



## Board Report

File #: 2024-1100, File Type: Project

Agenda Number: 10.

### CONSTRUCTION COMMITTEE FEBRUARY 19, 2025

**SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT LINE PROJECT**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. INCREASE the Board approved Preconstruction Budget for the East San Fernando Valley Light Rail Transit Project (Project) by \$608,095,000 from \$879,731,000 to \$1,487,826,000; and
- B. NEGOTIATE and EXECUTE all project-related agreements and modifications to existing contracts within the authorized Preconstruction Budget.

#### **ISSUE**

Staff is seeking the Board's approval for two items: (1) increasing the Preconstruction Budget by \$608,095,000 for additional funding to continue Real Estate acquisition and relocation activities, and utility relocation work including support costs; and (2) authorizing the negotiation and execution of all project-related agreements and modifications to existing contracts within the authorized Preconstruction Budget.

#### **BACKGROUND**

The Project extends north from the Van Nuys Metro G-Line station to the Sylmar/San Fernando Metrolink Station, a total of 9.2 miles of a dual track light rail transit (LRT) system with 14 at-grade stations. The Metro Board certified the Final Environmental Impact Statement/ Environmental Impact Report (EIS/EIR) in December 2020, and the Federal Transit Administration (FTA) signed a Record of Decision in January 2021, for the project. Included in the Final EIS/EIR was the Initial Operating Segment (IOS) defined as the southern 6.7 miles of the Project alignment.

The IOS, identified as the southern segment, provides a dual track street running light rail transit system along the middle of Van Nuys Boulevard from Oxnard Street to San Fernando Road. The Project includes 11 at-grade center platform stations, 10 traction power substations, and a maintenance and storage facility (MSF) for LRT vehicles. This southern segment of the Project is the subject of this board action. The remaining northern 2.5 mile environmentally cleared segment is

going through additional analysis as directed by the Board in December 2020 and is not included in this board action.

On May 10, 2022, the FTA issued Metro a Letter of Intent (LOI) to obligate funding for the Project under the Expedited Project Delivery (EPD) Pilot Program. Metro and the FTA signed the Full Funding Grant Agreement (FFGA) on the project alignment on September 6, 2024. The FFGA was executed on September 13, 2024, for a total Award Budget of \$3,573,279,911 with a Federal assistance amount of \$893,319,978.

Through the Preliminary Engineering (PE) phase of the Project, design refinements to the southern segment resulted in updates to the project description. In October 2023, the Metro Board approved an Addendum to the EIR assessing design refinements and updated project elements developed during Preliminary Engineering for the IOS. In July 2023, a letter regarding the Environmental Determination for East San Fernando Valley Transit Corridor Reevaluation was received from the Federal Transit Administration compliance with NEPA and no further studies would be required.

Street improvements and guideway designs have advanced to 60 percent completion and all other design elements (stations, MSF, landscaping, and systems) are at 30 percent. The design of utility composite plans has also advanced to 60 percent complete, and six design packages of Los Angeles Department of Water and Power (DWP) utility relocations are in final design.

On February 23, 2023, the Board approved the award of a Progressive Design-Build (PDB) contract to San Fernando Transit Constructors (SFTC), a joint venture of Skanska USA Civil West California District, Inc., and Stacy and Witbeck Inc., for Phase 1 Preconstruction Services in the amount of \$30,979,750. Phase 2 of the PDB contract includes Design, Construction, Testing and Commissioning of the Project. A Preconstruction Phase-of-Project Budget (Preconstruction Budget) in the amount of \$496,856,000 was also established at the February 23, 2023, Board meeting.

On April 14, 2023, NTP was issued to SFTC for Phase 1 work which includes validation of base design, value engineering, and a framework for negotiating and reaching a Phase 2 Contract Price. The implementation of Early Works Packages concurrently with Phase 1 work will advance design efforts required to support Phase 2 contract price negotiations and support the project schedule.

In July 2024, the Board approved an increase to the Preconstruction Budget to \$879,731,000. The Preconstruction Budget will be over 95% committed by early 2025. Budget items with committed funding include awarded phases of construction contracts, advancing PDB Phase 2 work through the implementation of Early Work Packages (EWP), priority Real Estate acquisition and relocation, third party agreements, Metro labor, and encumbered and forecasted costs for professional services.

## **DISCUSSION**

With the existing Preconstruction Budget forecast to be fully committed in early 2025, staff is requesting an increase to the Preconstruction Budget by \$608,095,000 from \$879,731,000 to \$1,487,826,000 in order to continue advancing construction, real estate acquisitions, and third-party support while Phase 2 of the PDB contract is negotiated with SFTC.

Through the PDB contract process, the identification of EWPs has continued to ensure project activities critical to meet construction schedule are initiated. Budget updates are included for project activities included in the Preconstruction Budget and required to support construction prior to establishing a Life of Project Budget and the issuing of Phase 2 of the PDB Contract.

An item to address project costs not eligible for Federal reimbursement has been added to the Preconstruction Budget to support activities, including goodwill claims, station art, and other activities required to deliver the project.

Staff from the Metro project team and the Los Angeles Department of Water and Power (LADWP) remain in discussions regarding LADWP's request to underground high voltage electrical lines along Van Nuys Boulevard. These discussions are active and ongoing, with the mutual goal being to accommodate the requested undergrounding if it does not impact the budget and/or schedule of the ESFV project. As these discussions are still taking place, this proposed Board action does not include any costs or increased budget to accommodate the proposed LADWP undergrounding work.

Attachment A, ESFV Preconstruction Budget and Commitments, provides a table showing the current approved Preconstruction Budget, additional areas of the budget to be funded with this request, and the proposed revised budget. Additional authority to fund the activities shown in Attachment A is necessary to continue progressing in accordance with the project schedule. A Life-of-Project budget will be recommended to the Board once the Phase 2 negotiations for construction have been completed.

A funding source separate from the ESFV Project funding plan, Measure M inflation funding, has been identified to support these non-eligible costs and included in Attachment B, East San Fernando Valley Light Rail Transit Project Expenditures and Funding Plan.

### **DETERMINATION OF SAFETY IMPACT**

This Board action will not have any negative impact on established safety standards.

### **FINANCIAL IMPACT**

Upon Board approval, budget will be added to the existing Preconstruction Budget for Project 865521- East San Fernando Valley Light Rail Transit Corridor, in Cost Center 8510 - Construction Project Management.

As this is a multi-year capital project, the Chief Program Management Officer and the Project Manager will be responsible for budgeting costs for future years.

### **Impact to Budget**

The sources for funding the additional \$608,095,000 for the Project are capital funds as shown in Attachment B, East San Fernando Valley Light Rail Project Preconstruction Expenditures and Funding Plan. These funds are not eligible for bus and rail operations.

### **EQUITY PLATFORM**

The additional funding will support continued community and small business engagement efforts led by Metro Community Relations (CR) staff in conjunction with the implementation of construction activities:

- **Elected Representatives and City Representatives** : To date, Metro CR staff have met with representatives from the City of Los Angeles Neighborhood Councils and Council District Offices, on upcoming construction, mitigation plans/efforts, and outreach efforts to the local community. Metro has held several quarterly community construction update meetings, presented at various community and school meetings, tabled at various special events, and presented at various business association meetings. The Construction Relations team is currently conducting bilingual door-to-door outreach of small businesses along the Project alignment.
- **Community Members:** The Project has established a Community Leadership Council (CLC) as an advisory body to the Project and is in the process of implementing Community Based Organization (CBO) Partnerships that align with Metro's CBO Partnering Strategy. CLC members have been instrumental in providing direct feedback at the two CLC meetings held on ways to improve current outreach efforts and message delivery on the project.
- **Small Businesses** : Metro CR staff have visited the small businesses along the alignment and provided bilingual project information along with small business mitigation programs available to businesses along the Project corridor: Eat Shop Play (ESP), Business Interruption Fund (BIF), and Business Solution Center (BSC). The BIF formally launched on this Project in May of 2024. The ESP and BSC programs are anticipated to launch in early 2025.
- **Cultural Competency Plan (CCP)** : The CCP includes a comprehensive strategy for engagement with the local community utilizing a multi-layered approach focused on a career academy, small business opportunities, and project internal culture and training. Training will encompass the entire team including vendors and subcontractors. The CCP supports an accountability framework to track the progress of each task and goal through the utilization of technology in order to develop the highest standards of resources and programs for the community.

Through the implementation of construction mitigation programs and continued outreach efforts, assistance to small businesses during construction will be achieved and the phasing of construction will be developed to minimize impacts to adjacent businesses and residents. Engaging the community through the CCP will increase cultural awareness of communities throughout the limits of construction along Van Nuys Boulevard, supporting mobility needs and business and employment opportunities.

..Vehicle\_Miles\_Traveled\_Outcome

### **VEHICLE MILES TRAVELED OUTCOME**

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.\* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on

## VMT.

The Final Environmental Impact Statement/Final Environmental Impact Report for the East San Fernando Valley Transit Corridor Project was certified by the Board in December 2020 and a Record of Decision issued by the Federal Transit Administration in January 2021. VMT for the project has already been analyzed for this item through the East San Fernando Valley Transit Corridor, DEIS/DEIR. VMT summary can be found in Appendix G Transportation Impacts Report published in 2020. VMT was forecasted with Metros Travel Demand Model using traffic counts collected in 2011, 2012, and 2013. Year 2040 was chosen for definition of future baseline conditions. The result of this analysis was that the number of transit trips would reduce the number of trips by auto in general due to mode Preference changes by commuters. A VMT reduction of 54,207 was calculated for the project.

\*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Project supports the following strategic goals:

**Strategic Goal 1:** Provide high-quality mobility options that enable people to spend less time traveling.

The purpose of the Project is to provide high-capacity transit service in the San Fernando Valley.

**Strategic Goal 2:** Deliver outstanding trip experiences for all users of the transportation system.

The at-grade light rail system will attract bus ridership and improve the trip experience for users of the transportation system.

**Strategic Goal 3:** Enhance communities and lives through mobility and access to opportunity.

With 11 stations, including connections to Metro G-Line and Metrolink, the ESFV enhances mobility to the community.

**Strategic Goal 4:** Transform LA County through regional collaboration and national leadership.

Collaboration with the elected officials, citizens, and Metro patrons of San Fernando Valley continues to positively impact the Project.

## **ALTERNATIVES CONSIDERED**

The Board may choose not to move forward with the requested increase to the Preconstruction Budget. This is not recommended as Metro will incur undesirable schedule delays and cost increases if this action does not move forward. Furthermore, delays to the Project will have detrimental effects on the available Federal and State Grant funding dollars.

## **NEXT STEPS**

Upon Board approval, Metro staff will continue progressing with real estate activities to secure construction access, continue the advancement of utility relocation construction, and continue the

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advancement of design plans and specifications to support the final negotiation of Phase 2 work. Once an agreement of Phase 2 price has been reached, staff will return to the Board for approval of an LOP budget and seek further authority for the Chief Executive Officer to execute project agreements and contract modifications within the LOP budget.

**ATTACHMENTS**

Attachment A - ESFV Preconstruction Budget and Commitments

Attachment B - ESFV Preconstruction Funding and Expenditure Plan

Prepared by:

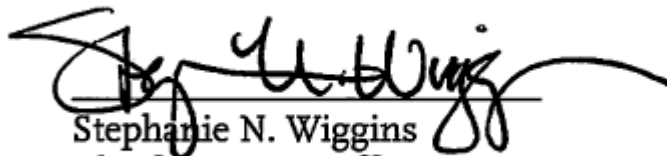
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Reviewed by:

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Stephanie N. Wiggins  
Chief Executive Officer

**Attachment A**  
**ESFV Preconstruction Budget**

Budget Item	Current Board Authority (\$M)	Revised Preconstruction Budget (\$M)	Additional Requested Funds (\$M)
Phase 1 - PDB	30.980	30.980	0.000
Early Works Packages (EWP)	370.101	579.339	209.238
PCS Energy	1.063	1.063	0.000
AUA #1 - W.A. Rasic	9.888	9.972	0.084
Real Estate	203.486	373.209	169.723
Third Party	37.080	129.280	92.200
LRV	1.200	1.700	0.500
Agency & CMSS	61.605	90.605	29.000
Professional Services - Engineering	108.960	124.960	16.000
Professional Services - Other	11.504	40.854	29.350
Planning Projects 405521 & 465521	23.049	23.049	0.000
Costs Not Eligible for Federal Reimbursement	0.000	37.000	37.000
Contingency	20.815	45.815	25.000
<b>Totals</b>	<b>879.731</b>	<b>1,487.826</b>	<b>608.095</b>

**Attachment B**  
**ESFV Preconstruction Funding & Expenditures Plan**

(\$ in millions)	TOTAL	PRIOR	2024	2025	2026	2027	2028	2029	2030	2031	2032	
			2025	2026	2027	2028	2029	2030	2031	2032	2033	
<b>USE OF FUNDS</b>												
<b>FFGA Eligible Expenses</b>												
Construction Costs	50.45%	750.634	47.995	172.557	253.724	176.316	63.720	24.162	3.720	3.720	3.720	1.000
ROW/Land Existing Improvements	24.60%	365.989	39.347	174.328	74.500	57.177	20.637	-	-	-	-	-
Vehicles	0.11%	1.700	-	1.700	-	-	-	-	-	-	-	-
Professional Services	13.59%	202.146	55.157	53.222	54.937	22.382	9.249	5.526	1.673	-	-	-
Unallocated Contingency	3.08%	45.815	-	5.000	10.000	10.000	10.000	10.000	0.815	-	-	-
<b>Subtotal</b>	<b>91.83%</b>	<b>1,366.284</b>	<b>142.499</b>	<b>406.807</b>	<b>393.161</b>	<b>265.875</b>	<b>103.606</b>	<b>39.688</b>	<b>6.208</b>	<b>3.720</b>	<b>3.720</b>	<b>1.000</b>
<b>Non-Federal Eligible Expenses</b>												
Pre-Award Authority Expenses (865521)	4.13%	61.493	61.493	-	-	-	-	-	-	-	-	-
Additional Planning Expenses (405521 & 465521)	1.55%	23.049	23.049	-	-	-	-	-	-	-	-	-
Additional Project Expenses <sup>(1)</sup>	2.49%	37.000	-	5.000	10.000	12.000	10.000	-	-	-	-	-
<b>Subtotal</b>	<b>8.17%</b>	<b>121.542</b>	<b>84.542</b>	<b>5.000</b>	<b>10.000</b>	<b>12.000</b>	<b>10.000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL USES</b>	<b>100.00%</b>	<b>1,487.826</b>	<b>227.041</b>	<b>411.807</b>	<b>403.161</b>	<b>277.875</b>	<b>113.606</b>	<b>39.688</b>	<b>6.208</b>	<b>3.720</b>	<b>3.720</b>	<b>1.000</b>

<b>SOURCES OF FUNDS</b>												
<b>Federal Revenue</b>												
Section 5339 Alternatives Analysis	0.00%	0.968	1.0	-	-	-	-	-	-	-	-	-
Section 3005(b) Expedited Project Delivery Grant	16.80%	250.000	-	50.0	75.0	75.0	50.0	-	-	-	-	-
<b>Federal Revenue Subtotal</b>	<b>16.80%</b>	<b>250.968</b>	<b>\$1.0</b>	<b>\$50.0</b>	<b>\$75.0</b>	<b>\$75.0</b>	<b>\$50.0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Local Revenue</b>												
(13) (6)												
Prop A - Rail Development Account (35%)	0.00%	-	-	-	-	-	-	-	-	-	-	-
Measure R - Transit Capital (35%)	12.23%	182.000	108.8	20.0	2.7	50.5	-	-	-	-	-	-
Measure R - Highway Projects (20%)	3.32%	49.417	-	-	49.4	-	-	-	-	-	-	-
Prop C - Discretionary (40%)	0.00%	-	-	-	-	-	-	-	-	-	-	-
Prop C - Transit-Related Highway (25%)	13.62%	202.643	1.3	192.5	-	-	-	-	0.4	3.7	3.7	1.0
Local Agency Transit Project Contributions	0.00%	-	-	-	-	-	-	-	-	-	-	-
Measure M - Transit Construction (35%)	21.29%	316.708	73.5	29.0	90.2	52.4	33.6	32.2	5.8	-	-	-
<b>Local Revenue Subtotal</b>	<b>50.46%</b>	<b>750.768</b>	<b>\$183.6</b>	<b>\$241.5</b>	<b>\$142.3</b>	<b>\$102.9</b>	<b>\$33.6</b>	<b>\$32.2</b>	<b>\$6.2</b>	<b>\$3.7</b>	<b>\$3.7</b>	<b>\$1.0</b>
<b>State Revenue</b>												
Transit and Intercity Rail Capital Program (TIRCP)	22.27%	331.330	-	8.0	185.8	100.0	30.0	7.5	-	-	-	-
Traffic Congestion Relief Program Funds (TCRP)	0.00%	27.000	27.0	-	-	-	-	-	-	-	-	-
Other State Revenue	1.22%	18.185	-	18.2	-	-	-	-	-	-	-	-
Regional Improvement Program Funds (RIP)	2.33%	34.630	15.4	19.2	-	-	-	-	-	-	-	-
SB1 - Local Partnership Program	5.04%	74.944	-	74.9	-	-	-	-	-	-	-	-
<b>State Revenue Subtotal</b>	<b>30.86%</b>	<b>486.089</b>	<b>\$42.4</b>	<b>\$120.3</b>	<b>\$185.8</b>	<b>\$100.0</b>	<b>\$30.0</b>	<b>\$7.5</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL SOURCES</b>	<b>0.00%</b>	<b>1,487.826</b>	<b>\$ 227.0</b>	<b>\$ 411.8</b>	<b>\$ 403.2</b>	<b>\$ 277.9</b>	<b>\$ 113.6</b>	<b>\$ 39.7</b>	<b>\$ 6.2</b>	<b>\$ 3.7</b>	<b>\$ 3.7</b>	<b>\$ 1.0</b>

(1) Additional expenses for necessary project expenditures that are not eligible for federal reimbursement including items like Real Estate Goodwill.





We're building light rail for the Valley.

EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT



February 19, 2025  
Construction Committee

# East San Fernando Valley Light Rail Transit Project



## Initial Operating Segment

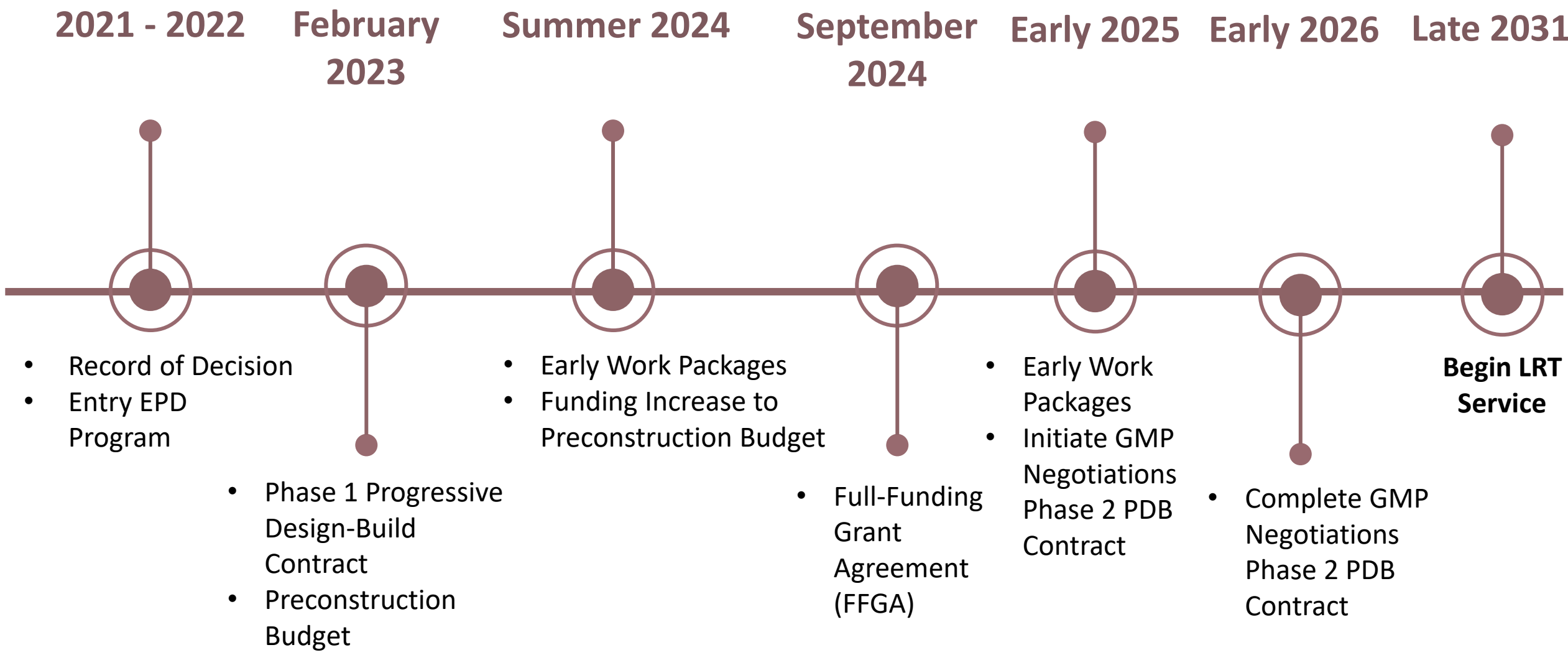
- 6.7 miles at-grade double-track light rail service along the center of Van Nuys Blvd.
- 11 center-boarding platform stations
- 10 Traction Power Substations
- Maintenance and Storage Facility
- Procurement of 33 Light Rail Vehicles

## Estimated Project Cost

- \$3.573 Billion



# Project Schedule Milestones



# East San Fernando Valley Light Rail Transit Project Funded Activities Underway

## Federal Transit Administration

- FFGA Oversight Coordination

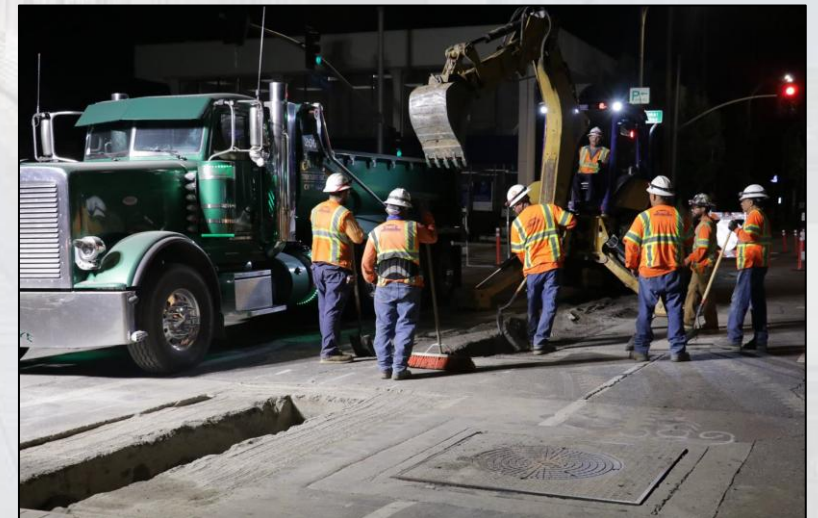
## Construction Activities in 2024

- Utility Adjustment Construction
- Complete Design/Construction Plans
- Progressive Design-Build: Phase 1

## Real Estate Acquisitions/Relocations

## Community Outreach

- Construction Relations
- Construction Mitigation Programs
  - Business Interruption Fund
  - Business Solution Center
  - Eat Shop Play



# East San Fernando Valley Light Rail Transit Project

## Additional Funding Investment

- **Early Work Packages**
  - EWP 07 – Utility Adjustments, Civil Improvements
  - EWP 08 – Utility & Civil Improvements, Segment A & C
  - EWP 09 – Utility & Civil Improvements, Segment A
  - EWP 10 – Long Lead Procurements
- **Real Estate Acquisitions and Relocations**
- **Construction Relations, Good Will Claims, Public Art**



Concept Image. ESFV LRT Maintenance and Storage Facility



Concept Image. ESFV LRT alignment along Van Nuys Boulevard

# Request to Construction Committee

## RECOMMENDATION

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