



Metro

Metropolitan Transportation Authority

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**BOARD OF DIRECTORS
MAY 3, 2006**

**SUBJECT: METRO GOLD LINE EASTSIDE EXTENSION
INDIANA STREET LRT STATION**

**ACTION: APPROVE AN INCREASE IN BUDGET TO RE-BUILD
RAMONA OPPORTUNITY HIGH SCHOOL (ROHS)
CONTINGENT ON LAUSD SHARING IN THE COST**

RECOMMENDATION

- A. Approve the following funding increase to re-build Ramona Opportunity High School (ROHS) (Option 1A) contingent on the Los Angeles Unified School District (LAUSD) sharing the cost as follows: Metro provides its original commitment of \$20 million, LAUSD provides \$4 million in joint use or other LAUSD funds; Metro provides 20% (not-to-exceed \$1 million) to match LAUSD's joint use funds; any costs above \$25 million would be shared equally between Metro and LAUSD for a total cost cap of no more than \$40 million; and
- B. Direct staff to negotiate a Property Exchange Agreement with LAUSD which describes the terms and conditions of a land exchange which would allow Metro to acquire the property from LAUSD necessary for the future site of the Metro Gold Line Eastside Extension Indiana Street Light Rail Transit Station and to re-build Ramona Opportunity High School consistent with the cost sharing identified in Recommendation A above, no later than July 30, 2006.

ISSUE

In August, 2002, the CEO sent to LAUSD an initial set of Terms and Agreements that included providing an amount not-to-exceed \$20 million for the reconfiguration of ROHS. On October 16, 2002, Metro Board authorized the CEO to enter into a MOU with LAUSD to reconfigure ROHS at a cost not-to-exceed \$20 million.

In January, 2004, Metro reduced the ROHS budget to \$12 million in an effort to balance the project budget after construction bids came in \$116 million over budget. Staff was optimistic that savings could be accomplished by reverting to a reconfiguration of the school rather than a full re-build.

In May, 2005, Metro received a revised cost estimate from LAUSD indicating ROHS estimates were now \$33 million including property acquisition. In September, 2005 in meetings with LAUSD, they advised Metro that school bids are coming in 40% higher than estimates because of the volatile construction market.

There now exists a disparity between what Metro budgeted and the estimated cost to reconstruct the school.

POLICY IMPLICATIONS

The recommended action is consistent with the approved Environmental Impact Statement and current design. It is however, the most expensive of the various options considered, but also carries the least risk of delay to the project.

On April 19, 2006, staff held a workshop on the issue to solicit community input on the various options developed by staff to keep the project moving forward. Approximately 100 community members attended the workshop. After reviewing the various options, the community unanimously supported continuing with the current design and urged both Metro and LAUSD to share in the cost of constructing the new school.

Staff agrees with the community that the current station design is in the best location. Staff also agrees with the community that because the current design results in a brand new school being constructed to replace a school that was initially built in 1912, that LAUSD should share in the cost of constructing the new school.

Approval of the staff recommendation by both Metro and LAUSD would result in a win-win scenario that results in the station remaining in the planned location, together with a new school that can serve the needs of the community for at least another 85 years.

RATIONALE

In February 2002, the Metro Board certified the FSEIR/FSEIS and approved the Locally Preferred Alignment for the Metro Gold Line Eastside Extension Project. The approved alignment consists of a 6-mile Light Rail Transit (LRT) alignment that includes two underground stations and 6 at-grade stations. One of the at-grade stations is located on the east side of Indiana Street between 1st Street and 3rd Street (Attachment A) on the Los Angeles Unified School District (LAUSD) property which is the current site of ROHS.

The approved plan requires either the reconstruction (Option 1A) of the school or a modernization/alteration (Option 1B) of the school, plus an exchange of property between Metro and LAUSD.

BACKGROUND

The Metro Board considered three alternatives for the Indiana Street alignment in the 2001 Draft Supplemental Environmental Impact Statement/Draft Subsequent Environmental Impact Report:

- Extending the tunnel by 3000 feet – No funding available (\$135 million in 2001 dollars).
- At-grade running along the west side of Indiana by acquiring numerous residences and businesses on the west side of Indiana.
- At-grade within the existing street right-of-way.

In certifying the Draft Environmental Report, the Metro Board directed staff to further study the Indiana alignment.

In the Final Supplemental Impact Statement/Final Supplemental Environmental Impact Report (FSEIS/FSEIR) and consistent with the Board’s direction, two Indiana alignment alternatives were considered:

- At-grade within the existing street right-of-way per the Draft SEIS/SEIR
- At-Grade along the eastern side of Indiana by acquiring three businesses and two residential properties and by either relocating the entire ROHS or reconfiguring it on the existing site.

In February 2002, the Metro Board certified the FSEIS/FSEIR and approved the alternative that includes an alignment through ROHS, and directed staff to “Continue to work with LAUSD to explore options and resolve issues surrounding ROHS, including acquiring additional parcels in order to facilitate the school remaining at its current location.” In March 2002, Metro and LAUSD entered into an MOU allowing Metro to submit reconfiguration alternatives to the California Department of Education (CDE) for review and approval.

In August 2002, Metro agreed to reimburse LAUSD for the planning, design, management and construction to either reconfigure ROHS on the existing site, or relocate ROHS should the environmental studies and testing determine the site unacceptable. The exact details and costs of these items were to be negotiated and agreed upon in a subsequent MOU between Metro and LAUSD. Metro indicated that it would provide an amount not-to-exceed \$20 million for the relocation or reconfiguration. In September 2002, CDE reviewed and approved the current plan that was selected by LAUSD involving the acquisition of replacement property to allow the school to remain in its current location on an expanded site. This plan required the school to be entirely re-built as LAUSD determined this approach to be the least costly. In June 2003, Metro and LAUSD entered into a Feasibility Agreement, in which Metro agreed to pay LAUSD for the environmental studies, testing, planning and design work up to \$2 million.

OPTION 1A: CURRENT DESIGN

Metro and LAUSD have been working together to develop a plan in which LAUSD would convey a portion of the ROHS property to LACMTA in exchange for Metro furnishing replacement real property and paying for certain costs associated with the reconstruction of

the ROHS on the existing expanded site. LAUSD has received environmental approval for its ROHS reconstruction plans and has sent the construction documents to the California Department of Education and the Division of State Architect (DSA) for review and approval. Metro has acquired 6 of 9 parcels along Alma Avenue and acquisition of the remaining 3 replacement parcels is underway.

This Option 1A will require the parties enter into a land exchange and construction funding reimbursement agreement. This agreement will describe the exchange of LAUSD property needed for the future site of the Metro Gold Line Eastside Extension Indiana Street Light Rail Transit Station for the replacement parcels that Metro has already acquired and is in the process of acquiring. This agreement will also describe the funding arrangement described in this report. Finally, the agreement will describe the construction of the reconfigured school, including without limitation, the cost Metro would be responsible for paying/ sharing, the reimbursement process, indemnity requirements, etc.

Although Metro and LAUSD have been working cooperatively to ensure timely completion of both projects, LAUSD's current estimate to completely reconstruct ROHS on the expanded site will exceed the 2002 budget (not-to-exceed \$20 million) and the amount identified in the Metro Gold Line Eastside Extension Full Funding Grant Agreement (FFGA) Budget (\$12 million).

ALTERNATIVES CONSIDERED

In an effort to lower costs associated with the complete reconstruction of ROHS, while not effectively changing the functional intent of the project, Metro staff has also looked at the following alternative:

OPTION 1B: Reconfigure Ramona Opportunity High School – In this alternative (Attachment C), the Indiana Street LRT Station and track alignment remain in their current location as approved in the Locally Preferred Alignment. Construction costs are significantly reduced by remodeling the existing buildings and by providing a new Gymnasium/Multi-purpose replacement building, in lieu of completely reconstructing the entire school. Although the conceptual plans have been reviewed by CDE and DSA and appear feasible, LAUSD staff contends that the final cost will be close to the costs of reconstructing the entire school. Further development of this concept is required to become more confident in the costs of this alternative.

It is unlikely that LAUSD would share in the cost of this alternative since Metro would only be replacing a gymnasium and modifying some buildings. Staff believes the risk of delay (design and environmental, plus school approval process) compared to the cost difference of Option 1A favors moving forward with the school re-build.

POTENTIAL FUNDING OPTIONS

OPTION 1A: Current Design - To address the budget concerns, Metro, LAUSD and the City of Los Angeles have held meetings regarding a possible structure for funding the total costs necessary for the land exchange/reconstruction of the school. The funding plan assumes

that the Metro would be responsible for contributing the first \$20 million, of which \$2 million has already been provided under the Feasibility Agreement, and that the next \$5 million of funding would be obtained through a Joint Use Agreement between the City of Los Angeles and LAUSD. Of the additional \$5 million, Metro would contribute \$1 million, LAUSD \$4 million. The use of joint use funds is also contingent on the City of Los Angeles developing and administering a joint use program at the high school. Any costs above \$25 million and up to \$40 million would be split equally between LAUSD and Metro.

OPTION 1B: Reconfigure Ramona Opportunity High School - Under this alternative, Metro would be responsible for all costs currently estimated to be \$23 million unless LAUSD agrees to contribute to this option. LAUSD staff continues to believe Option 1A will be the least costly option. Because of the potential delay risk and lack of cost sharing, staff is not recommending this option.

FINANCIAL IMPACT

Funding for the staff recommendation would be provided as follows:

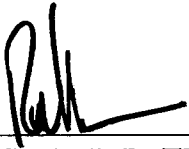
- \$12 million would come from the existing Project 800088 Metro Gold Line Eastside Extension budget.
- \$16.5 million would come from a combination of Project Contingency funds (dependent on sufficient funds being available at project completion); State funds; Eastside Joint Development funds; Eastside Surplus Property Sales; and/or other similar Eastside funding sources. Proposition A 35% Rail Bonds would be used only if the other funds mentioned above are not available.

Appropriate adjustments will be made to the FY07 budget to reflect the actions approved by the Board.

ATTACHMENTS

- A. Indiana Station Site Plan – Baseline
- B. Option 1A Re-build Ramona Opportunity High School
- C. Option 1B Reconfigure Ramona Opportunity High School
- D. Memo dated April 11, 2006 – Metro Gold Line Eastside Extension
Indiana Street LRT Station

Prepared by: Richard D. Thorpe, Chief Capital Management Officer
Dennis S. Mori, Executive Officer, Project Management
Diego Cardoso, Director, Countywide Planning and Regional Development



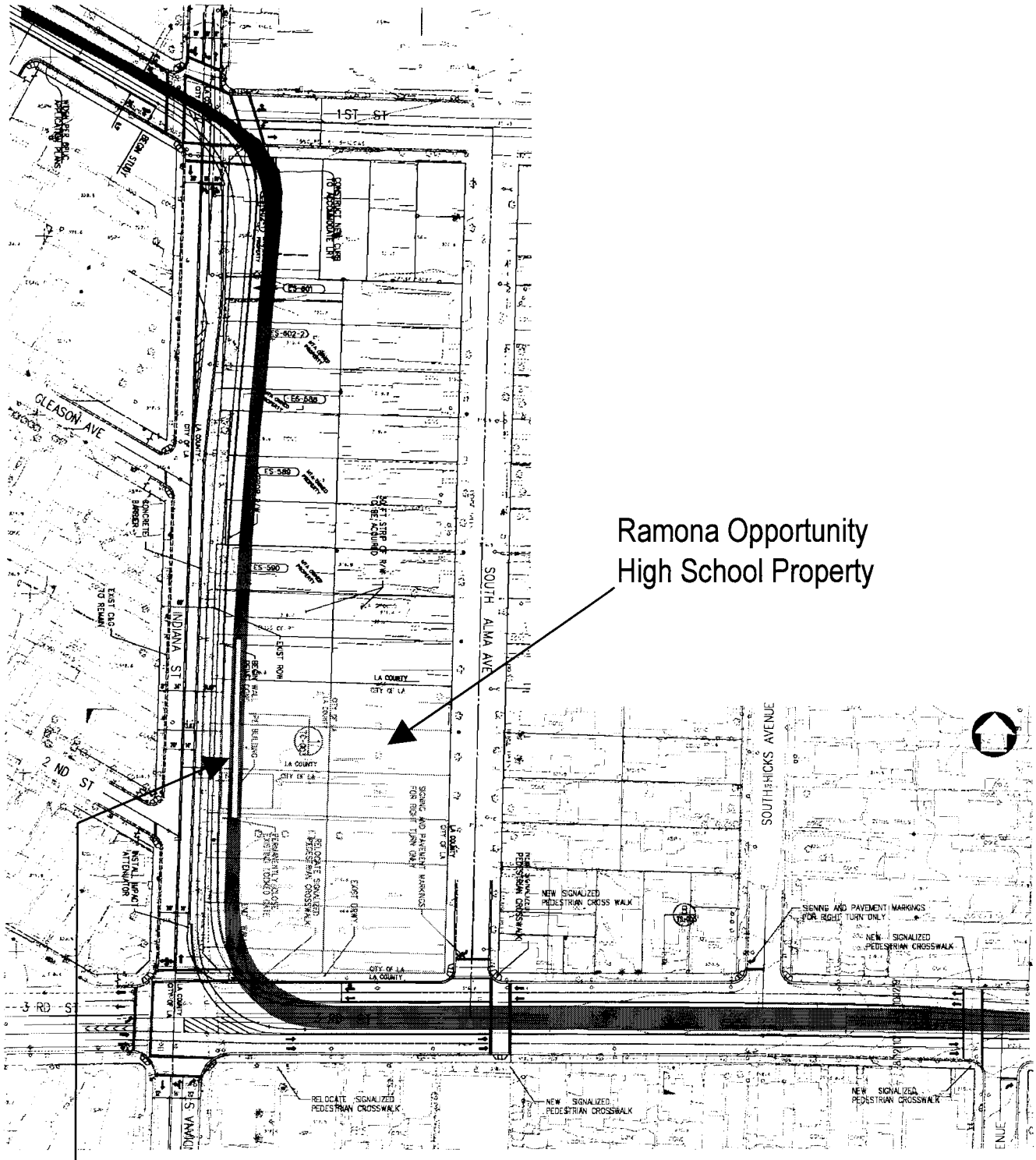
RICHARD D. THORPE
Chief Capital Management Officer



ROGER SNOBLE
Chief Executive Officer

Indiana Street Site Plan Baseline

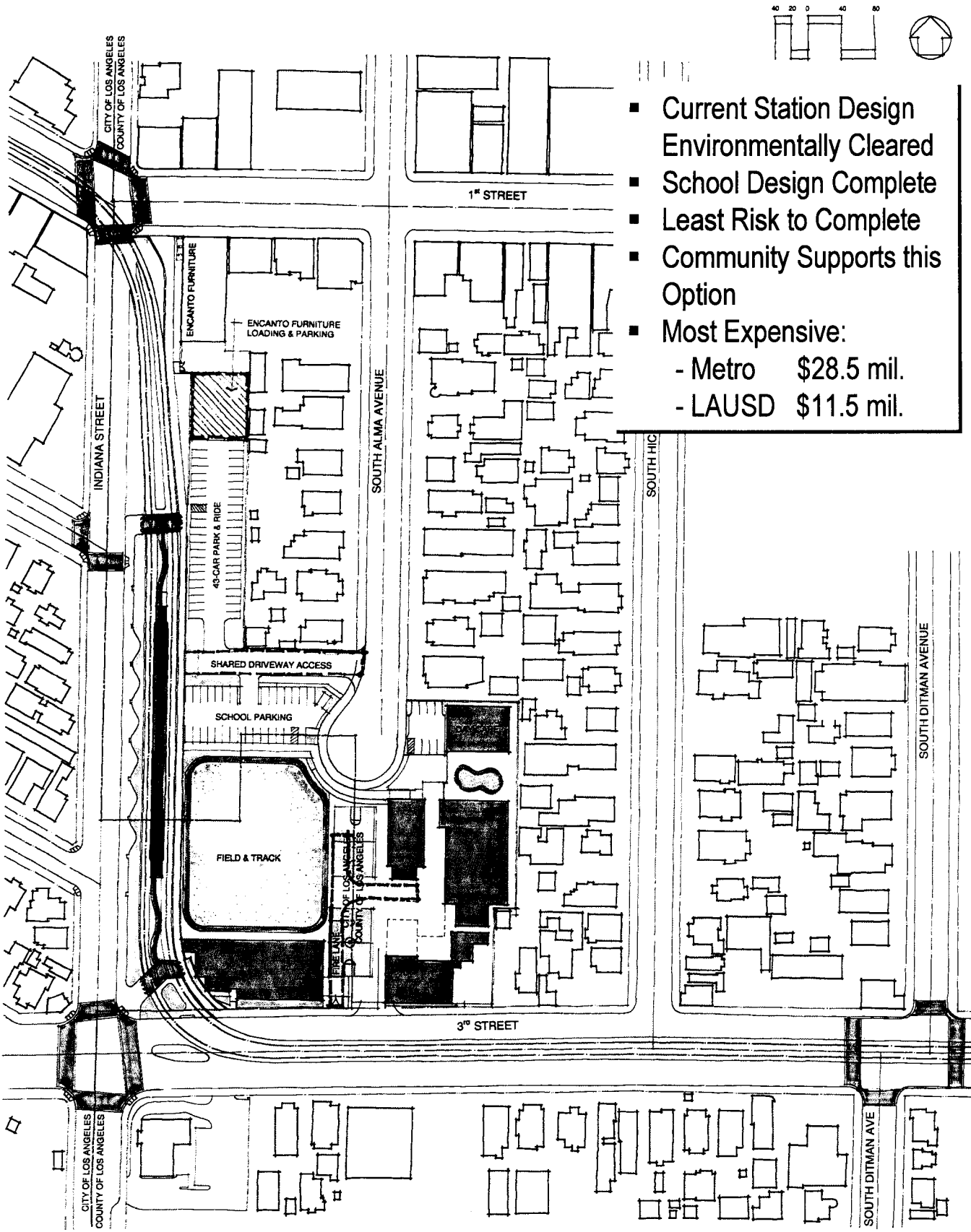
Attachment A



Ramona Opportunity
High School Property

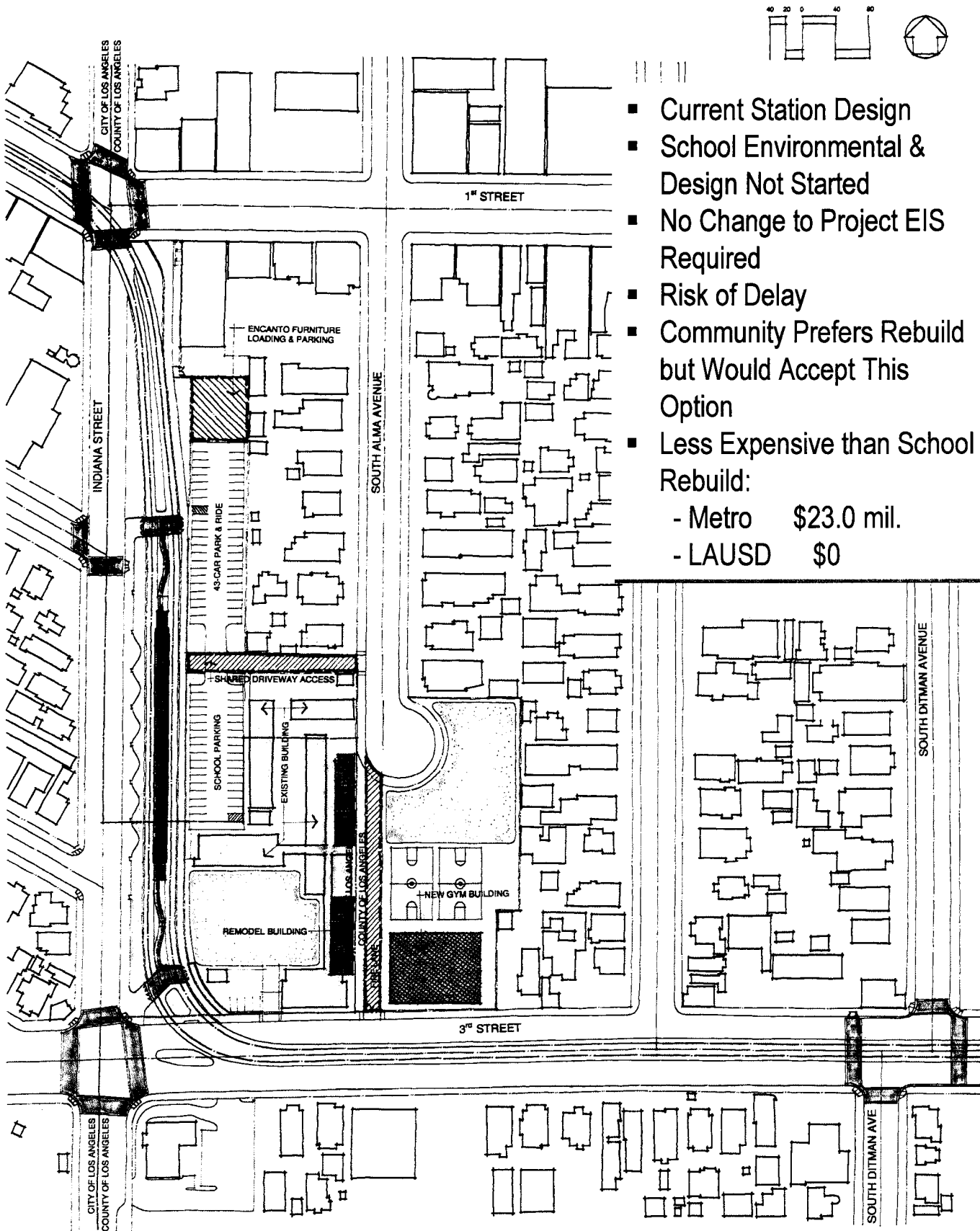
Station Location

Option 1A: Rebuild Ramona High School



- Current Station Design Environmentally Cleared
- School Design Complete
- Least Risk to Complete
- Community Supports this Option
- Most Expensive:
 - Metro \$28.5 mil.
 - LAUSD \$11.5 mil.

Option 1B: Reconfigure Ramona High School



- Current Station Design
- School Environmental & Design Not Started
- No Change to Project EIS Required
- Risk of Delay
- Community Prefers Rebuild but Would Accept This Option
- Less Expensive than School Rebuild:
 - Metro \$23.0 mil.
 - LAUSD \$0



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ATTACHMENT D

April 11, 2006

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER

FROM: RICHARD D. THORPE
CHIEF CAPITAL MANAGEMENT OFFICER

SUBJECT: METRO GOLD LINE EASTSIDE EXTENSION
INDIANA STREET LRT STATION

ISSUE

In February 2002, the LACMTA Board certified the FSEIR/FSEIS and approved the Locally preferred Alignment for the Metro Gold Line Eastside Extension Project. The approved alignment consists of a 6-mile Light Rail Transit (LRT) alignment that includes two underground stations and 6 at-grade stations. One of the at-grade stations is located on the east side of Indiana Street between 1st Street and 3rd Street (Attachment A) on the Los Angeles Unified School District (LAUSD) property which is the current site of Ramona Opportunity High School (ROHS).

The approved plan requires either the reconstruction of the school or a modernization/alteration of the school, plus an exchange of property between LACMTA and LAUSD. Another alternative has been developed that still requires a portion of school property, but does not require any modifications to the school. This alternative does, however, require moving the at-grade station to 3rd Street (Attachment B). This alternative also requires that the current environmental approval be modified to allow for the change in station location. A slight variation to this alternative consists of a single track alignment that would still require moving the station to 3rd Street, but would not require any LAUSD property. A single track alignment would still require environmental modifications due to the relocation of the station.

BACKGROUND

The LACMTA Board considered three alternatives for the Indiana Street alignment in the 2001 Draft Supplemental Environmental Impact Statement/Draft Subsequent Environmental Impact Report:

- Extending the tunnel by 3000 feet – No funding available (\$135 million in 2001 dollars).

- At-grade running along the west side of Indiana by acquiring numerous residences and businesses on the west side of Indiana.
- At-grade within the existing street right-of-way.

In certifying the Draft Environmental Report, the LACMTA Board directed staff to further study the Indiana alignment.

In the Final Supplemental Impact Statement/Final Supplemental Environmental Impact Report (FSEIS/FSEIR) and consistent with the Board's direction, two Indiana alignment alternatives were considered:

- At-grade within the existing street right-of-way per the Draft SEIS/SEIR
- At-Grade along the eastern side of Indiana by acquiring three businesses and two residential properties and by either relocating the entire Ramona Opportunity High School or reconfiguring it on the existing site.

In February 2002, the LACMTA Board certified the FSEIS/FSEIR and approved the alternative that includes an alignment through Ramona Opportunity High School, and directed staff to "Continue to work with LAUSD to explore options and resolve issues surrounding Ramona Opportunity High School, including acquiring additional parcels in order to facilitate the school remaining at its current location." In March 2002, LACMTA and LAUSD entered into a Memorandum of Understanding (MOU) allowing LACMTA to submit reconfiguration alternatives to the California Department of Education (CDE) for review and approval.

In August 2002, the LACMTA agreed to reimburse LAUSD for the planning, design, management and construction to either reconfigure ROHS on the existing site, or relocate ROHS should the environmental studies and testing determine the site unacceptable. The exact details and costs of these items were to be negotiated and agreed upon in a subsequent Memorandum of Understanding between LACMTA and LAUSD. The LACMTA indicated that it would provide an amount not-to-exceed \$20 million for the relocation or reconfiguration. In September 2002, CDE reviewed and approved the current plan that was selected by LAUSD involving the acquisition of replacement property to allow the school to remain in its current location on an expanded site. This plan required the school to be entirely re-built as LAUSD determined this approach to be the least costly. In June 2003, LACMTA and LAUSD entered into a Feasibility Agreement, in which LACMTA agreed to pay LAUSD for the environmental studies, testing, planning and design work up to \$2 million.

CURRENT DESIGN

LACMTA and LAUSD have been working together to develop a plan in which LAUSD would consider conveying a portion of the ROHS property to LACMTA in exchange for LACMTA furnishing replacement real property and paying for the costs associated with the reconstruction of the ROHS on the existing expanded site. LAUSD has received environmental approval for its ROHS reconstruction plans and has sent the construction

documents to the California Department of Education and the Division of State Architect (DSA) for review and approval. LACMTA has acquired 4 of 9 parcels along Alma Avenue as part of the land exchange agreement with LAUSD and acquisition of the remaining 5 parcels is underway.

Although LACMTA and LAUSD have been working cooperatively to ensure timely completion of both projects, LAUSD's current estimate to completely reconstruct ROHS on the expanded site will exceed the 2002 budget (not-to-exceed \$20 million) and the amount identified in the Metro Gold Line Eastside Extension Full Funding Grant Agreement (FFGA) Budget (\$12 million).

ALTERNATIVES CONSIDERED

In an effort to lower costs associated with the complete reconstruction of ROHS, while not effectively changing the functional intent of the project, LACMTA staff has been studying the following alternatives:

Modernization and Alteration Plan – In this alternative (Attachment C), the Indiana Street LRT Station and track alignment remain in their current location as approved in the Locally Preferred Alignment. Construction costs are significantly reduced by remodeling the existing buildings and by providing a new Gymnasium/Multi-purpose replacement building, in lieu of completely reconstructing the entire school. Although the conceptual plans have been reviewed by CDE and DSA and appear feasible, LAUSD staff contends that the final cost will be close to the costs of reconstructing the entire school. Further development of this concept is required to become more confident in the costs of this alternative.

Indiana Station Relocation Plan – In September 2005 and December 2005, the LACMTA Board approved funding to authorize staff to begin engineering and environmental services to consider relocating the station from Indiana Street to 3rd Street between Ditman Avenue and Alma Avenue. This alternative (Attachment D), moves the track alignment within 10 feet of school buildings and play-space, but does not require the demolition of the existing gymnasium/multi-purpose building. Although this alternative satisfies LADOT, LA City Fire and LA County Fire department requirements, preliminary engineering, traffic analysis and other impacts, it will need to be circulated for environmental review and a revised Record of Decision from the Federal Transit Administration (FTA) will be required. In addition, community members have voiced their concerns and objections to this alternative that will need to be weighed into the LACMTA Board and FTA's decision to approve this alternative.

In order to avoid having to take LAUSD property, staff has developed an option to this alternative that would use only the westerly track. The station would still have to be relocated to 3rd Street and the environmental process would remain the same. The community would likely still have the same concern and/or objections as a result of moving the station.

POTENTIAL FUNDING OPTIONS

Current Design - To address the budget concerns, LACMTA, LAUSD and the City of Los Angeles have held meetings regarding a possible structure for funding the total costs

necessary for the land exchange/reconstruction of the school. The funding plan assumes that the LACMTA would be responsible for contributing the first \$20 million and that the next \$5 million of funding would be obtained through a Joint Use Agreement between the City of Los Angeles and LAUSD. LACMTA would contribute \$1 million, LAUSD \$4 million. The use of joint use funds is also contingent on the City of Los Angeles developing and administering a joint use program at the high school. Any costs above that (\$25 million) would be split equally between LAUSD and LACMTA estimated to be an additional \$15 million.

Modernization and Alteration Plan - Under this alternative, LACMTA would be responsible for all \$23 million unless LAUSD agrees to contribute Joint Use Funds or other revenue to cover costs beyond the first \$20 million.

Indiana Station Relocation Plan – Funding for either the double track or single track alignment is already within the current budget and no new additional funding would be necessary.

The details of the estimated costs based on the latest available information are provided in Attachment E.

FINANCIAL IMPACT

Funding to cover the initial \$20 million could be provided as follows:

- \$12 million of funding is already included in Project 800088 Metro Gold Line Eastside Extension.
- \$8 million of additional funding through Proposition A 35% Rail Bonds or from Project Contingency, subject to FTA approval.

Funding to cover LACMTA's potential shared costs above \$20 million could be provided as follows:

- Joint Development revenues or the sale of properties purchased for the Eastside Project.
- Proposition A 35% Rail Bonds

Project Contingency assuming sufficient funds are available at the conclusion of the project.

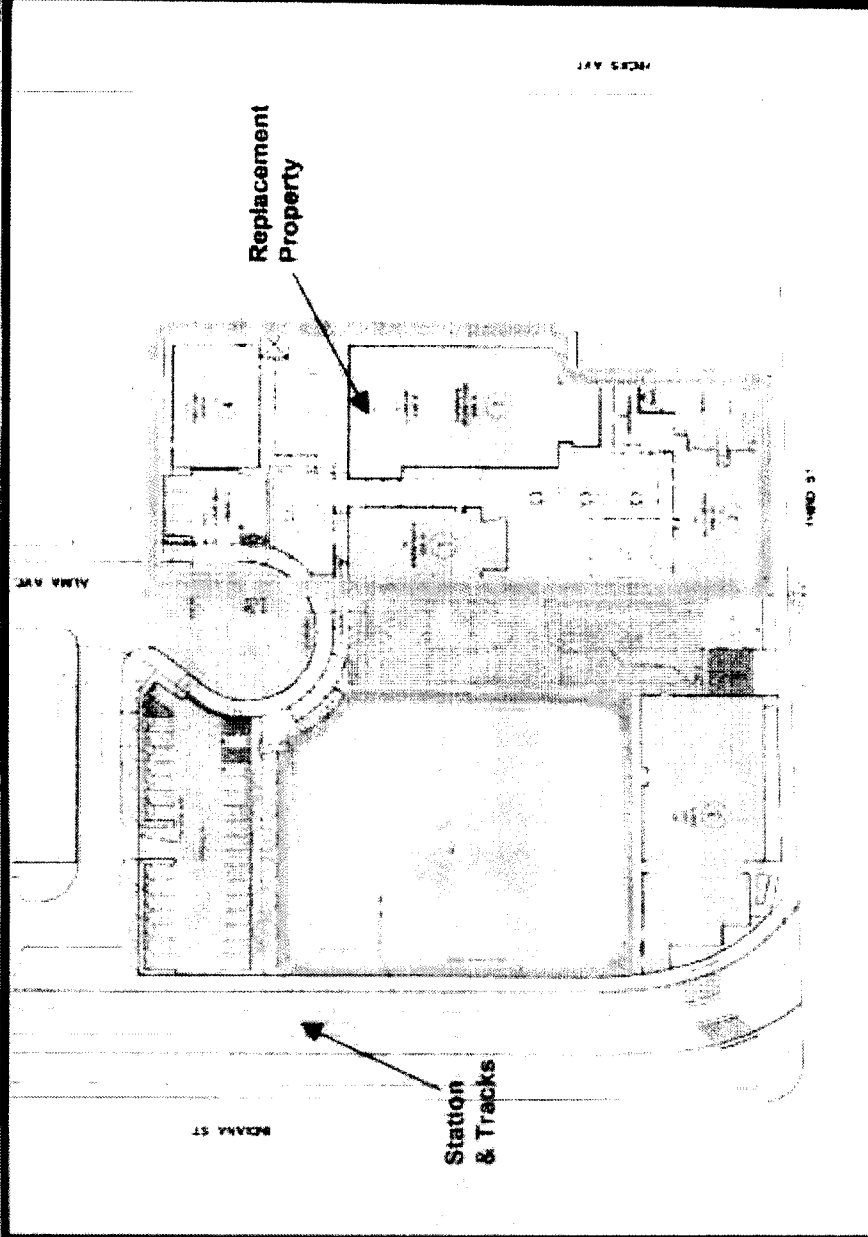
ATTACHMENTS

- A. Indiana Station Site Plan – Baseline
- B. Ramona Opportunity High School – LAUSD Proposed New School
- C. Ramona Opportunity High School – Proposed Modernization and Alteration Plan
- D. Proposed Indiana Station Relocation Alternative
- E. Funding Options

Prepared by: Richard D. Thorpe, Chief Capital Management Officer
Dennis S. Mori, Executive Officer, Project Management
Diego Cardoso, Director, Countywide Planning and Regional Development

Ramona Opportunity High School LAUSD Proposed New School

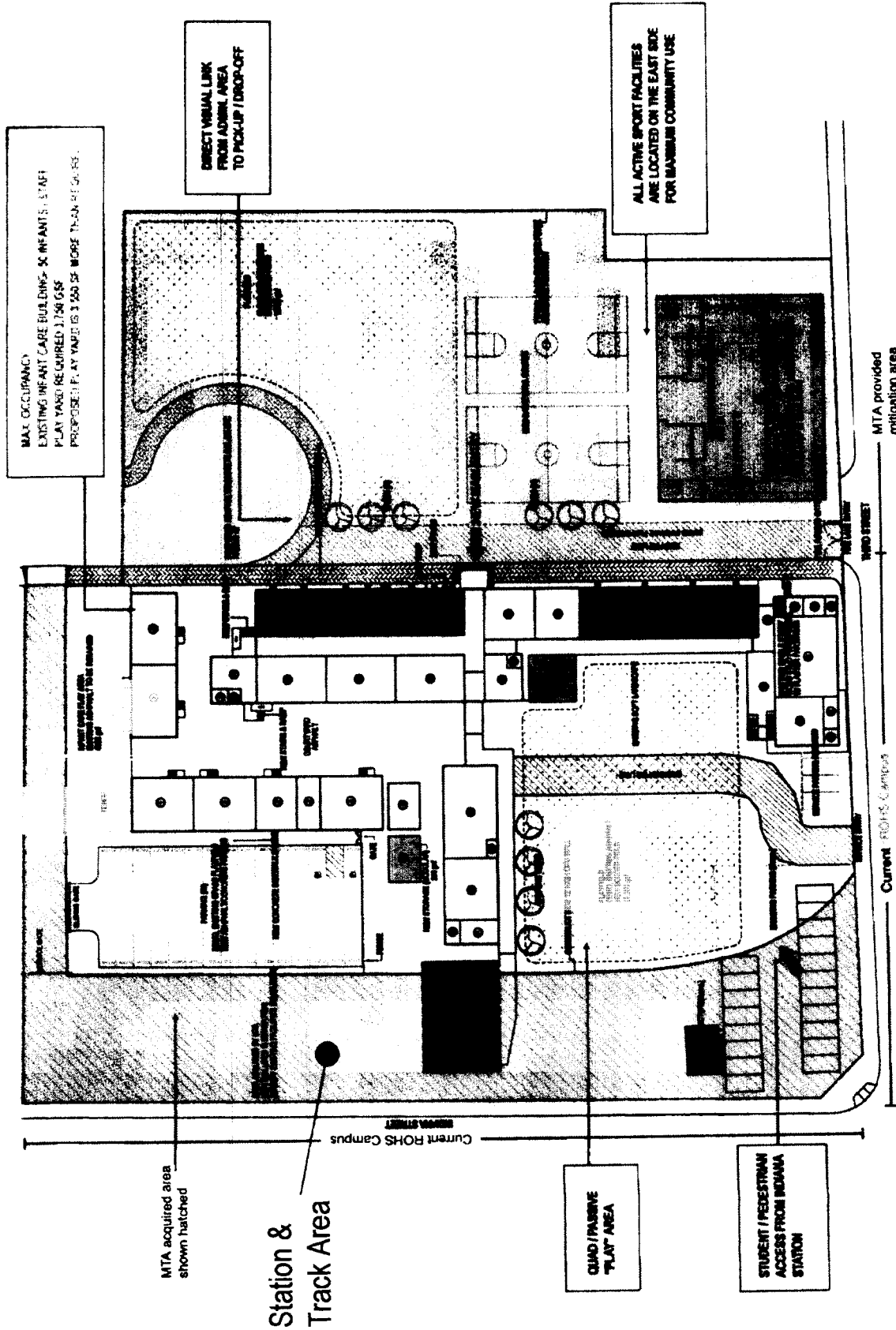
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Site Plan

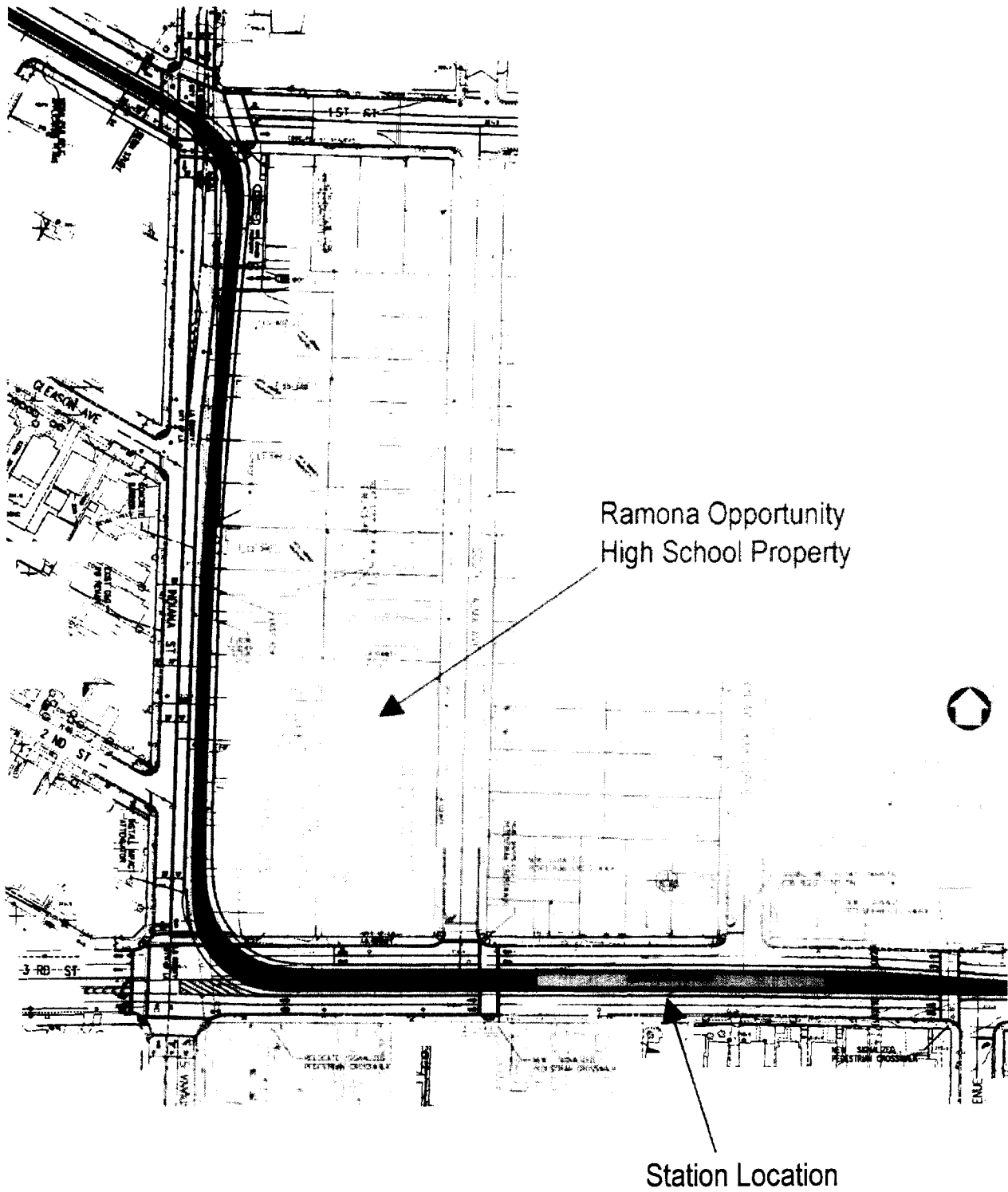
Ramona Opportunity High School Proposed Modernization and Alteration Plan

Attachment C



Proposed Indiana Station Relocation Alternative

Attachment D



Funding Options

	New School	School Reconfiguration	Indiana Street
COST			
School	\$35.0	\$18.0	\$ 0.0
Property	\$ 5.0	\$ 5.0	\$ 5.0
LRT	\$ 0.0	\$ 0.0	\$ 5.0
TOTAL	\$40.0	\$23.0	\$10.0
FUNDING			
Project	\$12.0	\$10.0	\$10.0
Metro (New)	\$16.5	\$13.0	\$ 0.0
LAUSD	\$11.5	\$0.0	\$ 0.0
TOTAL	\$40.0	\$23.0	\$10.0

