



**BOARD OF DIRECTORS
JUNE 22, 2006**

**SUBJECT: METRO GOLD LINE EASTSIDE EXTENSION
INDIANA STREET LRT STATION
RAMONA OPPORTUNITY HIGH SCHOOL**

**ACTION: AUTHORIZE THE CEO TO FINALIZE AND EXECUTE
AN EXCHANGE AGREEMENT WITH ESCROW INSTRUCTIONS,
FUNDING AND REIMBURSEMENT
AGREEMENT AND DEVELOPMENT AGREEMENT BETWEEN
LACMTA AND LAUSD**

RECOMMENDATION

- A. Authorize the Chief Executive Officer to finalize and execute an Exchange Agreement with Escrow Instructions, Funding and Reimbursement Agreement and Development Agreement (“Agreement”) between the Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Los Angeles Unified School District (LAUSD) to allow the exchange of properties required for the construction of the Indiana Street LRT Station of the Metro Gold Line Eastside Extension Project on a portion of LAUSD Property which is currently the Ramona Opportunity High School site;
- B. Authorize the Chief Executive Officer to include language in the Agreement that will allow both parties to proceed with the acquisition activities and allow LAUSD to obtain construction bids for the new construction and rebuilding of Ramona Opportunity High School so that an updated Total Project Cost estimate can be presented to the Metro Board as a condition that it must be approved, prior to the close of Escrow and the award of a LAUSD construction contract; and
- C. Extend the time period which was stipulated in the approved May 3, 2006 Metro Board action, to allow an additional 30 days beyond July 3, 2006, for the LAUSD Board of Education to approve the Agreement.

ISSUE

An Agreement between LACMTA and LAUSD is required to provide property along the east side of Indiana Street which is currently the site of Ramona Opportunity High School, to allow the construction of the Metro Gold Line Eastside Extension, Indiana Street Light Rail Transit Station. The location of the Indiana Street Station was approved by the Metro Board with the approval of the January 4, 2002 FSEIS/FSEIR 6-mile Locally Preferred Alignment (LPA).

BACKGROUND

On May 3, 2006, the Metro Board of Directors approved the following funding increase to rebuild Ramona Opportunity High School (based on a total Project Cost of \$35 million), contingent upon the LAUSD sharing the cost as follows: Metro provides its original commitment of \$20 million, LAUSD provides \$4 million in joint use or other LAUSD funds; Metro provides 20% (not-to-exceed \$1 million) to match LAUSD's joint use funds; any costs above \$25 million would be shared equally between Metro and LAUSD. Metro's cost shall be capped at \$26 million. The Board's approval was contingent on the following:

- The LAUSD Board of Education approving a Property Exchange Agreement within 60 days;
- The LAUSD providing site control to the necessary portions of Ramona Opportunity High School on Indiana Street, no later than November 1, 2006;
- The LAUSD rebuilding Ramona Opportunity High School as described in the Option 1A, the master plan and the design as submitted to the State including any modifications required by the State; and
- The LAUSD issuing a notice to proceed for construction within four months after Metro has cleared the site for construction;

Metro Board's approval also included the following:

- Metro funds shall only be used for the Ramona Opportunity High School rebuild and not for any other purpose not explicitly agreed to by the Metro Board;
- City of Los Angeles shall identify a joint use programming commitment within one year; and
- Authorize the Chief Executive Officer to seek additional federal, state and or local funds that the Ramona Opportunity High School rebuild may be eligible for, in order to partially or fully offset the Metro cost commitment.

On June 13, 2006, the LAUSD Board of Education approved funds to demolish and rebuild Ramona Opportunity High School based on a proposed shared cost funding plan that was

brokered in October 2005, in a meeting between LAUSD, Metro and the City of Los Angeles which was structured with the following components:

1. Metro provides its original commitment of \$20 million (towards construction, land and other soft costs);
2. The new gymnasium, auditorium and play fields were identified as joint use projects, which led to an agreement of an 80/20 split with LAUSD allocating \$4 million and Metro and/or the City of Los Angeles allocating \$1 million;
3. LAUSD and Metro split costs that exceed \$25 million.

Under the plan approved by the Board of Education, no LAUSD funds shall be expended, construction contracts awarded, or land exchanged until several conditions are met, subject to and contingent upon the final, binding commitments between LAUSD, Metro and the City of Los Angeles.

PATH FORWARD

Staff recommends that Metro's CEO be authorized to finalize the Agreement to include language that would protect Metro by stipulating that the execution of the agreement is contingent upon the estimated Total Project Costs to be within \$35 million, prior to the close Escrow for the property exchange and LAUSD's award of a construction contract for Ramona Opportunity High School.

This approach allows the following time-critical activities to progress to better define the Total Project Costs and avoid further delays and escalation costs:

- Metro staff can continue to acquire the remaining 3 out of 9 Alma Avenue Parcels and obtain cost proposals for the demolition of the existing structures and environmental remediation of the sites; and
- LAUSD staff can continue to solicit and receive construction bids for the proposed Ramona Opportunity High School rebuild project.

FINANCIAL IMPACT

Funding for the staff recommendation would be provided as follows:

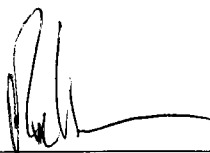
- \$12 million would come from the existing Project 800088 Metro Gold Line Eastside Extension budget.
- \$14 million would come from a combination of Project Contingency funds (dependent on sufficient funds being available at project completion); State funds; Eastside Joint Development funds; Eastside Surplus Property Sales; and/or similar Eastside Funding sources. Proposition A 35% Rail Bonds would be used only if the other funds mentioned above are not available.

Appropriate adjustments will be made to the FY07 Budget to reflect the actions approved by the Board.

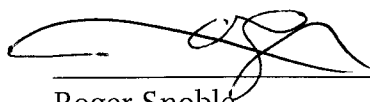
ALTERNATIVES CONSIDERED

The Board could decide to not approve the staff recommendation. However, without an Agreement the property exchange between Metro and LAUSD could not occur and an alternative site for the Indiana Station would have to be determined.

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