



Expo

Exposition Metro Line
Construction Authority

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DATE: AUGUST 2, 2007

TO: BOARD OF DIRECTORS

**FROM: RICHARD D. THORPE
CHIEF EXECUTIVE OFFICER**

**ACTION: WORK WITH METRO TO FUND A BASELINE MODIFICATION
BUDGET FOR EXPO PHASE 1**

RECOMMENDATION

Direct staff to work with Metro to establish and fund a Baseline Modification budget for Expo Phase 1 in the amount of \$23.3 million.

SUMMARY

Since the environmental and preliminary engineering for Phase 1 was completed by Metro, and final design of the project commenced, several modifications to the baseline project have been identified as necessary to ensure the efficient operation of Phase 1 of the Expo line. Because these improvements were identified after the project was defined and adopted by the Metro Board, and because funding for these items was not contained in the project budget nor in the contract with the Authority's design-build contractor, additional funding must be identified in order to proceed with these modifications.

As discussed below, several of the improvements have been requested by Metro in order for Phase 1 of Expo to operate more efficiently with the rest of the Metro system. Changes to the project have also come about as a result of the CPUC approval process. Lastly, it has been determined that the addition of the Trousdale station would enable the line to handle passengers in a more efficient way during special events at the Coliseum, and would better serve USC and the Expo Park area.

Since all funding for the Expo Phase 1 project comes from Metro, Expo staff will work with Metro staff to identify funding for these modifications. Final approval would be subject to Metro Board approval.

DISCUSSION

As final design for the project has progressed over the last year, Expo staff has worked closely with Metro staff, CPUC staff and the design-build contractor to ensure that the project operates effectively and efficiently once it is part of the Metro system. As a result, Metro staff has asked that Expo make additional modifications at the Blue Line/Expo Line interface at Flower Street, so that both lines will operate more efficiently. These modifications consist of system enhancements that will allow train movements to be better tracked and managed remotely through the installation of electrical switches and a train control system that is projected to cost \$11.3 million. Since this is an addition to the project that was only identified recently, this cost is not included in the Expo baseline budget. In order to move forward with the design and construction of this improvement so that it doesn't delay completion of the Phase 1 project, funding needs to be committed by Metro by November 1, 2007.

During the last nine months, Expo staff has been working closely with CPUC staff on the development of CPUC grade crossing applications. As a result of these discussions, several engineering changes have been made at the Trade Tech and Farmdale crossings, along with potential improvements in the vicinity of USC/Expo Park to better manage Special Event traffic. These changes have resulted in increased costs to the project above the baseline. An additional \$5 million is needed to fund these modifications to the crossings and implement the changes that are reflected in the CPUC applications. Since these costs were not included in the original project budget, additional funding is needed to fully fund all the modifications associated with Expo's CPUC applications.

Lastly, in December 2006, the Expo Board approved transferring \$450,000 from contingency for some initial design of the Trousdale station. Though this station was not included in the baseline project adopted by the Metro Board, it was environmentally cleared in the FEIS/FEIR and there has been support from elected officials as well as Expo Park stakeholders, for the inclusion of this station. Because this station would better serve both USC and the Expo Park museums, and is integral for handling passengers during special events at the Coliseum, staff believes that this station is crucial for the efficient operation of Phase 1 of the Project. As a result, staff is recommending that Metro fully fund the design and construction of this station in the amount of \$7 million, and take the appropriate steps to amend the locally preferred alternative and Record of Decision to include this station as part of the Phase 1 project.

According to the design-build contractor, in order for this station to open with the rest of Phase 1, a funding commitment from Metro must be received by November 1, 2007.

The total amount of the proposed modification budget to Phase 1 of the Expo project is \$23.3 million (as shown in Attachment A). Expo staff will work with Metro staff to identify funding for this modification budget and will report back on the progress to the Expo Board.

FINANCIAL IMPACT

The total cost of these modifications is projected to be \$23.3 million. These funds are not currently available in the Phase 1 project budget as these items were not contemplated when the baseline Project was developed and have arisen over the last year.

NEXT STEPS

Staff will work with Metro to identify and commit funding for these baseline modifications as soon as possible, so there is no delay to the implementation of these items as part of the Phase 1 project.

ATTACHMENT(S)

A. Expo Phase 1 Baseline Modification Budget

ATTACHMENT A

**EXPO PHASE 1
BASELINE MODIFICATION BUDGET**

| | | |
|----|---|-----------------------|
| 1. | Metro Blue Line/Expo Line Interface Enhancements | \$11.3 million |
| 2. | CPUC Crossing Modifications | \$ 5.0 million |
| 3. | Trousdale/Expo Park Station Addition | <u>\$ 7.0 million</u> |
| | TOTAL | \$23.3 million |