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Metropolitan Transportation Authority

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REVISED

EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
July 21, 2005

SUBJECT: GOLD LINE MASTER COOPERATIVE AGREEMENT

ACTION: AUTHORIZE CEO TO EXECUTE MOU

RECOMMENDATION

Authorize the Chief Executive Officer to approve an MOU with the Los Angeles to Pasadena Metro Blue Line Construction Authority (“Authority”) setting forth the understanding of the parties as to the timing for the development of a revised Master Cooperative Agreement covering the next segment of the Gold Line.

ISSUE

In 1999 Metro and the Authority entered into a Master Cooperative Agreement setting forth the procedures the two entities would follow in implementing their respective roles and responsibilities in the design and construction of the first phase of what is now the Gold Line, and the manner in which Metro would be reimbursed for its costs related to these activities. In this Agreement the parties also specifically committed to negotiate in good faith an amendment to the Agreement to cover Phase II of the Gold Line as soon as the Authority initiated that Phase.

The Authority is now in the process of obtaining environmental clearances for an extension of the Gold Line eastward from its current terminus at Sierra Madre Villa in Pasadena. Metro and the Authority have had discussions regarding a revised Master Cooperative Agreement, but have recognized that it is very difficult to reach agreement as to financial responsibility for any alterations to the design of any extension until there is an initial design acceptable to the parties which can serve as a baseline from which any changes can be measured. The proposed Memorandum of Understanding recognizes this fact by committing the parties to negotiate diligently and in good faith to develop a revised Master Cooperative Agreement covering an extension through the Palm-Citrus Grade Separation Project in the City of Glendora, which can be presented to their respective Boards for consideration at the first scheduled Board meeting occurring at least 30 days after approval of a Final EIR/EIS for Phase II by the Authority.

ALTERNATIVES CONSIDERED

The parties could forego a MOU and wait until there is an approved Final EIR/EIS for Phase II of the Gold Line before negotiating a revised Master Cooperative Agreement. However, the parties believe that it will be beneficial to formally execute an MOU at this time to demonstrate to federal officials and other interested persons that Metro and the Authority are working cooperatively and are prepared to execute a revised Master Cooperative Agreement promptly upon approval of the Final EIR/EIS.

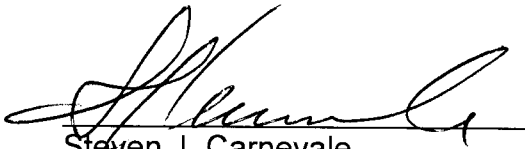
FINANCIAL IMPACT

Neither the proposed MOU, nor the contemplated revised Master Cooperative Agreement, commits Metro to any funding for construction of any extension of the Gold Line. However, the contemplated revised Master Cooperative Agreement will provide a mechanism for Metro to be reimbursed for any work of Metro employees related to a Gold Line extension.

ATTACHMENT

Memorandum of Understanding

Prepared by: Steven J. Carnevale
Assistant County Counsel



Steven J. Carnevale
Assistant County Counsel



Roger Snoble
Chief Executive Officer

MEMORANDUM OF UNDERSTANDING
REGARDING THE
MASTER COOPERATIVE AGREEMENT
FOR THE
METRO GOLD LINE – PHASE II, SEGMENT 1
BY AND BETWEEN

THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY

AND

THE LOS ANGELES TO PASADENA METRO BLUE LINE CONSTRUCTION
AUTHORITY

THIS MEMORANDUM OF UNDERSTANDING FOR THE METRO GOLD LINE, dated _____, 2005 (the “MOU”) is made by and between the Los Angeles to Pasadena Metro Blue Line Construction Authority (“Authority”), a public entity of the State of California and the Los Angeles County Metropolitan Transportation Authority (“LACMTA”), a public entity of the State of California, also referred to herein as the Parties.

RECITALS

WHEREAS, the Authority is a public entity created by the California State Legislature pursuant to Section 132400 *et seq.* of the Public Utilities Code (“PUC”) for the exclusive purpose of awarding and overseeing all design and construction contracts for completion of the Los Angeles – Pasadena Metro Blue Line light rail project, which is defined in PUC Section 132400 as extending from Union Station in the City of Los Angeles to the City of Claremont (the “Project”); and

WHEREAS, the LACMTA has changed the name of the Los Angeles - Pasadena Metro Blue Line to the “Metro Gold Line”; and

WHEREAS, the Authority and the LACMTA determined that construction of the Project should be divided into two phases, Phase I, which is defined as the approximately 13.7 mile line from Union Station in the City of Los Angeles to Sierra Madre Villa Boulevard in the City of Pasadena (“Phase I”), and Phase II, which is defined as any mass transit guideway

that may be planned east of Sierra Madre Villa Boulevard along the rail right-of-way extending to the City of Claremont ("Phase II"); and

WHEREAS, the Authority has determined that Phase II of the Project will be constructed in two phases or segments: Segment 1 from Sierra Madre Villa Boulevard in the City of Pasadena to the Azusa Citrus Station in the City of Azusa, and extending eastward into the City of Glendora to complete the Palm-Citrus Grade Separation Project; and Segment 2 from Azusa to Claremont and, if legislative authorization is obtained, to Montclair; and

WHEREAS, the Parties recognize that Phase II is not fully funded; and

WHEREAS, the LACMTA is a public entity created by the California Legislature pursuant to the PUC Section 130050.2 *et. seq.* for, among other things, the design, construction and operation of rail and bus transit systems and facilities in Los Angeles County; and

WHEREAS, PUC Section 132450 states that the LACMTA shall assume responsibility for operating the Project; and

WHEREAS, the LACMTA has been operating Phase I of the Project since July, 2003; and

WHEREAS, PUC Section 132435 requires the Authority to enter into a memorandum of understanding with the LACMTA that shall specifically address the ability of the LACMTA to review any significant changes in the scope of the design or construction or both design and construction of the Project;

WHEREAS, the Authority and the LACMTA desire to cooperate to the end that the design and construction activities for the Project are undertaken and completed in ways that meet the objectives and goals of the Parties;

WHEREAS, the Parties executed a Master Cooperative Agreement for the design and construction of Phase 1 on September 30, 1999 (the "Phase I MCA");

WHEREAS, Section 1 of the Phase I MCA provides that, upon the initiation of Phase II, the Parties will negotiate in good faith an amendment to that Master Cooperative Agreement, for Phase II;

WHEREAS, the Parties desire to enter into a Master Cooperative Agreement for the design and construction of Segment 1;

WHEREAS, the Parties agree that it is in the best interests of both Parties if the Master Cooperative Agreement for Segment 1 is entered into after the Final Environmental Impact Report/Environmental Impact Statement for Phase II is certified as complete;

WHEREAS, the Authority contemplates that the Final Environmental Impact Report/Environmental Impact Statement for Phase II will be certified by the Authority Board as complete on or about _____ of 2005;

WHEREAS, the Parties desire to enter into this MOU to set forth their intent regarding the Master Cooperative Agreement for Segment 1.

NOW THEREFORE, the Parties agree as follows:

1. Subject of Agreement

The foregoing recitals are incorporated into this MOU by this reference. The subject of this MOU is Segment 1 of Phase II of the Project, being that portion of the Metro Gold Line from Sierra Madre Villa Boulevard in the City of Pasadena to the Azusa Citrus Station in the City of Azusa, and extending eastward into the City of Glendora to complete the Palm-Citrus Grade Separation Project ("Segment 1").

2. Segment 1 MCA

Pursuant to PUC Section 132435 and Section 1 of the Phase I MCA, the Parties agree to negotiate diligently and in good faith with the intent of being able to present a mutually acceptable Master Cooperative Agreement for Segment 1 (the "MCA") to the respective Boards of the LACMTA and the Authority for consideration at the next regularly scheduled meeting of each Board occurring at least thirty (30) days following the Authority certification of the Final EIR/EIS for Phase II. The MCA shall specify the procedures that the Authority and the LACMTA will follow in implementing their respective roles and responsibilities in the design, construction, testing and turnback of Segment 1. The MCA shall also specify the manner in which the LACMTA will be reimbursed for its costs related to the activities and work it will perform pursuant to the MCA. Both the Authority and the LACMTA agree that each will cooperate and coordinate with the other in all activities covered by this MOU.

3. Counterparts

This MOU may be executed in several counterparts, and all counterparts so executed shall constitute one Agreement, binding all of the Parties hereto, notwithstanding that all of the Parties are not signatory to the original or the same counterpart.

4. Construction

The language in all parts of this MOU shall be in all cases construed simply according to its fair meaning and not strictly for or against any of the Parties.

5. Time of the Essence

Except as otherwise provided herein, time is of the essence in connection with each and every provision of this MOU.

6. Further Actions

The LACMTA and the Authority hereby agree to execute, acknowledge and delivery such additional documents, and take such further actions, as may reasonably be required from time to time to carry out each of the provisions, and the intent, of this MOU.

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed as of the date first written above.

LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Roger Snoble
Chief Executive Officer

APPROVED AS TO FORM:
RAYMOND FORTNER, JR.
County Counsel

By: _____
Deputy

LOS ANGELES TO PASADENA METRO BLUE LINE
CONSTRUCTION AUTHORITY

By: _____
Habib Balian
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
General Counsel