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**CONSTRUCTION COMMITTEE
JANUARY 17, 2008**

PROJECT: METRO GOLD LINE EASTSIDE EXTENSION

**ACTION: APPROVE USE OF DESIGN-BUILD CONTRACTING
DELIVERY APPROACH FOR POMONA/ATLANTIC PARKING
STRUCTURE**

RECOMMENDATION

A. The Board finds that awarding a Design-Build contract pursuant to Public Utilities Code Section 130242(a) will achieve for the LACMTA certain private sector efficiencies in the integration of the design, project work and components related to the real property renovation, repair and construction work for the proposed LACMTA parking structure facility in Los Angeles County;

Requires two-thirds vote

- B. Authorize the Chief Executive Officer to solicit a Design-Build contract for the construction of the LACMTA facility described in Recommendation A; and
- C. Staff will seek approval and for an increase in the Life-of-Project Budget after the receipt of bids and acceptance of the lowest responsible bidder.

ISSUE

Preliminary engineering and environmental services are currently being performed for a stand-alone parking structure on the Pomona/Atlantic site and for infrastructure elements that will allow a portion of the ground level parking area to be converted for future ground floor retail space. The addition of a small ground floor retail component will defray costs and enhance potential ridership in the future by providing on-site amenities. However, a larger structure is required to provide the minimum amount of 200 transit-dedicated parking spaces and the additional spaces needed to meet zoning requirements for the commercial retail area.

Approval of this Action will allow staff to proceed with a solicitation utilizing the Design-Build contract delivery approach pursuant to Public Utilities Code section 130242(a). The Design-Build contract delivery approach is commonly used for commercial parking structures to expedite the process.

POLICY IMPLICATIONS

Awarding a Design-Build contract pursuant to Public Utilities Code Section 130242(a) will achieve for the LACMTA certain private sector efficiencies in the integration of the design, project work and components related to the real property renovation, repair and construction work for the proposed LACMTA parking structure facility in Los Angeles County.

OPTIONS

The Board of Directors could decide to not approve this action and direct staff to proceed with the current scope of the CO803 Contract to design and build a surface parking lot for approximately 127 transit-dedicated spaces. Although the 200 car parking spaces are based on 2020 patronage projections and are not required as an environmental mitigation for the Project, it is anticipated that the need for additional parking spaces beyond what can be provided on the surface parking lot will increase within a few years after Revenue Operations that is scheduled for 2009.

IMPACTS TO OTHER CONTRACTS

Contract CO803 (Eastside LRT Constructors) Tunneling, Stations, Trackwork and Systems – includes the cost to design and build a surface parking lot on the Pomona/Atlantic LACMTA-owned site and provides contractual access to the CO803 Contractor. LACMTA will need to notify the CO803 Contractor that it intends to negotiate a deductive change order from the CO803 Contract scope and transfer the site to another contractor for the purpose of constructing a transit parking structure. The cost savings will be used to offset other costs already incurred to relocate utilities in order to maximize the developable area of the site.

FINANCIAL IMPACTS

The original Life-of-Project Budget for the Pomona/Atlantic Parking Structure is \$4.3 million and was included within the \$18 million under Project 800288 that was approved by the Board of Directors in March 2005. Once LACMTA is in receipt of bids and acceptance of the lowest responsible bidder, staff will return to the Board of Directors to seek approval for the contract award and for an increase that is anticipated in the Life-of-Project Budget to cover scope increases and escalation costs due to the new anticipated construction start and completion dates. Upon the Board of Directors approval, the FY'09 budget will be amended to include expenditures to Project 800288 (Metro Gold Line Eastside Extension

Enhancements and Mitigations), Cost Center 8510 (Construction Contracts/Procurement), and Accounts 53101 (Acquisition Building and Structure) and 50316 (Professional and Technical Services). Since this is a multi-year contract, the cost center manager and Chief Capital Management Officer will be accountable for budgeting the cost in future years, including any option exercised. The expenditures will be funded with Proposition C 10% Funds.

BACKGROUND

The Metro Gold Line Eastside Extension Light Rail Transit Project (“Eastside Extension”) is a six-mile alignment with eight light rail transit stations, which will connect the Pasadena Gold Line at Union Station in downtown Los Angeles to the planned terminus near the intersection of Pomona Avenue and Atlantic Boulevard, in East Los Angeles. The January 4, 2002, FSEIS/FSEIR for the Project includes as a design feature and not a mitigation measure, 200 parking spaces at the proposed terminus based on year 2020 patronage estimates. In March 2005, the Board of Directors approved \$4.3 million in funding for a 200-car parking structure at the Pomona/Atlantic site under the Metro Gold Line Eastside Extension Enhancements and Mitigations Budget (Project No. 800288).

In September 2006, staff received an unsolicited proposal from Atlantic Partners, LLC for development of the Pomona/Atlantic site. The development contemplated the construction of an affordable senior citizen housing project over a shared parking structure that would include 200 transit parking spaces, eliminating the need to build a stand-alone, 200-space park-n-ride facility.

In January 2007, the Board of Directors approved staff’s recommendation to negotiate, execute and enter into a joint development agreement, ground lease and other development documents with the developer and to pay the developer up to \$4.3 million in Metro Gold Line Eastside Extension Enhancements and Mitigations Budget (Project No. 800288) funds for that portion of the shared parking facility’s cost attributable to the 200 transit parking spaces. The proposal for joint development has since been withdrawn and no further negotiation for a joint development on the site is scheduled at this time.

In September 2007, the Board of Directors approved \$525,000 for consultant services to perform preliminary engineering and environmental services to plan a 200-space, stand-alone parking structure on the Pomona/Atlantic site and to explore the possibility of adding a small ground floor retail component to the design in order to defray costs and to enhance potential ridership by providing on-site amenities. The current design includes infrastructure elements that will allow a portion of the ground level parking area to be converted for future ground floor retail space. However, a larger structure is required to provide the minimum amount of 200 transit-dedicated parking spaces and the additional spaces needed to meet zoning requirements for the commercial retail area.

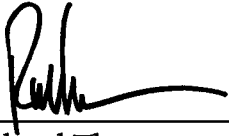
NEXT STEPS

Once LACMTA is in receipt of bids and acceptance of the lowest responsible bidder, staff will return to the Board of Directors to seek approval for the contract award and for an increase that is anticipated in the Life-of-Project Budget to cover scope increases and escalation costs due to the new anticipated construction start and completion dates.

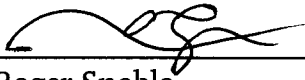
ATTACHMENTS:

None

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