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CONSTRUCTION COMMITTEE
JANUARY 15, 2009

PROJECT: METRO ORANGE LINE EXTENSION

**ACTION: ESTABLISH A LIFE-OF-PROJECT BUDGET AND AMEND
THE FY09 BUDGET FOR NEW CAPITAL PROJECT NO.
800119 METRO ORANGE LINE EXTENSION**

RECOMMENDATION

- A. Establish a life-of-project (LOP) budget for the Metro Orange Line Extension Project No. 800119 in the amount of \$215.6 million; and
- B. Amend the FY09 budget to add \$3.5 million of Proposition 1B funds to Project No. 800119.

RATIONALE

The Metro Orange Line (MOL) Extension Project is a four-mile extension of the Metro Orange Line extending from the existing Canoga park-and-ride lot to the Chatsworth Metrolink Station. The Project includes: busway, new station platforms at the Canoga park-and-ride lot, new stations at Sherman Way (with park-and-ride), Roscoe Boulevard, Nordhoff Street, and the Chatsworth Metrolink Station; bikeway and transportation enhancements/greenway; and an over-crossing/grade-separation over active railway tracks at Lassen Street, providing direct access into the Chatsworth Metrolink Station.

The Recommendations are conditional upon Board certification of the Canoga Transportation Corridor Final Environmental Impact Report (MOL Extension Project) in January 2009 in compliance with the California Environmental Quality Act (CEQA) and adoption of the Findings and Statement of Overriding Considerations in accordance with CEQA.

The recommended MOL Extension LOP budget of \$215.6 million for new Capital Project No. 800119 is based on a Conceptual Engineering Cost Estimate with an escalation rate of 4% per year. This estimate was prepared as part of the decision making process for selecting the Locally Preferred Alternative that was approved by the Board in June 2008. This funding will be used for final design and construction of the project with anticipated completion in fiscal year 2013.

FINANCIAL IMPACT

This action will amend the FY09 budget to add \$3.5 million of expense and revenues to Project No. 800119 in Cost Center 8510. These funds will be used to start final design, initiate right-of-way acquisition, commence advance utility and railroad work and prepare construction bid documents. The funding will be State Proposition 1B funds.

Since this is a multi-year project, the Project Manager and Chief Capital Management Officer will be accountable for budgeting the costs in future years consistent with the Board-adopted LOP budget. The Funding and Expenditure Plan has been included as Attachment A.


ALTERNATIVES CONSIDERED

The Board may choose not to authorize the LOP budget for this project. We do not recommend this alternative because funds need to be committed to timely start final design, right-of-way acquisition, advance utility and railroad work and construction for this project.

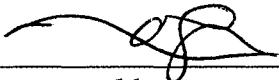
ATTACHMENT:

A. Funding and Expenditure Plan

Prepared By: William Brown, Senior Project Control Manager
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Richard Thorpe
Chief Capital Management Officer



Roger Snoble
Chief Executive Officer

**Metro Orange Line Extension
Funding / Expenditure Plan***
(Dollars in Millions)

Capital Project 800119	FY09	FY10	FY11	FY12	FY13	FY14	TOTAL	% of Total
Uses of Funds								
Construction	\$ 1.5	\$ 17.9	\$ 42.9	\$ 42.5	\$ 31.6	\$ 0.9	\$ 137.3	63.7%
Right-of-Way	\$ 0.5	\$ 7.5	\$ -	\$ -	\$ -	\$ -	\$ 8.0	3.7%
Vehicles	\$ -	\$ -	\$ -	\$ 9.9	\$ -	\$ -	\$ 9.9	4.6%
Professional Services**	\$ 1.0	\$ 8.3	\$ 9.0	\$ 8.5	\$ 7.6	\$ 4.3	\$ 38.7	17.9%
Project Contingency	\$ 0.5	\$ 2.7	\$ 5.6	\$ 7.3	\$ 5.6	\$ -	\$ 21.7	10.1%
Total Project 800119 Cost:	\$ 3.5	\$ 36.4	\$ 57.5	\$ 68.2	\$ 44.8	\$ 5.2	\$ 215.6	100%

Sources of Funds								
Prop C 25%	\$ -	\$ -	\$ 14.7	\$ 34.1	\$ 22.4	\$ 2.6	\$ 73.8	34.2%
SLTPP	\$ -	\$ -	\$ 14.7	\$ 34.1	\$ 22.4	\$ 2.6	\$ 73.8	34.2%
State Prop 1B Bonds	\$ 3.5	\$ 36.4	\$ 28.1	\$ -	\$ -	\$ -	\$ 68.0	31.5%
Total Project Funding:	\$ 3.5	\$ 36.4	\$ 57.5	\$ 68.2	\$ 44.8	\$ 5.2	\$ 215.6	100%

* Based on Conceptual Engineering Cost Estimate and assumes Revenue Operations in Fiscal Year 2013.

** Additional Professional Services are included in Fiscal Year 2009 funding in Project 405513, Cost Center No. 8510.