



Metro

Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

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**PLANNING & PROGRAMMING COMMITTEE
MARCH 16, 2005**

SUBJECT: DOUGLAS STREET GAP CLOSURE PROJECT FUNDING PLAN

**ACTION: APPROVE ADDITIONAL FUNDING AND AUTHORIZE
MEMORANDUM OF UNDERSTANDING**

RECOMMENDATION

- A. Approve **an additional \$500,000 in additional Congestion Mitigation and Air Quality Improvement (CMAQ) available federal, state, and/or local funds** for the Douglas Street Gap Closure Project;
- B. Approve a “Line of Credit,” with interest, of up to \$3 million for the City of El Segundo utilizing up to 15 years of its future allocations of Proposition A and Proposition C Local Return funds for repayment; and
- C. Authorize the Chief Executive Officer to enter into a Memorandum of Understanding (MOU) with the City of El Segundo for the Line of Credit.

ISSUE

The City of El Segundo was awarded \$9.2 million in State Transportation Improvement Program (STIP) funds for the Douglas Street Gap Closure Project through the 1999 Call for Projects. The project consists of improvements that include a grade crossing and a multi-modal transit facility within the area of the Metro Green Line Douglas Street Station. El Segundo allocated the STIP funds at the California Transportation Commission’s (CTC) May 2003 meeting. Utility relocation, right-of-way acquisition, and station retrofit design have delayed the project and increased its cost to \$21.8 million. If a construction contract is not awarded by the CTC’s May 2005 meeting, the STIP funds will lapse and return to the State Highway Account for reallocation statewide.

The El Segundo City Council is considering a “Line of Credit” approach to closing a portion of the funding gap by utilizing their Proposition A and Proposition C Local Return program funds. In addition, El Segundo has approached the Los Angeles County Metropolitan Transportation Authority (Metro) for an additional funding contribution to cover the cost of retrofitting the Metro Green Line Douglas Street Station to accommodate the project.

POLICY IMPLICATIONS

As a matter of policy, the Board of Directors does not provide additional funds for a project programmed through the Call for Projects. We are recommending an exception to this policy due to the specific circumstances of this project, as follows:

- Metro required El Segundo to perform seismic modeling and make station design changes that meet current seismic code requirements.
- Due to a parking deficiency and difficult access, the Metro Green Line Douglas Street Station is underutilized. The Gap Closure improvements will enhance access to, and use of, the station.
- Without additional funding, \$9.2 million in state funds will lapse.

The request for a “Line of Credit” is consistent with Proposition A and Proposition C Local Return guidelines. The arrangement will allow El Segundo to utilize their future Proposition A and Proposition C Local Return fund allocations for the project, while reimbursing the Metro for the funds it has borrowed. The Local Return guidelines allow jurisdictions to use Local Return funds in advance of other grant funds, providing that the funds used are returned and the project meets Local Return project eligibility guidelines. This project is considered eligible, as it is a public transit facility enhancement and includes improvements on a roadway used by transit.

OPTIONS

The Board could elect not to approve or defer approval of the **additional \$500,000 of in additional CMAQ available federal, state, and/or local funding**, and the Line of Credit, for the Douglas Street Gap Closure Project. Without additional project funding and the Line of Credit arrangement, this fully designed, right-of-way certified project cannot proceed to construction. This is not recommended, as CTC guidelines require El Segundo to award a construction contract by May 22, 2005, or lose the \$9.2 million in allocated funds. State law does not allow these funds to be returned to Los Angeles County so that they may be reprogrammed to other projects.

We ask that the Board approve the recommended funding plan as the Douglas Street Gap Closure Project and its adjacent multi-modal transit facility will provide a number of transit and transportation benefits including:

- Construction of a new multi-modal transit center serving pedestrians, bicyclists, motorists, and transit users;
- Increased access and connection between the multi-modal transit center and the currently underutilized Metro Green Line Douglas Street Station; and
- Additional north/south arterial roadway to help relieve heavy congestion on Aviation and Sepulveda Boulevards.

FINANCIAL IMPACT

There is no impact on the Metro's FY 2005 Budget because reimbursements for construction expenditures will not be experienced until the FY 2006 budget year. In FY 2006, we will budget for the appropriate amount of Line of Credit funding as necessary.

Los Angeles County Transportation Improvement Program Impacts (TIP)

~~The recommendation does not negatively impact the Los Angeles County TIP. On January 5, 2005, Caltrans informed the statewide Regional Transportation Planning Agencies that Federal Fiscal Year (FFY) 2004 CMAQ funding was higher than previously estimated. In fact, Los Angeles County was apportioned \$149 million of CMAQ funding in FFY 2004, or about \$40 million more than Caltrans had estimated. The additional CMAQ funding for FFY 2004 comes from Supplemental Minimum Guarantee funds that Congress appropriated. As additional appropriated funds are only available for obligation in the Federal Fiscal Year that they are made available, Caltrans already has secured the funds by obligating them on previously programmed Los Angeles County CMAQ projects. Going forward, those prior obligations lower the number and amount of projects seeking obligation in FFY 2005 and beyond, so that the Metro can comfortably program this additional funding, without impacting the existing commitments in the Los Angeles County TIP. We are recommending other separate actions in other reports for using the remaining CMAQ funds.~~

BACKGROUND

The City of El Segundo applied for funding for its Douglas Street Gap Closure Project through the 1999 Call for Projects. The project will close the "gap" in Douglas Street by constructing a four-lane, 1,000-foot long grade crossing beneath the Metro Green Line Douglas Street Station and Burlington Northern Railroad/Santa Fe (BNSF) tracks. As part of the project, a multi-modal transit facility will be constructed adjacent to the station. The multi-modal transit facility will provide approximately 50 parking spaces; accommodate public transit vehicles and bikes; provide a transit information kiosk; and include new traffic signals at the Douglas/Utah Street intersection.

Through the 1999 Call for Projects, the Metro awarded \$9.2 million in STIP funds to El Segundo for its Douglas Street Gap Closure Project. The original project cost was estimated at \$14.7 million, with the difference between the STIP and total cost estimate coming from other fund sources. At its May 2003 meeting, the CTC allocated the \$9.2 million in STIP funds for the construction phase of the project with a construction contract award required by May 2004. Due to issues involving right-of-way and required design changes by the Metro, El Segundo requested and received a 12-month extension to award a construction contract by May 2005. The design changes to retrofit the Metro Green Line Douglas Street Station and utility relocation costs increased the project to \$21.8 million.

To bridge the funding shortfall, El Segundo is accessing eligible funds under its control. El Segundo has requested its current Surface Transportation Program – Local (STP-L) balance as well as six future annual allocations be programmed to the project. Additionally,

it has sought a federal funding earmark, for which the outcome will not be known until later this year. El Segundo has also agreed to an a Metro staff-proposed, \$3 million Line of Credit arrangement utilizing its Proposition A and Proposition C Local Return program funds for repayment. The additional \$500,000 from the Metro will allow full project funding and would partially offset unanticipated costs associated with retrofit of the existing Metro Green Line station.

NEXT STEPS

Upon Board approval, we will execute an MOU with El Segundo for the Line of Credit. The existing Letter of Agreement between the Metro and El Segundo for the STIP funds will be amended to reflect the additional \$500,000 in ~~CMAQ~~ **available federal, state, and/or local** funds.

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