



**PLANNING AND PROGRAMMING COMMITTEE
MAY 19, 2004**

SUBJECT: EXPOSITION LIGHT RAIL TRANSIT PROJECT

**ACTION: APPROVE A REVISED AND UPDATED PROJECT SCHEDULE
INCLUDING ADDITIONS TO THE FY05 BUDGET FOR SUBSTANTIAL
COMPLETION OF PRELIMINARY ENGINEERING**

RECOMMENDATION

- A. APPROVE a revised and updated project schedule (Attachment A).
- B. AMEND the FY05 budget to add \$5.8 million to the Exposition Project for a total approved project through Preliminary Engineering of \$17.8 million.

ISSUE

On February 26, 2004 the Board approved an amendment related to the 2004 Los Angeles County Transportation Improvement Program that moved development of the Exposition Light Rail Transit Project (Expo LRT) ahead of the Wilshire Bus Rapid Transit Project (with the exception of Division 10 expansion). Staff analysis determined that the reprioritization would enable \$96 million to be transferred in earlier years to the Expo LRT project, primarily in FY07 and FY08.

Before the transfer in funds, staff had recommended a “shutdown” scenario for the Expo LRT project in the proposed FY05 budget. Losses of previously committed state transportation funds left gaps in the project funding plan that would have required a deferral of the start of construction until 2012. Completion of Preliminary Engineering (PE) in FY05-06 was not envisioned since this would have created an unacceptable 4-year gap between the completion of PE and the start of final design/construction. With the transfer of the \$96 million, this gap is significantly reduced to the point where Staff now recommends proceeding directly with the completion of preliminary engineering.

The basis for the above recommendation is:

1. The \$96 million programmed to the Expo LRT project now supports a funding plan that would allow start of construction in FY09 and project completion three years later at the start of FY12. In order to effectively use this revised funding for construction, MTA must complete PE in FY05-06 leading to federal funding negotiations and final design activities in FY07-08 (See Attachment A.)
2. Authorizing the PE effort to continue through FY05 enables completion of project development activities by the submission date for the Federal Transit Administration (FTA) Section 5309 New Starts Project Report for Federal Fiscal Year 2006 (August 2005). Completion of these tasks strongly supports a project ready assessment and justifies FTA approval to enter into “Final Design” and proceed with Full Funding Grant negotiations.
3. Completing PE would also position the project to complete construction sooner if the remaining project funding is secured faster than currently anticipated. If funding were not a constraint, construction timelines indicate that it is possible to complete the project one to two years earlier than FY12. For example, this could happen if the MTA gets higher yearly appropriation of Federal New Starts Funds than currently assumed prior to the proposed construction period or if some additional source of funding such as from SB314 (“Murray Bill”) is secured. If the MTA does not continue with completion of PE, the project would not be ready to start final design and construction in time to take advantage of such additional funding.
4. The recommended approach will avoid costs associated with demobilizing the MTA project and consultant staff currently in place. Remobilizing this effort will require additional time and costs for resources in having to reprocur or renegotiate consultant services and restore logistical support.

The current FY05 proposed budget includes \$2.5 million for the Expo LRT Project. The above recommendation directs that \$5.8 million in Expo LRT project funds be shifted forward from FY07-08 into the FY05 budget for a total of \$8.3 million. Moving these funds forward will not adversely affect other MTA projects.

POLICY IMPLICATIONS

Continuing project development activities on the Expo LRT Project are consistent with the 2001 Long Range Transportation Plan and the 2003 Short Range Transportation Plan. The action follows Board direction from February 2004 (Amendment to Item #6) in which the Board directed a switch of funding years between the Wilshire BRT and the Exposition LRT projects to “ensure that the Exposition project remains on schedule as the agency’s next highest transit priority.”

OPTIONS

The Board could choose not to continue with the Expo PE and project development activities in FY05. Staff is not recommending this because it unnecessarily delays project design and construction given the Board action to program earlier year funding for the Expo LRT project; it would not position the project to take advantage of additional funding opportunities should they materialize; it will delay FTA's ability to assess project readiness, approve entry into "Final Design" or commence Full Funding Grant negotiations; it would require demobilization and remobilization of the staff and consultant team at a later date; and it may necessitate an update and revision of the environmental documents.

FINANCIAL IMPACT

Through the close of FY04, approximately \$9.5 million will have been expended on environmental studies and initial PE. This amount supplemented by the requested \$8.3 million will increase the life of project budget to a total not to exceed \$17.8 million.

The FY05 budget contains \$2.5 million of Prop C bonds to fund limited project development and completion of the EIS/EIR work. Although this effort was originally to be funded with TCRP funds, the Prop C bonds were substituted in the FY05 budget in case the TCRP funds are not available from the State. The remaining \$5.8 million will be funded from Prop C bonds or by securing other funds.

BACKGROUND

In February 2002, the FTA approved the entry into the PE phase of Project Development for the Expo LRT Project. Funding for the work was available through the State of California TCRP program up to a total of \$24 million for environmental studies and PE. In December 2002, the Governor announced the impending state budget deficit, which led to cutbacks in appropriations for the TCRP program, reducing funding available to \$11 million. This \$11 million total was sufficient for the completion of the Final Environmental Impact Statement/Environmental Impact Report (FEIS/EIR) and the initial phase of PE.

Currently, sufficient PE designs and analysis to support the environmental review process have been prepared in accordance with FTA guidelines. This includes right-of-way drawings, track plans and profiles, preliminary traffic analysis, operational and fire/life safety criteria development. After FTA approval of the FEIS/EIR, public circulation will occur followed by MTA Board approval. It is anticipated that this process will take approximately seven months at which point the MTA will request a Record of Decision (ROD) from the FTA.

Preliminary Engineering Completion

Completing PE will bring project development up to the level required by FTA to request entry into the Final Design/Construction phase of the project. It is also the level of project design necessary to support bidding for a final design or a design/build contract. At this stage, it will also be important to develop a transition/integration plan for the Joint Powers Authority which has been enabled by the State Legislature to award and oversee the final design and construction of the Expo LRT line following the completion of preliminary engineering, environmental clearance and the approval of project funding.

The FTA has authorized the following major activities that would be continued in FY05 and substantially completed by FY05-06:

1. Advance the PE design drawings to a greater detail to support bidding out the project
2. Prepare more detailed Capital and Operating Cost Estimates
3. Prepare the detailed Financial Plan
4. Develop the Project Management Plan
5. Conduct a second round of Value Engineering
6. Define major right-of-way parcel needs for certification and any major utility relocation(s)
7. Develop a more detailed Fleet Management Plan
8. Submit annual FTA New Start Rating Criteria

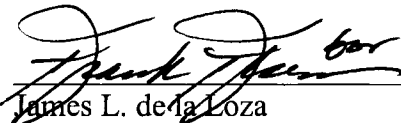
NEXT STEPS

If the Board approves the recommendation, staff will proceed to complete the FTA authorized PE activities listed above

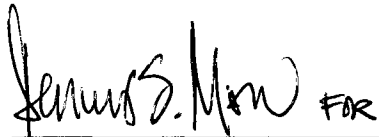
ATTACHMENTS

A. Exposition LRT Project Schedule

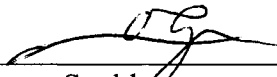
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