




Expo

6.a

DATE: JANUARY 12, 2006

TO: BOARD OF DIRECTORS

FROM: RICHARD D. THORPE 
INTERIM CHIEF EXECUTIVE OFFICER

ACTION: APPROVE PROJECT FISCAL YEAR 06 BUDGET

RECOMMENDATION

Approve the Exposition Metro Line Light Rail Fiscal Year (FY06) Budget consistent with the budget amount approved by the Metro Board in July 2005, as shown in Attachment C.

SUMMARY

In order for the Authority to assume responsibility for completion and delivery of the project, and as required by the Administrative Code, the Board is required to approve a FY06 Budget. The proposed FY06 budget amount of \$43,750,000 is consistent with the budget already approved by the Metro Board.

DISCUSSION

From FY02-FY05, Metro has conducted the initial planning for the Project, preparation of the Final Environmental Impact Study/Report, Preliminary Engineering and other federally required planning activities. The total budgeted amount for these tasks over this period was \$18.3 million. In April 2005, the Metro Board approved a Financial Plan for the Project, which fully funds the project in the amount of \$640 million as detailed in Attachment A.

As part of the FY06 Metro budget process, and consistent with the \$640 million approved Financial Plan, the Metro Board approved \$43.75 million for FY06, thereby increasing the Project's cumulative expenditure authority to \$62.05 million. The FY06 budgeted amount approved by the Metro Board was comprised of the projected expenditures as detailed in Attachment B. The majority of these costs, including utility relocation, right-of-way and real estate

purchases and mobilization of the contractor, can only be expended after receipt of the FTA Record of Decision. The Authority anticipates the FTA Record of Decision in January 2006. The projected expenditure amounts for these particular line items may decrease if the FTA Record of Decision is delayed. Any remaining balances would be carried over to the Proposed FY07 Budget.

As detailed in the proposed FY06 Expo Budget (Attachment C), all projected expenditures for this fiscal year are within the total FY06 Metro approved budget amount. There are some increases/decreases projected in the amounts of individual line items. Line item expenditures that are potentially higher than anticipated are due to the delay in the release of the FEIS/EIR by the FTA, additional design and engineering work done by DMJM Harris on the Flower Street alignment, and additional Third Party costs associated with engineering review by the City of Los Angeles. Projected decreases to other line items such as Agency staff and design-build contractor work offset these increases, and the total projected expenditures are well within the \$43,750,000 budget.

FINANCIAL IMPACT

Approving the recommended FY06 Expo Budget is consistent with action already taken by the Metro Board for FY06. All projected expenditures for FY06 are included in the \$43,750,000 amount approved by the Metro Board. These projected amounts are also included in the \$640 million project capital cost approved by the Metro Board in the Full Funding Plan, and in the project's capital cost estimate included in the Final EIS/EIR.

NEXT STEPS

Staff is working with Metro staff in preparing a detailed project FY07 Budget for approval by the Metro Board and the Authority. The proposed budget will identify tasks and costs commencing July 1, 2006 through June 30, 2007.

ATTACHMENTS

- A. Financial Plan
- B. Budget Expenditure Plan
- C. Projected Expenditures FY06

ATTACHMENT A

Exposition Financial Plan

Revenues Based on Funding Plan adopted by MTA Board in April 2005

Funding Sources	FY02-FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	Total
Federal Section 5309 (Bus Facilities/Other)		\$ 4,000	\$ 4,000	\$ 4,000	\$ 3,000				\$ 15,000
Federal- CMAQ	\$ 6,733	\$ 34,750	\$ 25,200	\$ 28,700	\$ 42,000	\$ 67,000	\$ 10,617		\$ 215,000
Federal - TEA			\$ 3,800	\$ 3,000	\$ 3,000	\$ 3,800			\$ 13,600
State - TCRP	\$ 11,000								\$ 11,000
Prop C 10% Commuter Rail				\$ 2,100	\$ 2,100				\$ 4,200
Prop C 25% Highway		\$ 5,000	\$ 24,300	\$ 60,200	\$ 105,900	\$ 81,000	\$ 42,000	\$ 12,800	\$ 331,200
Local Contribution/From Others			\$ 10,000	\$ 11,000	\$ 15,500	\$ 8,500	\$ 5,000		\$ 50,000
Total	\$ 17,733	\$ 43,750	\$ 67,300	\$ 109,000	\$ 171,500	\$ 160,300	\$ 57,617	\$ 12,800	\$ 640,000

ATTACHMENT B

Budget Expenditure Plan	FY02-FY05 Budget		FY02-05 Expenditures		METRO		EXPO	
					FY06 Adopted	FY06 Proposed		
MTA Staff	\$	4,694,357	\$	4,565,894	\$	3,032,600	\$	2,726,400
Expo Authority Staff/Administration	\$	-	\$	-	\$	1,735,000	\$	1,663,290
Professional Services/Consultants	\$	12,780,643	\$	12,225,009	\$	4,819,200	\$	5,180,740
3rd Party/Master Cooperative Agreements	\$	825,000	\$	595,011	\$	1,100,500	\$	1,597,367
Real Estate	\$	-	\$	-	\$	15,262,700	\$	15,262,700
Utility Relocation	\$	-	\$	-	\$	2,800,000	\$	2,800,000
Design/Build Contract	\$	-	\$	-	\$	15,000,000	\$	14,295,950
Contingency	\$	-	\$	-	\$	0	\$	223,553
Total					\$	43,750,000	\$	43,750,000

ATTACHMENT C

FY06 BUDGET

	MTA Approved FY06 Budget	EXPO Proposed FY06 Budget
Metro Agency Costs (Direct & Indirect)		
Planning Department	\$479,975.00	\$502,496.00
Construction Department	\$2,228,481.00	\$1,733,103.00
Other Cost Centers (Community Relations, Marketing, Real Estate, Labor Compliance)	\$324,144.00	\$490,801.00
Total	\$3,032,600.00	\$2,726,400.00

Expo Authority Costs

Staff	\$1,160,000.00	\$1,160,000.00
Office Rental - Authority*	\$55,000.00	\$0.00
PE Office Rental	\$155,756.00	\$133,756.00
Relocation Expenses	\$50,000.00	\$50,000.00
Office Supplies, Postage, Equipment	\$121,700.00	\$121,700.00
Misc Expenses	\$28,700.00	\$28,700.00
Meals, Travel, Parking	\$18,200.00	\$18,200.00
Vehicle Leases, Allowances	\$28,000.00	\$28,000.00
Panel Reviews	\$7,500.00	\$7,500.00
Board Meeting Costs (Stipends, Security, ISD)	\$27,644.00	\$32,934.00
Fees, Utilities	\$5,500.00	\$5,500.00
MIS Services	\$45,000.00	\$45,000.00
Benefits Management	\$15,000.00	\$15,000.00
Graphics, Media Relations	\$17,000.00	\$17,000.00
Total	\$1,735,000.00	\$1,663,290.00

*The Authority has 4 months of free rent under lease terms

Utility Relocation

DWP Water Flower Street	\$300,000.00	\$300,000.00
DWP Power Flower Street	\$2,000,000.00	\$2,000,000.00
Gas Company Flower Street	\$500,000.00	\$500,000.00
Total	\$2,800,000.00	\$2,800,000.00

MTA Approved FY 06 Budget	EXPO Proposed FY06 Budget
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Real Estate/Right-of-Way Costs

Real Estate Appraisal	\$80,000.00	\$80,000.00
Real Estate Acquisition	\$14,907,700.00	\$14,907,700.00
Relocation (Moving Expenses, Rent)	\$275,000.00	\$275,000.00
Total	\$15,262,700.00	\$15,262,700.00

Design/Build Contract

DB Contract/Mobilization	\$14,841,600.00	\$14,141,600.00
Office Rent for Contractor - Co-Located Office Space	\$158,400.00	\$154,350.00
Total	\$15,000,000.00	\$14,295,950.00

Professional Services

Planning Services (Thompson Coburn)	\$0.00	\$60,000.00
Planning Services (PB Consulting)	\$55,000.00	\$8,408.00
Planning Services (Terry Hayes)	\$200,000.00	\$227,000.00
Planning Studies (Korve Claim, Mitigation Monitoring)	\$865,000.00	\$150,000.00
Design/Build - DMJM Harris	\$400,000.00	\$467,764.00
Engineering Design - DMJM Harris	\$2,100,000.00	\$2,799,999.00
Bid Support Services	\$0.00	\$200,000.00
Misc	\$0.00	\$2,335.00
Geotech Investigation	\$100,000.00	\$100,000.00
Mapping	\$15,000.00	\$15,000.00
PMA (TEC)	\$80,000.00	\$90,000.00
PMA (URS)	\$300,000.00	\$346,119.00
Value Engineering	\$15,000.00	\$0.00
Legal Services (DB RFP & DBE Program)	\$0.00	\$140,000.00
Legal Services (Nossaman)	\$600,000.00	\$500,000.00
Printing/Advertising	\$0.00	\$552.00
Artist Work Contract	\$10,000.00	\$10,000.00
Environmental Mitigations(TRC Solutions)	\$79,200.00	\$63,563.00
Total	\$4,819,200.00	\$5,180,740.00

	MTA Approved FY 06 Budget	EXPO Proposed FY06 Budget
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Third Party Review

DWP Design Review	\$135,000.00	\$135,000.00
City of Los Angeles	\$441,500.00	\$938,367.00
County of Los Angeles	\$115,000.00	\$115,000.00
Other City Agencies (CRA, Culver City)	\$40,000.00	\$40,000.00
Utilities	\$119,000.00	\$119,000.00
Caltrans	\$250,000.00	\$250,000.00

Total	\$1,100,500.00	\$1,597,367.00
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Contingency	\$0.00	\$223,553.00
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Total Projected Expenditures FY 06	\$43,750,000.00	\$43,750,000.00
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