

**Metro**

Metropolitan Transportation Authority

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**PLANNING AND PROGRAMMING COMMITTEE  
MARCH 15, 2006  
CONSTRUCTION COMMITTEE  
MARCH 16, 2006**

**SUBJECT: RESTORATION OF THE LANKERSHIM DEPOT TRANSIT CENTER**

**ACTION: APPROVE LIFE OF PROJECT BUDGET FOR RESTORATION OF THE  
LANKERSHIM DEPOT TRANSIT CENTER AND AUTHORIZE RELATED  
ACTIONS**

**RECOMMENDATION**

- A. Approve a change in sponsor from the Community Redevelopment Agency of the City of Los Angeles ("CRA") to Metro for \$817,000 in local Proposition C 10% funds made available from a previous Call for Projects for execution of the Scope of Work in Memorandum of Understanding ("MOU") dated December 31, 2001 for the full restoration of the Lankershim Depot Transit Center ("Project"), a facility owned by Metro.
- B. Authorize the Chief Executive Officer ("CEO") to negotiate and execute an agreement between the CRA and Metro so that Metro may receive up to \$364,803 of City of Los Angeles local matching funds for the Project from CRA.
- C. Program an additional \$2,418,197 in Proposition C 10% funds for the Project.
- D. Adopt the Lankershim Depot Transit Center life of project budget of \$3,600,000 (Attachment A).
- E. Amend the FY06 budget to authorize a total FY06 expenditure of \$90,000.

## ISSUE

A Receive and File status report was delivered to the Board at its July 2005 meeting, responding to direction provided in April of that year, to report on the status of the rehabilitation of the historic Lankershim Depot, located at the North Hollywood terminus stations of both the Metro Orange Line and Metro Red Line. This restoration work was initiated through the 1999 Call for Projects, and the Community Redevelopment Agency of the City of Los Angeles (“CRA”) was the project sponsor. Encountering various delays, CRA experienced difficulty in moving the project forward, and the forecasted cost continued to escalate.

Metro and CRA staff have continued to analyze the issues and options presented in the Receive and File report, and now recommend that Metro assume sponsorship of the Call Project and proceed with all actions required to fully restore the Lankershim Depot as outlined in the original scope of work as part of the MOU.

## POLICY IMPLICATIONS

The historic Depot was identified as part of the Metro Orange Line terminus development in the San Fernando Valley East-West Transit Corridor Final Environmental Impact Report (FEIR), and the restored Depot is to be an integral component of this station area. The landscaped plaza, included in the Depot rehabilitation scope of work, was recognized as providing needed access to the Orange Line station from adjacent Lankershim Boulevard, which street serves as a gateway into the NoHo Arts District and a connection to significant commercial, retail and residential development taking place in the area. The plaza also provides a pedestrian linkage to the Metro Red Line North Hollywood station across Lankershim Boulevard, accessing the subway, park and ride lot, transit plaza and local bus service. Ensuring the completion of this Project will fulfill the vision for this area contemplated by the Board in its adoption of the FEIR in February 2002. Further, restoration of the site will maximize the utilization of this Metro-owned property, providing needed space for Metro operations, customer services and an office for the Los Angeles County Sheriffs.

## OPTIONS

The Board could choose not to accept sponsorship of the Project at this time. In that event, it would not be possible to rehabilitate the Lankershim Depot. Staff is not recommending this option, as this will leave the structure in its existing dilapidated state, posing a risk of vandalism and a continuing liability and maintenance problem.

Staff had explored the possibility of minimal restoration, and work beyond minimal restoration but within the original budget, but has determined that it is not possible to do any construction on the building without first stabilizing the substructure. Inherent in that effort is the concurrent facilities work, roof structure support, etc., making a more limited scope infeasible. Further, if it were possible to undertake, this level of restoration would not be sufficient to make the facility inhabitable, nor the restrooms accessible for bus operators.

Staff also considered an additional option of making cosmetic improvements only to the facility, leaving the full restoration effort for inclusion in the scope of a joint development project. Staff is not recommending this option, as this proposal would also leave the structure in its current state of disrepair, leading to continuous liability and maintenance risks. Further, the North Hollywood community stakeholders have repeatedly expressed their interest and support in having this depot restored, and their concern that this may not be realized in a timely manner. Opposition to the possible relocation of this structure has also been voiced by the stakeholders. The potential complexities of a joint development project at this North Hollywood location make it difficult to predict when the depot would be restored under this scenario.

### **FINANCIAL IMPACT**

The recommended actions would establish the Lankershim Depot Transit Center project as a Metro capital project with a life of project budget of \$3.6 million. Of this amount, \$817,000 in Proposition C 10% funds has been previously programmed through the Call for Projects and \$364,803 of City of Los Angeles funds is to be provided as match to the Call for Projects funds. CRA has already expended approximately \$259,160 of this match on professional services, resulting in a complete set of construction plans and specifications. These plans will become the property of Metro and should require only minor modifications by Metro prior to use in our contract bid process. The value of this expenditure shall be applied against CRA's total match, and CRA will provide the balance of this match, at \$105,643, as a proportionate share of actual project costs incurred by Metro.

An additional \$2,418,197 in Proposition C 10% funds will be required to complete the project financial plan. Sufficient capacity exists to use Proposition C 10% funds and not impact current annual cash allocations. However, since this funding category is the source of funds for other transit priorities such as Metrolink and supplemental parking facilities, allocation of these funds for the Project could potentially reduce availability of Proposition C 10% funds for future projects. In order to move the Project forward in this FY06, the current budget must be increased by \$90,000 to begin the refinement of the design drawings and specifications and final review by the State Historic Preservation Office. As this is a multi-year project, the Construction project manager will be responsible for budgeting needed amounts in future years.

To accommodate the need for bus operator restrooms at the North Hollywood terminus, a portable temporary restroom trailer has been leased by Metro Operations and placed adjacent to the Depot. Provision of restrooms inside the Depot for use by our operators will enable Metro Operations to discontinue this trailer lease.

### **DISCUSSION**

Under an existing Call for Projects Memorandum of Understanding dated December 31, 2001, Metro granted a total of \$817,000 in Proposition C 10% funds to CRA during Metro's

1999 Call for Projects for the years FY2000-01 and FY2001-02 for the rehabilitation of the former Lankershim Depot, an historic structure that had previously served as a station for the Pacific Electric Red Car and the Southern Pacific Railroad. The total budget at that time for the project was \$1.181 million, which included a match of \$364,803 from the CRA. The budget covered both design and construction, with an approximately 27-month long schedule that included public outreach, preparation of design drawings, procurement of a construction contractor, and actual construction. Project staff costs were to be absorbed by CRA. The original schedule projected that the design would be completed in 2001 and construction finished in 2003.

To date, the Project has been delayed for a number of reasons:

1. The CRA's original grant application did not anticipate the later adoption and construction of the Orange Line, which necessitated a redesign of the original landscaping and pedestrian linkages plan for the Depot.
2. Once the Orange Line was approved, Metro recommended additional changes to the Depot design to enable Metro operators to access a restroom on a 24-hour basis.
3. The CRA's construction phase was delayed due to contractor protests regarding their procurement process.
4. During the procurement process, material prices increased, and the CRA contractor was unwilling to agree to enter into a contract with CRA due to the cost increases and staging area restrictions, which resulted in the need for CRA to undertake a new procurement process.

Project costs have continued to escalate. Construction and material costs have increased dramatically recently due to high energy costs, the 2005 hurricane season in the Gulf and other factors. In addition, the scope of work includes the full restoration of the Depot, which would be completed according to State Historic Preservation Office (SHPO) guidelines. This will also necessitate an increase in funding, as the design may have to be revised to accommodate any new SHPO requirements, and a consultant familiar with these requirements will be needed to assist Metro design staff. Specialized labor to perform the restoration work may affect construction costs, as there is a short supply due to a large number of historic restorations in progress throughout the City of Los Angeles. Any further delay in the restoration effort will undoubtedly result in an even greater cost increase once the work is finally undertaken.

While CRA envisioned this facility would ultimately be leased by Metro to a third party for an appropriate community use, Metro is now considering utilizing this space as a much-needed customer service center. At the San Fernando Valley Sector public meetings, staff have received many comments from the public concerning the need for more fare media sales outlets in the Valley. This pivotal location at the intersection of Lankershim Boulevard, 16 local bus routes, the Metro Red Line and Metro Orange Line, is a likely candidate site for a customer service facility.

The scope of work will now include restrooms for Metro bus operators and work space for the Sheriffs Department and Metro Operations support. The design will also be modified to ensure portability to allow for potential joint development on the site.

The accumulated effect of the delays and the scope of work required have increased the projected construction, consultant, Metro procurement and Metro project management costs to a new budget requirement of \$3.6 million.

Metro staff has been coordinating with CRA staff to complete this project. In a letter to Metro dated June 27, 2005, CRA requested the transfer of sponsorship of the Lankershim Depot Transit Center project to Metro. Metro staff is preparing an Assignment and Assumption Agreement amending the Call for Projects MOU, reflecting this change in sponsorship. Additionally, Metro staff is also preparing to initiate contract action for the Project. If the staff recommendation in this Board Report is approved, Metro staff will proceed with finalizing contract documents and initiating contract actions to procure prospective bidders for the restoration work.

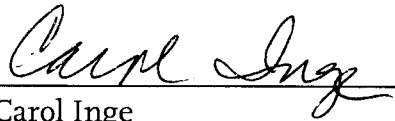
### **NEXT STEPS**

If the actions recommended in this Board Report are taken, staff will finalize the design for the Lankershim Depot Transit Center project and prepare bid documents for issuance in the summer of 2006.

### **ATTACHMENTS**

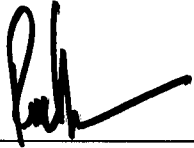
#### **A. Funding/Expenditure Plan**

Prepared by: William R. Brown, Project Control Manager  
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Roger F. Dames, Deputy Executive Officer, Project Manager  
Kevin J. Michel, Director, San Fernando Valley/North County Area Team



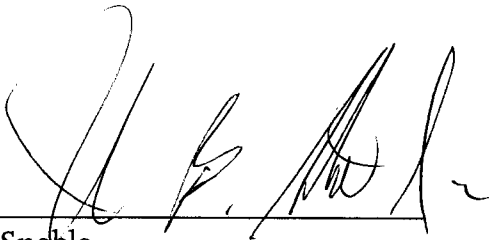
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Carol Inge  
Interim Chief Planning Officer



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Richard Thorpe  
Chief Capital Management Officer  
Construction Project Management



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Roger Snoble  
Chief Executive Officer

## Attachment A

### Lankershim Depot Restoration Project Funding/Expenditure Plan

	FY06	FY07	FY08	TOTAL	% of Total
<b>Uses of Funds</b>					
Construction - Structure	\$ -	\$ 900,000	\$1,465,000	\$2,365,000	66%
Other Services	\$ 60,000	\$ 215,000	\$ 100,000	\$ 375,000	10%
Project Administration	\$ 30,000	\$ 250,000	\$ 220,000	\$ 500,000	14%
Right-of-Way	\$ -	\$ -	\$ -	\$ -	0%
Project Contingency	\$ -	\$ 100,000	\$ 260,000	\$ 360,000	10%
<b>Total Project Cost</b>	<b>\$ 90,000</b>	<b>\$ 1,465,000</b>	<b>\$2,045,000</b>	<b>\$3,600,000</b>	<b>100%</b>
<b>Sources of Funds</b>					
CRA Matching Funds	\$ -	\$ 364,803	\$ -	\$ 364,803	10%
Prop C10% Call for Projects Grant/CRA	\$ 90,000	\$ 727,000	\$ -	\$ 817,000	23%
Prop C10% Bonds/Cash	\$ -	\$ 373,197	\$2,045,000	\$2,418,197	67%
<b>Total Project Funding</b>	<b>\$ 90,000</b>	<b>\$ 1,465,000</b>	<b>\$2,045,000</b>	<b>\$3,600,000</b>	<b>100%</b>

