



CONSTRUCTION COMMITTEE
OCTOBER 16, 2008

PROJECT: METRO GOLD LINE EASTSIDE EXTENSION
ACTION: INCREASE THE LIFE-OF-PROJECT BUDGET FOR THE
POMONA/ATLANTIC PARKING STRUCTURE

RECOMMENDATION

- A. Increase the Life-Of-Project (LOP) Budget for Project 800288 (Metro Gold Line Eastside Extension Enhancements and Mitigations), in the amount of \$8,700,000, increasing the previously authorized amount of \$42,703,000 to \$51,403,000; and
- B. Authorize the Chief Executive Officer (CEO) to:
 - 1. Execute Contract CO893 for the Pomona/Atlantic Parking Structure with the lowest responsive and responsible bidder; and
 - 2. Execute contract modifications for this contract in the amount not to exceed \$1,650,000.

RATIONALE

In January 2008, the Board approved the staff recommendation to utilize the design-build contracting approach for the Pomona/Atlantic Parking Structure. Staff also advised that we would seek approval for an increase in the LOP Budget after the receipt of bids and acceptance of the lowest responsible bidder to cover scope increases and escalation costs due to the new anticipated construction start and completion dates. Bids were received on September 30, 2008 and are currently being evaluated. The three bidders are W.M. Klorman Construction, ARB Structures Inc. and Bomel Construction Company Inc. The Board Report will be revised once the lowest responsive bidder has been identified.

Staff is requesting approval of the additional funding at this time in order to be able to award Contract CO893 in late October. This will allow the construction of the parking structure to be completed as near to the Metro Gold Line Eastside Extension Revenue Operations Date as possible. Since the parking structure is scheduled to open six months beyond the Revenue Operations Date, this action also includes costs for interim parking adjacent to the Pomona/Atlantic Station for use by our patrons prior to completion of the parking structure. This action will provide additional funding beyond the current LOP Budget to fund the current estimated costs for the Pomona/Atlantic Parking Structure Project and allow the

Chief Executive Officer to award the contract to the lowest responsive and responsible bidder.

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, Final Supplemental Environmental Impact Statement/Final Supplemental Environmental Impact Report 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 authorized 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.

In January 2008, the Board of Directors authorized the Chief Executive Officer to solicit a design-build contract for the construction of the Pomona/Atlantic Parking Structure pursuant to the Public Utilities Code Section 130242(a). Bids were received on September 30, 2008 and are currently under evaluation.

FINANCIAL IMPACT

Funding of \$15.7 million is included in the FY09 budget for Project 800288 (Metro Gold Line Eastside Extension Enhancements and Mitigations) in Cost Center 8510 (Construction Contracts/Procurement). This action will not require additional funding in the FY09 budget. However, this action will increase the LOP Budget by \$8.7 million from \$42.7 million to \$51.4 million. The proposed funding source for the \$8.7 million increase is Proposition C 40% (PC 40%) Discretionary Funds. This use of PC 40% was not anticipated in the Long Range Transportation Plan (LRTP). Such unanticipated uses will eventually impact our ability to address some future LRTP projects and programs, including bus and rail operating and capital needs and regional infrastructure development.

Since this is a multi-year project, the cost center manager and Chief Capital Management Officer will be accountable for budgeting the costs in future years.

ALTERNATIVES CONSIDERED

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.

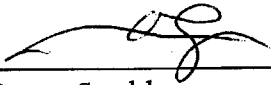
ATTACHMENT

Funding/Expenditure Plan

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Chief Executive Officer

ATTACHMENT

**Metro Gold Line Eastside Extension Enhancements & Mitigations
Funding / Expenditure Plan
(Dollars in Thousands)**

	FY06	FY07	FY08	FY09	FY10	TOTAL	% of Total
Uses of Funds							
Construction	\$ 1,774	\$ 5,854	\$ 12,739	\$ 15,787	\$ 9,880	\$ 46,034	90%
Special Conditions	\$ -	\$ 1,070	\$ 608	\$ 1,566	\$ -	\$ 3,244	6%
Right-of-Way	\$ -	\$ -	\$ -	\$ 350	\$ 298	\$ 648	1%
Professional Services	\$ 2	\$ 104	\$ 814	\$ 1,789	\$ 1,205	\$ 3,914	8%
Project Contingency	\$ -	\$ -	\$ -	\$ -	\$ 1,650	\$ 1,650	3%
City & County of LA (Reflects Reimbursement for Betterments)	\$ -	\$ (279)	\$ -	\$ (3,808)	\$ -	\$ (4,087)	-8%
Total Project Cost	\$ 1,776	\$ 6,749	\$ 14,161	\$ 15,684	\$ 13,033	\$ 51,403	100%
Sources of Funds							
State Traffic Congestion Relief Program	\$ -	\$ 3,605	\$ 13,957	\$ 6,524	\$ -	\$ 24,086	47%
State Transit Assistance	\$ -	\$ -	\$ -	\$ -	\$ 617	\$ 617	1%
Prop C 40% Discretionary	\$ 1,776	\$ 3,144	\$ 204	\$ 5,795	\$ 2,781	\$ 13,700	27%
Prop C 40% Discretionary (Oct 2008)	\$ -	\$ -	\$ -	\$ -	\$ 8,700	\$ 8,700	17%
Prop C10% (Park & Ride Eligible)	\$ -	\$ -	\$ -	\$ 3,365	\$ 935	\$ 4,300	8%
Total Project Funding	\$ 1,776	\$ 6,749	\$ 14,161	\$ 15,684	\$ 13,033	\$ 51,403	100%

