quality Act (CEQA) environmental clearance in July 2019, and a CEQA amendment was approved in October 2021. Furthermore, the Link US Project is in the process of completing National Environmental Policy Act (NEPA) environmental clearance as early as August 2023, with California High Speed Rail Authority (CHSRA) as the NEPA Lead Agency.

DISCUSSION

On April 27, 2022, the California High Speed Rail Authority Board of Directors unanimously approved the PMFA in the amount of \$423.335 million for the Link US Phase A Project pursuant to Senate Bill 1029, subject to review and approval by the California State Department of Finance (DOF)(refer to Attachment A- CHSRA Draft Final Resolution Link US Phase A PMFA). Subsequently, the CHSRA submitted the PMFA to DOF on April 29, 2022 and the DOF approved the PMFA of the Link US Project Phase A pursuant to Chapter 152, Statutes of 2012 on May 11, 2022 (refer to Attachment B- State DOF Proposition 1A Agreement Approval). Consequently, staff is requesting the Board to approve the PMFA for the Link US Phase A Project and authorize the CEO to execute the PMFA . In partnership and collaboration with CHSRA and Southern California Regional Rail Authority, the Link US PMFA for Phase A will grant CHSRA the following rights and benefits:

1. HSR station in the heart of downtown Los Angeles with a run-through track bridge structure that will fully accommodate the future HSR tracks in Los Angeles Union Station.
2. The right to build all necessary improvements to allow HSR operations and operate two (2) HSR tracks on the LACMTA Railroad Right of Way consistent with a consensus design for the corridor within certain sections of the Valley and River Subdivisions and without impairing functionality or the uses of, or the maximum capacity associated with, the operations by other existing rail operators on the existing tracks in the Railroad Right of Way. This right is also subject to the requirements of all existing or modified Shared Use Agreements (as they may be further modified) that govern the use and operation of such existing tracks within the Railroad Right of

Way. CHSRA will be responsible for the full construction costs of HSR tracks and all facilities to be constructed on LACMTA property for the HSR rail service. If separately funded, LACMTA, in partnership with CHSRA, has the option to construct two HSR tracks in the corridor and subject to the restrictions identified above.

3. The right to operate four (4) HSR trains per hour per direction on the four-track shared corridor. The Parties jointly and cooperatively commit to identify and pursue funding, if needed, for an additional (fifth) track in the LACMTA-owned Right-of-Way, needed to accommodate future uses by other passenger rail and/or freight operators. When the State makes further investments in the corridor beyond the Funds to be provided under this PMFA, CHSRA will coordinate with LACMTA on further agreements for an expansion of operating rights beyond four (4) trains per hour per direction.
4. Non-exclusive inter-city operating rights on the Railroad Right of Way subject to the approval by the United States Surface Transportation Board (STB). LACMTA will cooperate and support CHSRA's efforts to obtain such STB approval. CHSRA will exercise its operating rights along this route, with the understanding that a more detailed operating plan will be required, along with follow-on agreements for maintenance and operations and any required amendments to the existing Shared Use Agreements between or among CHSRA and SCRRA, BNSF Railway and Union Pacific Railroad (UPRR) which will need to be negotiated in good faith prior to any exercise of such operating rights by CHSRA.
5. Cooperation and support for CHSRA in negotiating such maintenance and operations agreements and amendments to the Shared Use Agreements with SCRRA, BNSF Railway and UPRR as may be needed to allow for HSR operations on two (2) HSR tracks based on an approved HSR operating plan provided by CHSRA, and without limiting the operating rights and requirements for construction and operation of rail projects already approved by LACMTA's Board.

CMGC Project delivery

The Link US Project Phase A will be delivered utilizing the Construction Manager General Contractor (CMGC) project delivery approach that the Board previously approved on December 5, 2019. The CMGC project delivery method enables Metro to engage a CM/General contractor during the final design process in collaboration and partnership with Architectural/Engineering (A/E) Designer to develop the project scope, optimize the design, improve quality, assess the market conditions to determine and manage costs, and share risks as summarized in the Attachment C - Lifecycle of the CMGC Project Delivery Method.

There are two phases to the CMGC project delivery method, Preconstruction and Construction, and the staff recommended action seeks budget approval for the Preconstruction Phase only:

1. **Preconstruction Phase**, when the CM/General Contractor and designer work side by side to review constructability, undertake value engineering, conduct site investigations, assess market conditions, provide current contractor pricing, risk assessments and construction schedule at each successive prescribed design intervals to finalize the design. The goal of the CMGC project delivery method is to design and construct to budget.

The CM/General Contractor is engaged for preconstruction services to provide open book construction cost estimates throughout the design development. The CMGC process is intended to enable Metro and the General Contractor to successfully negotiate a construction contract at the completion of the design, within the approved budget. However, since the CMGC project delivery method is not a competitive construction bid and if for whatever reason the General contractor’s pricing significantly exceeds the project budget, the process provides flexibility to off-ramp the CM/General Contractor at each design interval or any time for convenience throughout the Preconstruction Phase. Therefore, if the off-ramp is exercised, Metro can take advantage of all the work already performed by the CM/General Contractor and pivot to a different project delivery method with competitive construction pricing such as a design-bid-build.

2. **Construction Phase**, when the General Contractor has the first right to perform the Construction Work under a supplemental construction contract. After the final design has been completed and if the General Contractor has successfully negotiated a construction contract with Metro, the General Contractor builds the project. Staff will need to complete the NEPA environmental work by Summer 2023 before the Construction work can begin.

Partial Preconstruction Phase Life of Project Budget

Staff is seeking approval of a Partial Preconstruction Life of Project (LOP) Budget in the amount of \$297.818 million, which includes \$121.382 million of new Preconstruction Work and Preconstruction work totaling \$176.426 million approved by the Board since 2015 for environmental, planning, preliminary engineering, third party, soft costs and real estate acquisitions for Phase A (refer to Attachment D - Link US Partial Preconstruction Phase LOP Budget). This approval will enable the Link US Project Phase A to proceed with the first phase of the CMGC project delivery method, the Preconstruction Phase. Subject to Board approval in June 2022 of the CM/General Contractor, CM/General Contractor will collaborate with the Link US team to refine the preliminary engineering design to budget, work with Designer to develop the final design and prepare construction pricing as summarized in the Attachment B Lifecycle of the CMGC Project Delivery Method. With the approval of the Partial Preconstruction Phase LOP Budget, staff will provide the Board with the accountability identified in Board Motion by Directors Garcetti, Butts and Dupont Walker on January 25, 2018 (refer to Attachment E- Motion on Board Delegated Authority).

The new Preconstruction Work consists of NEPA environmental, preliminary engineering, final design, third-party work, real estate acquisitions, including early demolition, and all associated soft costs (legal, CMGC Project management, permit, etc.) as categorized in Table 1. The third-party work includes work performed by the City of Los Angeles, Metrolink, Amtrak, BNSF, LOSSAN, Caltrans, utilities, and other regulatory and jurisdictional agencies.

Table 1 - Link US Partial Preconstruction Phase LOP Budget (all amounts in millions)

Activity/Phase	Board Authorized Amount from Inception to October 2019	Board Authorized Amount in June 2021	New Preconstruction Work	TOTAL Partial Preconstruction Phase LOP Budget Request
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PA&ED Phase: Planning/Environmental/Preliminary Engineering, Third Party Work and Related Soft Costs	\$ 80.431	-	\$ 4.000	\$ 84.431
PS&E Phase: Final Design, Third Party Work, project management and all related soft costs	\$ 14.915	-	\$ 61.409	\$ 76.324
R/W Phase: Real Estate Acquisitions and Early Demolition	\$ 4.416	\$ 76.674	\$ 55.973	\$ 137.063
TOTAL	\$99.762	\$ 76.674	\$ 121.382	\$ 297.818

Development of the Life of Project Budget

As early as Fall of 2023, staff will return to the Board when the project is ready to start the second phase of the CMGC project delivery method, the Construction Phase. Staff will request the Board to supplement the Partial Preconstruction Phase LOP Budget for some Early Construction Work during the Preconstruction Phase. Under the CMGC project delivery method, the establishment of the Life of Project (LOP) Budget will be reassessed throughout the life of the project by phases. Therefore, after the final design for the Main Construction Work of the Link US Project Phase A is complete and a collaborative risk analysis with the CM/General Contractor is performed along with construction pricing and scheduling with appropriate contingencies in accordance with Metro’s Best Practices Study, staff will return to the Board to seek approval for the LOP Budget as early as Spring 2024.

DETERMINATION OF SAFETY IMPACT

The Link US project is being planned and designed in accordance with Metro and Metrolink standards, state and federal requirements. Approval of the Preconstruction Budget for Phase A of Link US project will have no impact on safety.

FINANCIAL IMPACT

The Link US Phase A Partial Preconstruction Phase LOP Budget in an amount of \$297.818 million is fully funded with \$51.672 million in Measure R 3% Commuter Rail funds, \$18.726 million in California High Speed Rail planning funds, and \$227.42 million in State Transit Intercity Rail Capital Program (TIRCP) funds. Staff will return to the board for approval for the Life of Project budget once negotiations with the General Contractor for the Phase A Main Construction Work are successfully concluded. The anticipated cash flow is shown in Attachment D Link US Phase A Partial Preconstruction Phase LOP Budget.

This is a multi-year project and the Project Manager, Cost Center Manager and Chief, Program Management Officer are responsible for budgeting for future year expenditures.

Impact to Budget

There is no impact to the FY22 budget as the amount of \$63.1 million is included in the approved FY22 budget for cost center 2415 under Link US 460089. The funding sources for the Partial Preconstruction LOP Budget are not eligible to be used for Metro bus/rail operating or capital budget expenses.

EQUITY PLATFORM

The Link US Project will provide better transit connectivity and increase rail service capacity by as much as 60%. Project equity benefits and impacts include:

1. Foster livable and healthy communities by increasing access to transit and reducing reliance on automobiles, resulting in a reduction in greenhouse gas emissions and other harmful air pollutants. In addition, the Link US run-through tracks will reduce the times that Metrolink and Amtrak trains idle at LAUS, saving as much as five minutes for each ride and resulting in fewer emissions from Diesel locomotives.
2. Inclusive engagement practices to communicate the expected outcomes and benefits of the Link US Project to the populations with limited English proficiency (LEP). Project fact sheets, frequently asked questions (FAQs) and the Executive Summary of the FEIR were provided in other languages including Spanish, Japanese, Chinese, Vietnamese and Korean.
3. Improve access to opportunities by providing multi-modal transit options and increasing connectivity for transit-dependent populations. The improved rail service will also provide better access for the diverse communities along the Antelope Valley and San Bernardino Metrolink lines, where annual household income, automobile availability, and employment levels are lowest compared to the Metrolink system as a whole. The Link US Project will enable more frequent Metrolink and Amtrak services and accommodate future high-speed rail services, all of which expand access to jobs and services from other parts of the Southern California region and beyond for LA County residents. Further, it is estimated that the Link US Project will generate 4,500 jobs during construction and will result in over 200 permanent jobs.
4. Improve the quality of life for low-income residents, including those at the William Mead Homes, the first affordable housing project in the City of Los Angeles constructed in the 1950s and located within the Metro Equity Focused Areas, by:
 - a. A new sound wall that will be designed to reduce noise from both existing train operations and future increases in train operations; and,
 - b. Quiet-zone ready safety improvements at the railroad crossing on N. Main Street. A quiet zone would significantly reduce the train horn noise in the area.
5. Improve accessibility and user experience for passengers at LAUS by:
 - a. Replacing all ramps between the passageway and the train platforms with ADA compliant elevators and modern escalators.
 - b. Including additional transit amenities including restrooms, waiting areas, retail, etc.

- c. Improving wayfinding to allow more seamless transfer of transportation services by including new static and modern dynamic signage installations within the Project limits to be designed in English and Spanish and other accommodations to assist those with hearing and/or visual impairments.

Utilization of the Partial Preconstruction Phase LOP Budget will enable equitable opportunities to increase transportation access disparities by providing multi-modal transit options to Equity Focus Communities (EFCs) in Los Angeles County transit users in the future. Staff is working with these EFCs, at their request, to develop opportunities that address their transportation priorities and mobility needs. As existing or new opportunities are developed throughout the Preconstruction Budget, equitable mobility options will be evaluated and incorporated into the project. This Preconstruction Budget does not have a direct equity impact, rather it will allow for Metro to promote the state's goals of reducing greenhouse gas emissions and traffic-related air pollution, promoting the development of a multi-modal transportation system, and providing clean, efficient access to destinations that can reduce transportation disparities.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Link US project supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The proposed run-through tracks would increase regional and intercity rail capacity and reduce train idling at Los Angeles Union Station (LAUS), enable one-seat rides from Santa Barbara County to San Diego County through LAUS, and accommodate a new high-quality transportation option such as High-Speed Rail in Southern California. The project also supports Strategic Goal 2: Deliver outstanding trip experiences for all users of the transportation system. The proposed new passenger concourse and the new outdoor plaza (West Plaza) would improve customer experience and satisfaction by enhancing transit and retail amenities at LAUS and improving access to train platforms with new escalators and elevators. Lastly, the project supports Strategic Goal 4: Transform LA County through regional collaboration and national leadership. The project requires close collaboration with many local, regional, State and Federal partners including City of Los Angeles, SCRRA, LOSSAN Authority, Caltrans, CHSRA, CalSTA, FRA and Amtrak.

ALTERNATIVES CONSIDERED

The Board may choose not to move forward with approval of the Partial Preconstruction Phase LOP Budget. This is not recommended because the preconstruction work is fully funded, and we will incur schedule delays and corresponding costs if the project does not move forward. Furthermore, this may impact grant funding agreements with Caltrans for TIRCP funds and CHSRA.

NEXT STEPS

After Board approval, staff will

1. Work with CHSRA to receive an executed PMFA by June 2022.
2. Return to the Board in June 2022 to seek approval for CMGC contract award.
3. Complete the NEPA environmental work by Summer 2023.
4. Return to the Board by Fall 2023 for Early Construction Work.

Attachment A - CHSRA ~~Draft~~ Final Resolution Link US Phase A PMFA

Attachment B - State DOF Proposition 1A Agreement Approval

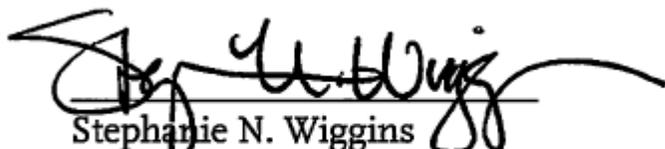
Attachment C - CMGC Capital Project Lifecycle

Attachment D - Link US Phase A Partial Preconstruction LOP Budget

Attachment E - Motion on Board Delegated Authority

Prepared by: Vincent Chio, Senior Director, Regional Rail, (213) 418-3178
Scott McConnell, Executive Officer, Regional Rail, (213) 922-4980
Jeanet Owens, Senior Executive Officer, Regional Rail, (213) 418-3189

Reviewed by: Bryan Pennington, Chief Program Management Officer (213) 922-7449
Nalini Ahuja, Chief Financial Officer (213) 922-3088



Stephanie N. Wiggins
Chief Executive Officer