

**Board Report**

File #: 2016-0434, **File Type:** Program

Agenda Number: 27

**CONSTRUCTION COMMITTEE
JUNE 16, 2016**

SUBJECT: BOB HOPE AIRPORT/HOLLYWOOD WAY METROLINK STATION

ACTION: APPROVE LIFE OF PROJECT BUDGET INCREASE AND RELATED ACTIONS

RECOMMENDATION

CONSIDER:

- A. INCREASING Life of Project (LOP) budget in the amount of \$6,560,142 for a total LOP of \$15,000,000 for the **Bob Hope Airport/Hollywood Way Metrolink Station Project (Project)**;
- B. PROGRAMMING an additional \$6,560,142 of Measure R3% - Metrolink Commuter Rail funds towards this project;
- C. AMENDING the FY 2016-17 (FY17) budget in the amount of \$4,265,492 for project 460090;
and
- D. AUTHORIZING the Chief Executive Officer (CEO) to enter into an Operations and Maintenance (O&M) agreement with the cities of Los Angeles and Burbank.

ISSUE

The Bob Hope Airport/Hollywood Way Station (Station) will advance Board approved policy to provide plane-to-train connection between the Burbank Airport and the Metrolink service on the Antelope Valley Line (AVL). In December 2015, the Board established LOP budget of \$8,439,858. An additional \$6,560,142 is needed to revise the design in response to stakeholder concerns and to fully fund construction. To proceed with this significant Project, Staff requires approval of the above recommendations to begin construction by November 2016.

DISCUSSION

Metrolink stations are usually operated and maintained by the cities where the station is located. The Station is located approximately 35 percent in City of Los Angeles, and 65 percent in City of Burbank. Both cities agreed to accept operation and maintenance (O&M) responsibilities for the station, but requested design changes be addressed to reduce the ongoing O&M costs. Furthermore, Invitation for Bids (IFB) for construction was issued in March 2016. The bids received were up to 48% more

than the budgeted amount. In addition, contingency for third party/utility relocations and work windows for construction were not properly addressed. Hence, all bids were declined in May 2016.

This Board action will fund the additional engineering, third party, and construction costs, and allow Metro to enter into an O&M agreement to document the roles and responsibilities of Metro, and the Cities of Los Angeles and Burbank pertaining to O&M of the Station including parking.

The Burbank Airport Authority has offered to contribute up to \$2.59 million of its Surface Transportation Uniform Relocation Assistance Act (STURAA) funds (see Attachment B) towards the construction of the Station, in addition to providing a courtesy shuttle service between the Station and the Burbank Airport. Staff is currently working with Caltrans to repurpose the STURAA funds pursuant to the Consolidated Appropriations Act of 2016 for Station construction.

Refer to Attachment A for the planned uses and sources of funds for this project.

DETERMINATION OF SAFETY IMPACT

The Station is designed in accordance with Metrolink standards; therefore no safety impacts are anticipated.

FINANCIAL IMPACT

Upon approval by the Board, the LOP budget for the Project will be increased to \$15,000,000.

Source of Funds for this action: \$6,560,142 million in Measure R 3% funds.

The total project funding is anticipated to consist of \$12.41 million in Measure R3% and \$2.59 million in repurposed STURAA funds.

Measure R 3% funds are designated for Metrolink commuter rail capital improvements in Los Angeles County. These funds are not eligible to be used for Metro bus/rail operating or capital budget expenses.

Impact to Budget

The FY 17 budget will be amended to include an additional \$4,265,492 Measure R 3% funds in cost center 2415, Regional Rail, Project number 460090.

Since this is a multi-year contract, the Interim Executive Officer of Regional Rail and Executive Director of Program Management will be accountable and responsible for budgeting the cost of future fiscal year requirements.

ALTERNATIVES CONSIDERED

An alternative would be to not approve the recommended actions. This is not recommended as the Station is needed to advance this important plane-to-train connection.

NEXT STEPS

- Upon Board approval, staff will proceed with the design revisions and procurement for construction.
- Notice to Proceed for construction is anticipated by November 2016.
- An O&M agreement will be developed between Metro and the cities of Los Angeles and Burbank including courtesy shuttle services provided by the Burbank Airport Authority.

ATTACHMENTS

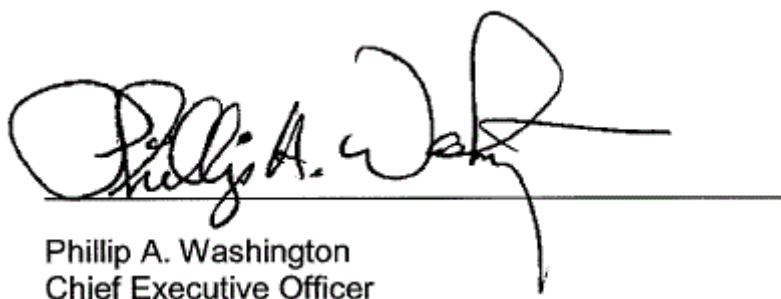
Attachment A - Uses and Sources of Funds

Attachment B - Burbank Airport Authority: Letter of contributions to project

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Reviewed by: Richard Clarke, Executive Director Program Management,
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Phillip A. Washington
Chief Executive Officer

**ATTACHMENT A - BOB HOPE AIRPORT/HOLLYWOOD WAY METROLINK STATION
USES AND SOURCES OF FUNDS (In the Millions)**

USES	BUDGET TOTAL	Up to FY 16	FY17	FY 18
Engineering	\$ 2.00	\$ 1.70	\$ 0.30	
Third Party	\$ 1.50		\$ 1.25	\$ 0.25
Construction Management	\$ 1.50		\$ 1.25	\$ 0.25
Construction	\$ 7.00		\$ 5.00	\$ 2.00
Contingency	\$ 3.00		\$ 2.00	\$ 1.00
Grand Total	\$ 15.00	\$ 1.70	\$ 9.80	\$ 3.50

SOURCES	BUDGET TOTAL	Up to FY 16	FY17	FY 18
Measure R 3%	\$ 12.41	\$ 1.70	\$ 7.21	\$ 3.50
Repurposed STURAA*	\$ 2.59		\$ 2.59	
Grand Total	\$ 15.00	\$ 1.70	\$ 9.80	\$ 3.50

* STURAA - Surface Transportation Uniform Relocation Assistance Act (STURAA) earmark funds are being repurposed pursuant to the Consolidated Appropriations Act of 2016. If the repurposed STURAA funding is not approved for this project, the \$2.59 million will be replaced with Measure R 3%.



May 13, 2016

Ms. Jeanet B. Owens
Executive Officer, Project Management
& Program Management
Los Angeles County Metropolitan
Transportation Authority
One Gateway Plaza, Mail Stop: 99-17-5
Los Angeles, CA 90012-2952

Via Email and US Mail
OwensJ@metro.net

Re: Hollywood Way/San Fernando Metrolink Station

Dear Ms. Owens:

In response to our conversation yesterday morning, you indicated that the Los Angeles County Metropolitan Transportation Authority ("Metro") has placed a "hold" on the Hollywood Way/San Fernando Road Metrolink Station ("Station") unless a resolution could be reached as to how future operations and maintenance ("O&M") expenses would be shared by the stakeholders for the Station. Confirming the position that Mark Hardyment communicated to you previously and as detailed further below, Federal Aviation Administration ("FAA") Grant Agreement Assurances prohibit the Airport Authority ("Authority"), owner and operator of the Bob Hope Airport ("Airport") from participating in a number of activities, specifically revenue diversion to other agencies where the facilities in question are not located on Airport property.

As was confirmed in yesterday's call, the Authority has previously taken actions to provide nearly \$2.6M of its Federal Highway Administration Surface Transportation Uniform Relocation Assistance Act ("STURAA") grant to be used by Metro. That Commission action included adoption of two resolutions authorizing the reallocation of those funds to Metro for both the design and implementation of this Station. Furthermore, from early in our discussions with Metro, the Authority has committed to provide the transportation of passengers between the Airport terminal and the Station. This is a service that is limited to the transportation of passengers between these two points, is consistent with Metro's "Plane to Train" connectivity goals, and is estimated to cost the Authority upwards of \$250,000 annually to meet approximately 30 northbound and southbound trains each day.

As referenced above, FAA Grant Agreement Assurances prohibit the Airport Authority from participating in cost allocation of facilities located off-airport. Specifically, Airport expenditures for ground access projects must be consistent with the requirements of Title 49, United States Code 47107 and, specifically, federal Grant Assurance 25.

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Grant Assurance 25, entitled Airport Revenue, in essence requires that Airport revenue only be spent on capital or operating costs of the Airport.

Perhaps the best current guidance on the requirements of Assurance 25 is the U.S. Department of Transportation Office of Inspector General Audit Report on the use of airport revenue for the Bay Area Rapid Transit (“BART”) District extension to San Francisco International Airport (“SFO”).ⁱ That audit stated that federal law required that in order for SFO funds to be used for the BART “project”, the project conform with all three of the following requirements:

- (1) BART fixed facilities and operating system for the project be owned by SFO;
- (2) The facilities and operating system be located on SFO property with guaranteed continued SFO access; and
- (3) Costs benefiting both BART and the SFO be prorated on a reasonable basis.

Given the above, the facts that the Metrolink “station” will not be owned by the Airport and will not be located on Airport property means that the Airport cannot commit revenue to that Metrolink station.

In conclusion, the Authority strongly believes that this important connectivity enhancement needs to be constructed, and the Authority has stepped up to the plate by providing the STURAA grant and a commitment to provide passenger transportation to the terminal. We appreciate your willingness to look at the design in an effort to identify aspects that either or both are leading to your cost overrun or may contribute to higher anticipated O&M expenses. To that end, we suggest replacing the awning structure contained in the current design with one more akin to what is currently in use at the Chatsworth Station.

These issues can be discussed in greater detail in the meeting on May 26th. Should you have any questions, please do not hesitate to contact me or Mark Hardyment.

Sincerely,



Dan Feger
Executive Director

cc: BGPAA Commissioners
Mark Hardyment

ⁱ Furthermore, the BART extension was an overall 9.5 mile extension of which the FAA prohibited SFO participation on the 8.7 mile “off-airport” portion. What was conditionally approved was an “on-airport” 0.8 mile segment, and the proration for costs was made on this 0.8 mile segment.