

Metro

*Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
3rd Floor Board Room*



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Agenda - Final

Wednesday, September 14, 2016

1:00 PM

**One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room**

Finance, Budget and Audit Committee

Jacquelyn Dupont-Walker, Chair

Diane DuBois, Vice Chair

Don Knabe

Ara Najarian

Hilda Solis

Carrie Bowen, non-voting member

Phillip A. Washington, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES (ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

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NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

CALL TO ORDER

ROLL CALL

5. AUTHORIZE the Chief Executive Officer to **renew existing group insurance policies covering Non-Contract and AFSCME employees** for the one-year period beginning January 1, 2017. [2016-0556](#)

Attachments: [Attachment A - Proposed Monthly Premium Rates](#)
[Attachment B - Proposed Monthly Employee Contributions](#)

6. CONSIDER: [2016-0697](#)

A. APPROVING the **Crenshaw/LAX Light Rail Transit Project Measure R Local Match Financial Contribution Agreement between the City of Inglewood and Metro**; and

B. AUTHORIZING the Chief Executive Officer to execute the said agreement.

Attachments: [Attachment A - Measure R Local Match Financial Contribution Agreement \(Draft\)](#)

15. RECEIVE AND FILE report on the first **Program Management Annual Program Evaluation (APE)**. [2016-0657](#)

Attachments: [Attachment A - Metro FY17 APE Summary Presentation Sept 2016 Board 9.12.](#)

(ALSO ON CONSTRUCTION COMMITTEE)

Adjournment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

**Board Report**

File #: 2016-0556, **File Type:** Policy**Agenda Number:** 46.

**REGULAR BOARD MEETING
OCTOBER 27, 2016****SUBJECT: GROUP INSURANCE PLANS****ACTION: RENEW GROUP INSURANCE POLICIES****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to **renew existing group insurance policies covering Non-Contract and AFSCME employees** for the one-year period beginning January 1, 2017.

ISSUE

A comprehensive package of health resources provides existing employees a foundation to maintain or improve health, and helps to attract and retain qualified employees. Los Angeles County Metropolitan Transportation Authority (LACMTA), including the Public Transportation Services Corporation (PTSC), seeks to offer benefit plans that promote efficient use of health resources and are cost effective for the company and our employees.

DISCUSSION

The Non-Contact Group Insurance Plan, a flexible benefits program, was implemented in August 1994. Roughly 99% of the employees covered by the benefit plans are PTSC employees. With the closing of Expo at the end of 2016, there will no longer be a need to provide benefit plans for this small group. Healthcare benefits and employee contributions for those represented by SMART-TD, ATU, and TCU unions are determined by the respective Health and Welfare Trust Funds, and the employer subsidy is established through contract negotiations.

On an annual basis, Non Contract, AFSCME, and Teamster employees are encouraged to review their enrollment and may choose medical, dental, vision, supplemental life, long-term disability, and accidental death and dismemberment plans that meet their needs. Alternatively, employees may opt to waive medical and/or dental coverage and receive a taxable cash benefit, provided proof of other coverage is submitted. Employees may also participate in the flexible spending accounts, a vehicle to pay for certain out-of-pocket healthcare and dependent care expenses on a pre-tax basis.

The overall premium increase for calendar year 2017 is 2.2%. This reflects \$1.05 million in negotiated reductions from the initial renewal quotes. The recommended medical, dental, and vision premiums are shown on Attachment A. As previously established by the Chief Executive Officer, Non

-Contract and AFSCME employees contribute 10% of the actual premium for each medical and dental plan selected. The monthly employee contributions are shown in Attachment B.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety.

FINANCIAL IMPACT

Funding for the group insurance plans is included in each department's FY17 budget and allocated based on the approved federal cost allocation plan. Based on the current employee participation by plan, estimated employer costs of \$45.4 million, an increase of \$1 million over 2016, are expected to be within the adopted budget of \$49.4 million.

Implementation of the 40% excise tax (Cadillac Tax), a part of Health Care Reform, has been postponed from 2018 to 2020. The Cadillac Tax is intended to be assessed on the cost of coverage for health plans that exceed an annual limit, currently set at \$10,200 for individual coverage and \$27,500 for family coverage. For fully-insured plans like ours, the excise tax is the responsibility of the insurance carrier, though it is anticipated that carriers may pass these costs back to the employer. The Anthem Blue Cross PPO plan currently exceeds the annual limits by approximately \$4,000 per participant. However, since the excise tax does not take effect until 2020, we will continue to monitor regulatory requirements and evaluate our plan provisions such as copays, out-of-pocket maximums and other features in order to mitigate exposure to the excise tax.

ALTERNATIVES CONSIDERED

Plan design changes such as increasing office and prescription copays, annual deductibles, and out-of-pocket maximums were considered. However, with the favorable 2017 renewal, and the postponement of the Excise Tax until 2020, it is recommended that current plan designs be renewed, thereby avoiding provider access/disruption for 2017.

The Board could decide to self-insure and self-administer health benefits. However, this is not recommended due to the resources required to establish the medical expertise and operational infrastructure required to review and process claims as well as the liability that would be assumed.

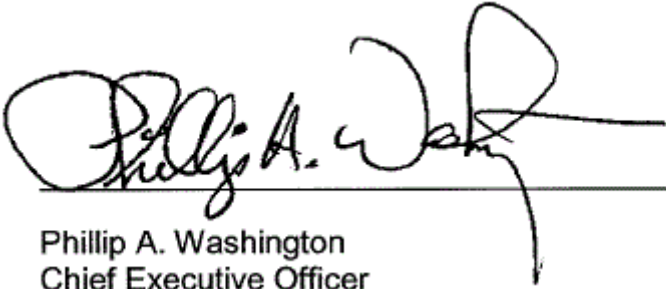
NEXT STEPS

- Conduct annual open enrollment for Non Contract and AFSCME employees during November 2016.
- Implement elections effective January 1, 2017.

ATTACHMENTS

Attachment A - Monthly Premium Rates
Attachment B - Monthly Employee Contributions

Prepared by: Jan Olsen, Manager, Pension & Benefits, (213) 922-7151
Donna Mills, Treasurer, 213-922-4047
Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

Renew Group Insurance Policies

Board Meeting
September 22, 2016

Group Insurance Plans 2017 Renewal

Comprehensive health benefits:

- Promote efficient use of health resources while being cost effective for the company and our employees
- Help attract and retain qualified employees as a component of the total compensation system
- Provide a foundation for employees to maintain and improve health

Group Insurance Plans 2017 Renewal

Governance and Policy

- Affordable Care Act mandates offering medical coverage
- Metro's Medical/Dental Policy covering NC and AFSCME reflects regulatory requirements and company goals
- Health benefits for SMART-TD, ATU, TCU and Teamster represented employees determined by the respective Health and Welfare Trust Funds

Group Insurance Plans 2017 Renewal

- Non Contract/AFSCME premiums approved annually by Board
- Employer per capita contributions to SMART-TD, ATU, TCU and Teamsters Health and Welfare Trust Funds per Collective Bargaining Agreements

	Est. Budget FY17 (\$ Millions)	# Active Employees	# Retirees
SMART – TD	\$ 69.6	4,866	884
ATU	\$ 53.8	2,458	1,169
TCU	\$ 17.0	896	149
TEAMSTERS	\$ 1.6	96	Included as NC Retirees
AFSCME	\$ 16.0	765	30
NON-CONTRACT	\$ 33.4	1,347	206
TOTAL	\$191.4	10,428	2,438

Group Insurance Plans 2017 Renewal

- Overall increase for CY 2017 is 2.2% which translates to \$1M increase over 2016
- Based on current participation by plan, estimated employer cost of \$45.4M expected to be within the adopted budget of \$49.4M

Group Insurance 2017 Renewal

Recommendation and Next Steps

- Authorize the CEO to renew existing group insurance policies covering Non-Contract and AFSCME employees for a one year period beginning January 1, 2017
- Next Steps:
 - Configure the annual open enrollment system for 2017 with new premiums and enrollment data
 - Conduct Annual Open Enrollment in November
 - Audit elections and integrate with payroll system
 - Implement elections effective January 1, 2017

Group Insurance 2017 Renewal

- Questions

Proposed Monthly Premium Rates

Provider	Coverage Option	CY 2016	CY 2017	%Change	Est # of Employees (1/1/17)
Blue Cross (PPO)	Single	\$1,113.90	\$1,186.53	6.52%	216
	Couple	\$2,242.25	\$2,388.45	6.52%	206
	Family	\$3,007.50	\$3,203.59	6.52%	278
Blue Cross (HMO)	Single	\$746.93	\$795.45	6.50%	84
	Couple	\$1,568.54	\$1,670.44	6.50%	74
	Family	\$2,240.64	\$2,386.19	6.50%	175
Kaiser (HMO)	Single	\$643.04	\$610.89	-5.0%	253
	Couple	\$1,286.08	\$1,221.78	-5.0%	222
	Family	\$1,819.80	\$1,728.81	-5.0%	385
Delta Dental (PPO)	Single	\$57.20	\$57.20	0.00%	383
	Couple	\$99.41	\$99.41	0.00%	432
	Family	\$149.37	\$149.37	0.00%	623
DeltaCare (DHMO)	Single	\$20.21	\$20.21	0.00%	75
	Couple	\$36.71	\$36.71	0.00%	51
	Family	\$54.32	\$54.32	0.00%	122
Dental Health Services (DHMO)	Single	\$16.82	\$16.82	0.00%	72
	Couple	\$32.60	\$32.60	0.00%	56
	Family	\$49.15	\$49.15	0.00%	110
Vision Service Plan	Single	\$10.15	\$10.15	0.00%	284
	Couple	\$14.68	\$14.68	0.00%	300
	Family	\$26.30	\$26.30	0.00%	459
Voluntary Waiver of Coverage:*					
	Medical	\$230.00	\$235.00	2.4%	155
	Dental	\$33.00	\$34.00	2.4%	94

* Waiver of Medical coverage requires proof of alternative coverage.

Proposed Monthly Employee Contributions

Provider	Coverage Option	NC & AFSCME Employee Contribution (Current)	NC & AFSCME Employee Contribution (Proposed) Effective 1/1/17	Change
Blue Cross (PPO)	Single	\$111.00	\$119.00	\$8.00
	Couple	\$224.00	\$239.00	\$15.00
	Family	\$301.00	\$320.00	\$19.00
Blue Cross (HMO)	Single	\$75.00	\$80.00	\$5.00
	Couple	\$157.00	\$167.00	\$10.00
	Family	\$224.00	\$239.00	\$15.00
Kaiser (HMO)	Single	\$64.00	\$61.00	-\$3.00
	Couple	\$129.00	\$122.00	-\$7.00
	Family	\$182.00	\$173.00	-\$9.00
Delta Dental (PPO)	Single	\$6.00	\$6.00	\$0.00
	Couple	\$10.00	\$10.00	\$0.00
	Family	\$15.00	\$15.00	\$0.00
DeltaCare (DHMO)	Single	\$2.00	\$2.00	\$0.00
	Couple	\$4.00	\$4.00	\$0.00
	Family	\$5.00	\$5.00	\$0.00
Dental Health Services (DHMO)	Single	\$2.00	\$2.00	\$0.00
	Couple	\$3.00	\$3.00	\$0.00
	Family	\$5.00	\$5.00	\$0.00
Vision Service Plan	Single	\$1.00	\$1.00	\$0.00
	Couple	\$1.00	\$1.00	\$0.00
	Family	\$3.00	\$3.00	\$0.00

Non-Contract and AFSCME Employees contribute 10% (rounded to the nearest whole dollar) towards their individually selected plan's medical and dental premiums.

**Board Report**

File #: 2016-0697, **File Type:** Agreement**Agenda Number:** 6.

**FINANCE, BUDGET AND AUDIT COMMITTEE
SEPTEMBER 14, 2016****SUBJECT: CITY OF INGLEWOOD LOCAL CONTRIBUTION TO MEASURE R CRENSHAW /LAX PROJECT****ACTION: APPROVE CONTRIBUTION AGREEMENT AND AUTHORIZE EXECUTION****RECOMMENDATION**

CONSIDER:

- A. APPROVING the **Crenshaw/LAX Light Rail Transit Project Measure R Local Match Financial Contribution Agreement between the City of Inglewood and Metro**; and
- B. AUTHORIZING the Chief Executive Officer to execute the said agreement.

ISSUE

The financial plan for the Crenshaw/LAX Light Rail Transit Project ("Project") assumes that local jurisdictions through which the Project runs will make a contribution towards the Project costs ("the 3% Contribution"). For the subject Project, this would include the cities of Los Angeles and Inglewood. The Metro Board has approved and Metro and the City of Los Angeles have previously entered into an agreement for the Los Angeles contribution which is equal to 3% of the estimated project cost as of the date of the agreement multiplied by the percentage of the project track miles located within the City of Los Angeles. Metro staff and the City of Inglewood staff have negotiated a contribution agreement as described below. The agreement was approved by the Inglewood City Council on August 23, 2016. The agreement requires Metro Board approval to be implemented.

DISCUSSION

In 2012 Metro and City of Inglewood staff negotiated a contribution agreement which provided that the City make a contribution equal to approximately 3% of the estimated Project costs multiplied by the percentage of Project track mileage located with the City of Inglewood. This agreement provided for a contribution of approximately \$17.7 million, financed over 35 years. The agreement was approved by the Metro Board but was not approved by the Inglewood City Council in part due to the on-going negotiation with Metro concerning certain Project elements. With most of these issues now

resolved, the City indicated its willingness to negotiate a contribution but not based on the terms of the draft 2012 agreement. In large part, the difference between the amount the city was willing to pay and the \$17.8 million lies in the fact that the costs of tunneling for the project is attributable to the portion of the Project that is in the city of Los Angeles and the City of Inglewood believes they receive no benefit from that work. Negotiations ensued and the recommended agreement contains the following provisions:

- Total face value of contribution: \$12 million
- Form of contribution:
 - \$6 million in new first/last mile improvements to be approved by Metro and completed within 6 years of the agreement
 - Additional \$ 6 million financed, with interest accruing from the beginning of the 11th year of the note and the first payment commencing in year 11 of the agreement, balance financed over 40 years at 3% interest.
- City obligation secured by lien against City's local allocation of Measure R, Proposition A and Proposition C funds.

DETERMINATION OF SAFETY IMPACT

The recommended action has no impact on safety.

FINANCIAL IMPACT

The original Project plan included a \$17.7M Local Contribution from the City of Inglewood for the benefits of new rail construction within the City. The terms of this agreement have been negotiated such that no funds will be provided during construction of the Project. In lieu of construction contributions, \$6 million will be directed to the City of Inglewood for First / Last mile improvements separate from the currently approved Crenshaw Life of Project (LOP) budget. Six (\$6) million of additional funds will be repaid to Metro commencing 11 years from the date of the signed agreement to be paid over a 40 year term.

Impact to Budget

Substitute funds need to be identified to replace the \$17.7 million originally planned as the City of Inglewood Local Contribution to the Crenshaw LOP budget. There is no impact to the current fiscal year as no City of Inglewood funds were included in the FY17 adopted budget. The funding sources for the project's capital budget that no longer being provided as a local contribution by the City of Inglewood will be offset by other eligible Metro controlled funding sources including, but not limited to

Proposition A 35%, Proposition C 25%, federal Congestion Mitigation and Air Quality (CMAQ), and federal Regional Surface Transportation Program (RSTP) funding. The exact funding sources and amounts will be determined through the Long Range Transportation Plan (LRTP) update process, which will need to prioritize this requirement against other needs and their requisite cash flow demands.

ALTERNATIVES CONSIDERED

The alternative is to not approve the subject agreement and seek to negotiate alternatives terms. This is not recommended. The negotiations have been protracted, the parties have negotiated in good faith and additional negotiations will likely not be fruitful. The agreement will provide needed First/Last Mile improvements and a long term contribution to partially reimbursement for Project costs.

..Next_Steps

NEXT STEPS

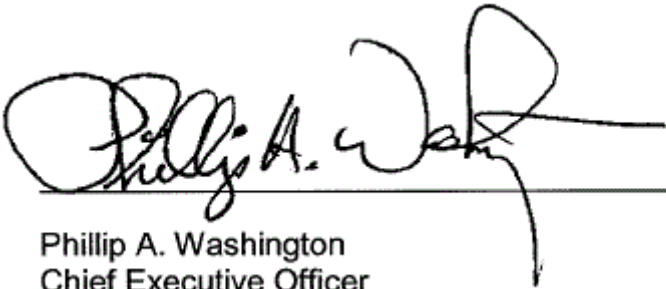
Upon Board approval, the CEO will execute the agreement and the Metro and city staff will proceed to identify the eligible First/Last Mile improvements.

ATTACHMENTS

Attachment A - Measure R Local Match Financial Contribution Agreement (Draft)

Prepared by: Calvin Hollis, Senior Executive Officer, (213) 922-7319

Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington
Chief Executive Officer

**CRENSHAW LIGHT RAIL TRANSIT PROJECT
MEASURE R LOCAL MATCH FINANCIAL
CONTRIBUTION AGREEMENT**

This CRENSHAW LIGHT RAIL TRANSIT PROJECT MEASURE R LOCAL MATCH FINANCIAL CONTRIBUTION AGREEMENT ("**Agreement**") is made and entered into on this ___ day of _____, 2016 ("**Execution Date**"), by and between the CITY OF INGLEWOOD, a municipal corporation (the "**City**"), and the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY ("**LACMTA**"), collectively referred to as "Parties" and individually as a "Party," with reference to the following:

RECITALS:

WHEREAS, the City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of the City.

WHEREAS, LACMTA is the public agency designing, constructing and operating the Crenshaw/LAX Transit Corridor Project (the "**Project**"). The Project is a new 8.5 mile light rail line that extends between the Exposition Line (at the intersection of Exposition and Crenshaw Boulevards) and the Metro Green Line (near the existing Aviation/LAX Station) in Los Angeles County, California. The portion of the rail line that is within the city of Inglewood is 2.93 miles.

WHEREAS, the Project includes eight (8) stations of which two (2) stations are located in the City of Inglewood. LACMTA received state environmental clearance for the Project in September 2011 and federal environmental clearance in December 2011.

WHEREAS, the Project has a life-of-project budget of \$1,749,000,000. The Project is being funded in part with Measure R funds. The Measure R financial plan assumes a local funding match of 3% for all Measure R Projects. The City of Los Angeles and the City of Inglewood are responsible for the 3% local funding match to the Project.

WHEREAS, the parties have agreed that City's contribution of \$12,000,000, to be provided as follows, will be accepted by LACMTA to satisfy the City's local contribution to the Project ("**City's Share**"): (1) City shall contribute \$6,000,000 in LACMTA approved projects which address the connection at the beginning or end of an individual trip, commonly referred to as the first and last mile connection; and (2) City has requested that LACMTA advance the City's Share towards the Project for the City. In exchange, City has agreed to repay the advance by making payments of principal plus interest as set forth in the promissory note with an initial principal balance of \$6,000,000

in the form attached hereto as Exhibit A and incorporated herein by reference (the “**Note**”).

WHEREAS, LACMTA is willing to advance a portion of the City’s Share funding contribution as set forth herein.

WHEREAS, the City took action on this ___ day of _____, 20___ authorizing City to enter into the transactions set forth in this Agreement.

WHEREAS, LACMTA took action on this ___ day of _____, 20___ authorizing LACMTA to enter into the transactions set forth in this Agreement.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. FUNDING COMMITMENT.

A. City shall contribute \$12,000,000 towards the Project by providing \$6,000,000 in First and Last Mile Improvements Projects (as defined below) and making payments on the \$6,000,000 Note, all as further described herein. The completion of the First and Last Mile Improvements Projects and payment of the Note in full shall constitute City meeting its City Share funding commitment to the Project.

B. First and Last Mile Improvements Projects

i. LACMTA will undertake a study (the “**Study**”) in collaboration with City to identify projects which will improve access to the Inglewood Crenshaw LRT Station. The Study will ensure the projects are consistent with LACMTA’s adopted Active Transportation Strategic Plan Guidelines.

ii. From the list of projects identified in the Study, the City will select a list of projects that it desires to design, construct, operate and maintain. The selected projects shall in the aggregate cost at least \$6,000,000 to design and construct and the design and construction budgets for these projects are subject to LACMTA’s review and concurrence. LACMTA shall review City’s selected list of projects and upon LACMTA approval of such City selected projects, the LACMTA approved list of projects will be referred to, and for purposes of this Agreement are defined as, collectively, the “**First and Last Mile Improvements Projects**” and individually, as a “**First and Last Mile Project.**”

iii. City shall expend at least \$6,000,000 on the First and Last Mile Improvements Projects no later than the date (“the “**Expenditure Date**”) that is six (6) years from the date the LACMTA Board of Directors approved this Agreement. For each First and Last Mile Project that is completed and operational by the Expenditure Date, the amount actually expended on such First and Last Mile Project will be credited toward the \$6,000,000.

iv. City shall be responsible to design, construct, operate and maintain each First and Last Mile Project at its sole cost and expense, using local, State or

Federal sources and these sources shall not include any LACMTA grant funds unless specifically provided herein. Notwithstanding the foregoing, if (1) funds from that certain sales tax measure initiated by LACMTA and included in the November 2016 ballot (“2016 Sales Tax Measure”) are allocated to the South Bay Transit and Mobility funding category or, if permitted by the LACMTA Board, the South Bay share of the Subregional Equity Program category (collectively, the “**SB Funds**”) and (2) the South Bay Council of Governments (“**SBCOG**”) allocates any part of the SB Funds to the City for a First and Last Mile Project, then City may use such SBCOG Funds to design, construct, operate and maintain the applicable First and Last Mile Project; provided, however, use of such SBCOG Funds for the First and Last Mile Project must be subject to and consistent with LACMTA’s approved guidelines for such 2016 Sales Tax Measure categories. City will be required to operate and maintain the First and Last Mile Improvements Projects for at least ten (10) years from their respective date of opening.

C. The Note

i. Concurrent with the execution of this Agreement, the City shall execute and deliver to LACMTA the Note which will obligate the City to pay LACMTA \$6,000,000 plus interest on the terms and conditions set forth in the Note. Upon delivery of the Note, City shall also provide LACMTA with a legal opinion that this Agreement and the Note are duly authorized, executed and delivered by the City and constitutes valid legal and binding obligations of the City enforceable against the City in accordance with their respective terms.

ii. By executing the Note and this Agreement, City hereby authorizes LACMTA to advance and LACMTA shall advance on behalf of City \$6,000,000 for use on the Project. City hereby instructs LACMTA not to pay the advance to the City but to apply the \$6,000,000 directly to the Project. Interest on the Note shall accrue commencing on the date that is ten (10) years from the date of the Note until the advance is repaid in full.

D. LACMTA acknowledges that the City intends to fulfill its financial obligations under this Agreement through its local return share of Proposition A, Proposition C and to the extent it is still available, Measure R funds, and if passed, Maker’s local return share of any future sales tax measures initiated by LACMTA and not through the City’s general funds or by exercise of its powers of taxation, should these special funds prove insufficient. Accordingly, nothing in this Agreement shall require the City to expend or promise to expend monies from its general fund to satisfy all or any portion of the obligations set forth in this Agreement or in the Note. Since this is an obligation which is payable out of special funds, it is not an “indebtedness or liability” of the City within the meaning of Section 18 of Article XI of the Constitution. Further, this obligation is not a lien or encumbrance, legal or equitable, upon any of the City’s property or upon any of the City’s income or receipts or revenues, other than the City’s local return share of Proposition A, Proposition C and Measure R funds, and if passed, City’s local return share of any future sales tax measures initiated by LACMTA, which are hereby pledged as payment sources.

2. UNDERRUNS, OVERRUNS AND BETTERMENTS.

A. In the event the final cost of the Project is less than the budgeted amount of \$1,749,000,000, the City's share of the local match commitment shall be proportionately reduced and the City shall receive a credit against its contributions by reducing the then outstanding principal amount on the Note and recalculating the payment amount. In no event shall the City's Share exceed \$12,000,000, nor will the City be responsible for any cost overruns or budget increases for the Project.

B. Project Betterments shall be paid by the City separate and apart from this Agreement and shall be defined in and paid pursuant to the Letter of Agreement, which was fully executed by both parties on April 17, 2012 (the "LOA").

3. INDEMNITY.

A. The LOA specifies procedures which the parties will follow to identify, plan, design and affect the Project. Section IV of the LOA provides for LACMTA to indemnify the City for its performance under the LOA. As LACMTA will use the City's local contribution amount for the Project, the parties desire to remain consistent with LACMTA's indemnity obligations to City with regard to identifying, planning, designing and affecting the Project. Therefore, the parties hereby agree that the indemnity provided by LACMTA to City under Section VI of the LOA is incorporated herein by reference as though set forth in full.

B. City shall indemnify, defend and hold harmless LACMTA and its officers, employees and agents from and against all claims, damages, losses, liabilities, and costs and expenses (including attorneys' fees) arising out of the performance, by City or its employees and agents, of activities the City is required to perform under this Agreement, including without limitation, the design, construction, operation and maintenance of the First and Last Mile Improvements Projects and payments made under the Note.

4. RECORDS AND AUDIT.

A. LACMTA shall maintain any and all documents and records demonstrating or relating to LACMTA's performance of services pursuant to this Agreement. LACMTA shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to the Project. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by LACMTA pursuant to this Agreement. Any and all such documents or records shall be maintained to the extent required by laws relating to audits of public agencies and their expenditures.

B. City shall have the right to inspect or review any documents or records reasonably required of City to evaluate LACMTA's obligations pursuant to this Agreement. LACMTA shall make all records and documents to be reviewed and inspected by City as a part of any audit or other record review conducted by City available for City's review within ninety (90) days of receiving written notice from City

requesting same. LACMTA shall maintain such data and records in an accessible location and condition for a period of not less than three (3) years from the date of final payment under this Agreement, or until after the conclusion of any audit, whichever occurs last.

C. These audit rights shall not excuse or otherwise affect City's payment obligations hereunder. Any final under or overpayments shall be handled through the audit process.

D. City shall maintain any and all documents and records demonstrating or relating to City's performance of services pursuant to this Agreement. City shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to the First and Last Mile Improvements Projects. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by City pursuant to this Agreement. Any and all such documents or records shall be maintained to the extent required by laws relating to audits of public agencies and their expenditures.

B. LACMTA shall have the right to inspect or review any documents or records reasonably required of LACMTA to evaluate City's obligations regarding the First and Last Mile Improvements Projects under this Agreement. City shall make all records and documents to be reviewed and inspected by LACMTA as a part of any audit or other record review conducted by LACMTA available for LACMTA's review within ninety (90) days of receiving written notice from LACMTA requesting same. City shall maintain such data and records in an accessible location and condition for a period of not less than three (3) years from the date of final payment under this Agreement, or until after the conclusion of any audit, whichever occurs last.

5. NOTICES.

A. All notices, demands, requests, or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, first class postage prepaid, addressed as hereinafter provided.

B. All notices, demands, requests, or approvals to City shall be addressed to City at:

CITY
Yvonne Horton
City Clerk
City of Inglewood
One Manchester Boulevard
Inglewood, California 90301

WITH COPY TO
City of Inglewood
One Manchester Boulevard
Inglewood, California 90301
Attn: City Manager

C. All notices, demands, requests, or approvals to LACMTA shall be addressed to LACMTA at:

Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza,
Los Angeles, CA 90012
Attn: Charles Beauvoir, Deputy Executive Officer, Project Management

With a copy to:

Joyce Chang
Principal Deputy County Counsel
c/o LACMTA
One Gateway Plaza, 99-24-2
Los Angeles, CA 90012

6. DEFAULT AND REMEDIES.

A. In the event City fails to perform its obligations under this Agreement, LACMTA shall provide written notice of such breach to City with a 30-day period to cure the breach. If City fails to cure the breach within the 30 day period, then City shall be deemed to be in default under this Agreement.

B. Should City be in default pursuant to Section 1B above, the budgeted value of any First and Last Mile Project which is not completed and operational by the Expenditure Date shall be added together and the resulting cumulative amount shall be referred to as the "**First and Last Mile Outstanding Balance**"). At such time, City's obligation to provide the First and Last Mile Improvements Projects shall be replaced with the obligation to pay the First and Last Mile Outstanding Balance as set forth herein. The First and Last Mile Outstanding Balance shall be paid in monthly installments over ten years with the outstanding unpaid amounts bearing interest at 3% per annum. City shall pay the First and Last Mile Outstanding Balance by hereby authorizing LACMTA to withhold from City's local return share of Measure R, Proposition A and Proposition C in an amount sufficient to pay monthly payments in an amount such that at the end of ten years, the First and Last Mile Outstanding Balance plus all accrued and outstanding interest is paid in full.

C. In the event City fails to perform its obligations under the Note, the parties shall comply with the default and remedies sections set forth in the Note.

D. Further and in addition to the rights set forth herein, If City is in default under this Agreement, LACMTA may take any action against and pursue any remedy against City available to LACMTA under this Agreement or at law or in equity.

E. Article V of the LOA provides for resolution of disputes, claims or controversies arising out of or relating to any construction involving or otherwise relating to the Project. The parties desire to remain consistent with the handling of disputes regarding construction of the Project. Therefore, the parties hereby agree that the Resolution of Disputes set forth in Article V of the LOA is incorporated herein by reference as though set forth in full.

7. TERM.

This Agreement shall become effective upon the date first referenced above and shall remain in full force and affect until the City has paid the Note in full. Once executed, the City shall have no right to terminate this Agreement.

8. INDEPENDENT PARTIES.

The parties to this Agreement will be acting in an independent capacity and not as agents, employees, partners, or joint venturers of one another. Neither the City, LACMTA, nor any of their respective officers or employees or representatives, shall have any control over the conduct of the other party, or the other party's employees, representatives or consultants.

9. INTEGRATED CONTRACT.

This Agreement, its Exhibits and the LOA represents the full and complete understanding of every kind or nature whatsoever between the parties hereto relating to the local contribution obligations by the City for the Project. All preliminary negotiations and agreements of whatsoever kind or nature concerning this matter are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by written agreement signed by all the parties. Each and every attachment, if any, to this Agreement is incorporated by reference and made part of this Agreement.

10. MISCELLANEOUS.

A. A waiver by a party of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein whether of the same or a different character.

B. This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, in Los Angeles. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

C. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which taken together shall constitute but one and the same instrument, provided, however, that such counterparts shall have been delivered to both Parties to this Agreement.

D. Any provision of this Agreement, which by its nature must be exercised after termination of this Agreement, or obligation that accrued hereunder prior to termination, including without limitation Section 3, will survive termination and remain effective for a reasonable time.

E. Each of the Parties represents and warrants that the person who signs this Agreement on its behalf has authority to bind that Party.

(SIGNATURES ON THE NEXT PAGE)

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

CITY OF INGLEWOOD, a municipal corporation

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

LOS ANGELES COUNTY METROPOLITAN
TRANSPORTATION AUTHORITY

By: _____

Phillip A. Washington
Chief Executive Officer

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____
Deputy

Exhibit A

Form of Promissory Note



Board Report

File #: 2016-0657, **File Type:** Informational Report

Agenda Number: 15.

FINANCE, BUDGET AND AUDIT COMMITTEE

SEPTEMBER 14, 2016

CONSTRUCTION COMMITTEE

SEPTEMBER 15, 2016

SUBJECT: FISCAL YEAR 2017 PROGRAM MANAGEMENT ANNUAL PROGRAM EVALUATION (APE)

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE report on the first **Program Management Annual Program Evaluation (APE)**.

ISSUE

In the Chief Executive Officer’s January 2016 State of the Agency address, the Annual Program Evaluation (APE) was introduced as a priority initiative to evaluate Metro’s Capital Program. Given the challenges of managing a multi-billion dollar capital program, a comprehensive review of the risks associated with the cost and schedules of the program is to be conducted on an annual basis. This report summarizes the results of the first APE initiative performed by Program Management.

DISCUSSION

Introduction of APE

The APE initiative is a comprehensive evaluation of Metro’s Capital Program, including Transit, Highway, and Regional Rail projects. As part of the APE process, staff reviewed and updated project costs and schedule to current conditions and challenges. Any changes to project budgets/schedules and the reasons for the adjustments are to be reported to the Board annually for approval. In addition, APE serves as a project management tool bringing greater consistency, transparency, and discipline in project managers to better manage and deliver Board-approved projects. The APE is a dynamic tool, which is updated annually as projects move towards completion and any changes approved by the Board are incorporated.

FY2017 APE

For the FY2017 APE, Program Management focused on new and carry-over projects to FY2017 with project cost estimated at least \$5 million or greater. Program Management staff evaluated sixty-one

projects, including 29 Transit projects, 25 Highway projects, and 7 Regional Rail projects (see Attachment A for a complete project listing) which total approximately \$11 billion.

Since many of Metro Transit projects are in construction or near completion, the major focus is on managing the projects within the Board-approved life-of-project (LOP) budgets and schedules established for these projects.

A summary of the potential adjustments to the Metro's Capital Program in FY17 is reported in the FY2017 Program Management APE presentation (Attachment A; pgs. 39-40).

FINANCIAL IMPACT

The FY17 Program Management APE report does not have any specific budgetary or financial impacts. The APE report serves as an annual and early notice instrument to assess the scope, cost and schedule risk items affecting the respective projects under the oversight of Program Management. Risk items affecting scope, cost and schedule are identified on a project by project basis within the APE Presentation (Attachment A).

Should any of the potential project risks affecting scope, cost and schedule parameters be realized, the Chief Program Management Officer and affected project staff will return to the Board with separate board report recommendations to address the identified risks and adjust the project element (s) of the Board adopted project parameters.

NEXT STEPS

Staff will manage to deliver projects on-time and within the Board-approved budgets. Staff will continue to provide the Board with monthly updates on the project status throughout the year. The next FY2018 Program Management APE report will be presented to the Board in Spring 2017.

ATTACHMENTS

Attachment A - Fiscal Year 2017 Program Management Annual Program Evaluation (APE) presentation

Prepared by: Brian Boudreau, Senior Executive Officer, Program Control (213) 922-2474

Reviewed by: Richard Clarke, Chief Program Management Officer, (213) 922-7557



Phillip A. Washington
Chief Executive Officer



Fiscal Year 2017 Program Management Annual Program Evaluation (APE)



Presentation Overview

- APE Purpose and Process
- Metro Capital Program Status
- Metro Capital Program Cost
- Adjustments for FY2017 APE
- Summary
- Next Steps



APE Purpose

- Annual evaluation of Metro's capital program
- Reporting to the Board any project budget and schedule changes, and reasons for the changes
- A project management tool bringing greater consistency, transparency, and discipline
- Facilitates financial planning



APE Process

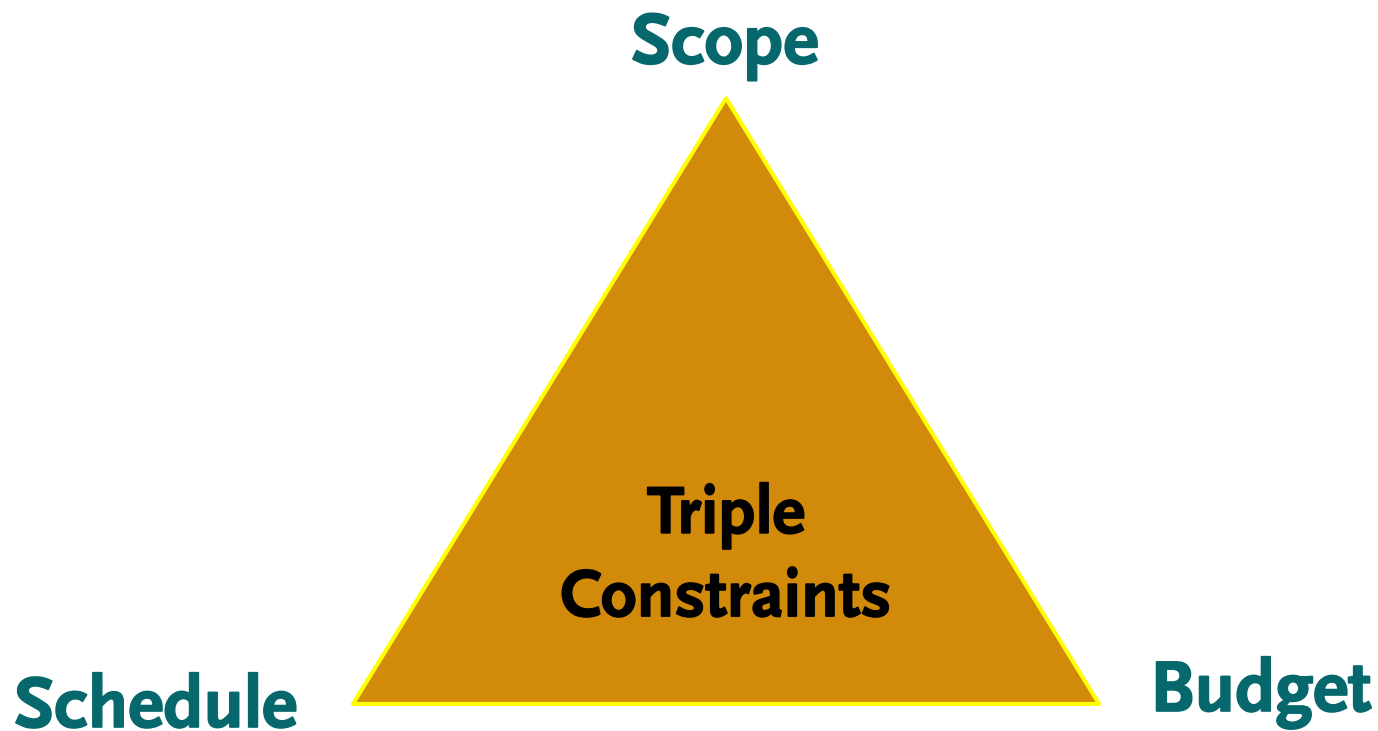
- A review of project costs and schedule
- Update project capital cost estimates to current conditions, including price trends and changes
- Focus on budget to complete current project phase/milestone
- Include APE results in future fiscal year annual budget review and adoption by the Board



Project Management



One side of the triangle cannot be changed without affecting the others:



FY17 APE Scope

- Focus on 61 capital projects with total project cost greater than \$5M being managed by Program Management:
 - Major Transit Construction Projects – 5 projects
 - Other Transit Capital Projects – 24 projects
 - Regional Rail Projects – 7 projects
 - Highway Program – 25 projects
- Project budgets in the APE focus on authorized funding project amount

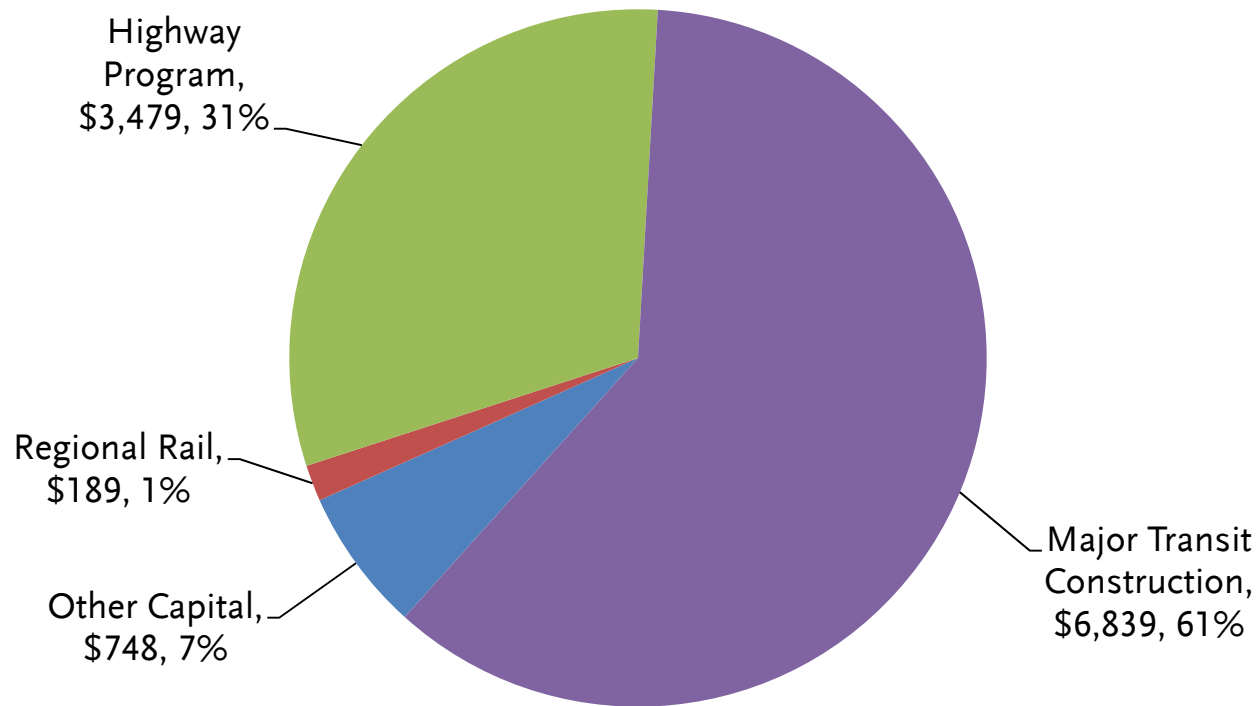


FY17 APE Scope

- In addition to the projects in APE, Program Management also manages/oversees an additional 100+ projects
- In total, Program Management manages a volume of 160+ projects with a total authorized value at approximately \$12B
- Approximately \$11B projects are included in the FY17 APE review



FY17 APE Current Program: \$11 B



Metro Transit Program



Metro Transit Capital Projects

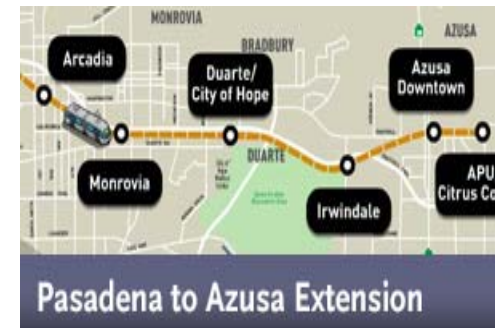
Type	Project Budget	# of Projects
Major Transit Construction	\$6,839	5
Other Transit Capital	\$748	24
Rail Facilities Improvements	\$229	6
Bus Facilities Improvements	\$218	10
Wayside System	\$124	2
Security/Safety	\$124	2
Misc. Capital Projects	\$53	4
Total Transit Capital Program	\$7,587	29



Metro Transit Capital Program Status

6 Projects Completed in FY2016

- Metro Blue Line Station Enhancements Project – December 2015
- Division 13 Bus Operation & Maintenance Facility – January 2016
- Metro Rail Security Kiosks – March 2016
- Metro Gold Line Foothill Extension – March 2016
- Metro Red Line Universal City Pedestrian Bridge – April 2016
- Exposition Blvd Light Rail Transit Phase 2 – May 2016



Metro Transit Capital Program Status Con't

4 Projects Planned to Be Completed in FY17

- Metro Red Line to Orange Line Underpass at North Hollywood Station – July 2016
- Division 3 Master Plan Phase II-IV – June 2017
- Fuel Storage Tank System Enhancements (FY15 - FY17) – June 2017
- Bus Facility Maintenance Improvements & Enhancements Phase I – June 2017



Crenshaw/LAX Transit Project



Crenshaw/LAX Transit Project

Project Budget: \$2,058M

Project Completion: October 2019

% Project Complete: 52%

Accomplishments:

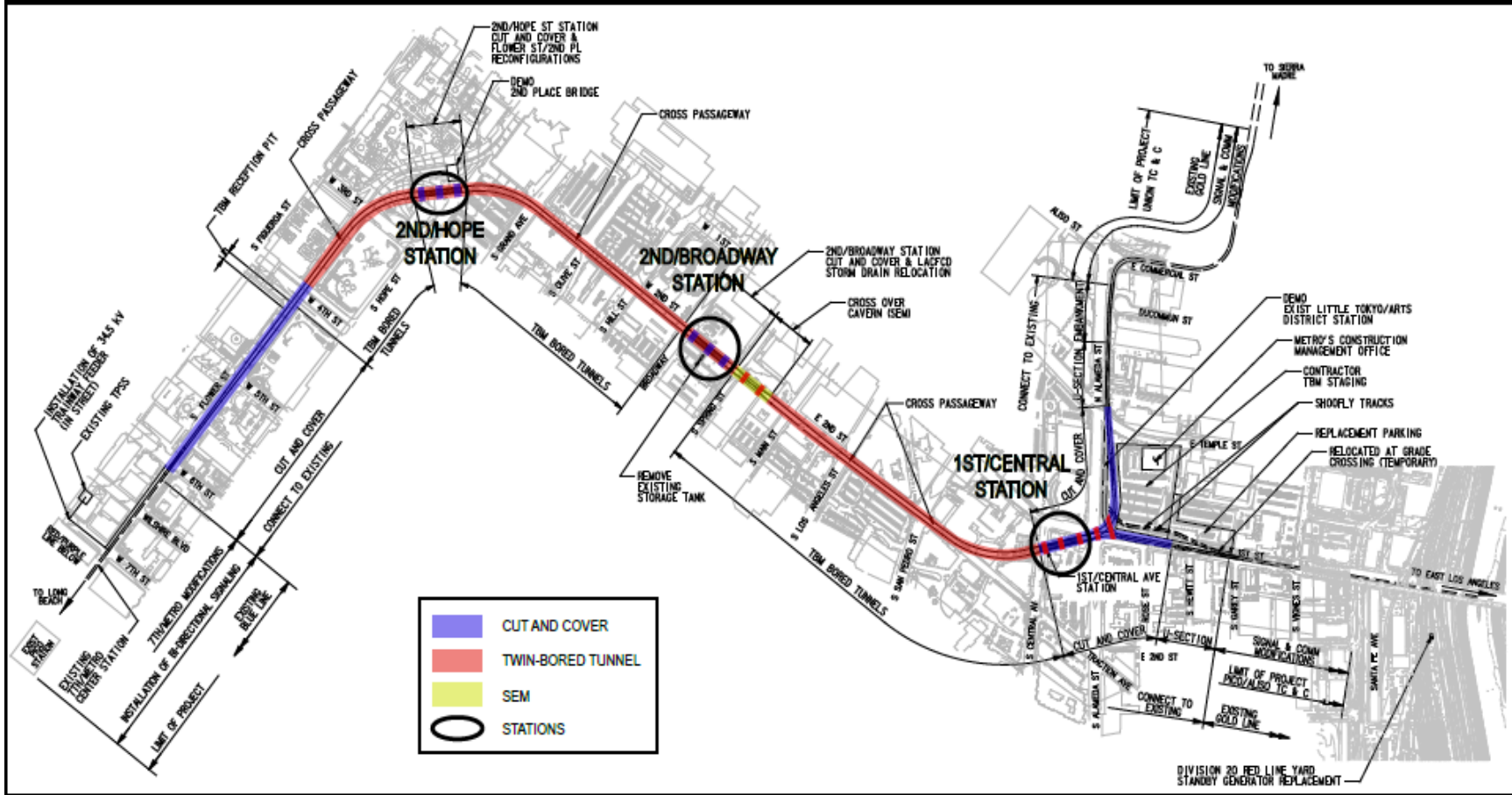
- Project at halfway mark
- Final design of base work is complete with only design continuing for change work
- Critical tunneling work commenced in late April and has entered the MLK Expo/Crenshaw Station site

Challenges / Risks:

- Track alignment changes to incorporate accommodations to not preclude a future LRT station at 96th Street results in changes to base scope, budget, and schedule
- Contractor's ability to meet the tunneling productivity level
- Timely resolution of merit and quantum for valid contractor claims
- Submittal and approval of a revised contractor's baseline schedule
- Resolution of potential betterments being considered by the City of LA
- Continuous efforts to meet community expectations



Regional Connector Transit Project



Regional Connector Transit Project

Project Budget: \$1,551.8 M

*Excludes planning and finance costs

Project Completion: July 2021

% Project Complete: 23%

Accomplishments:

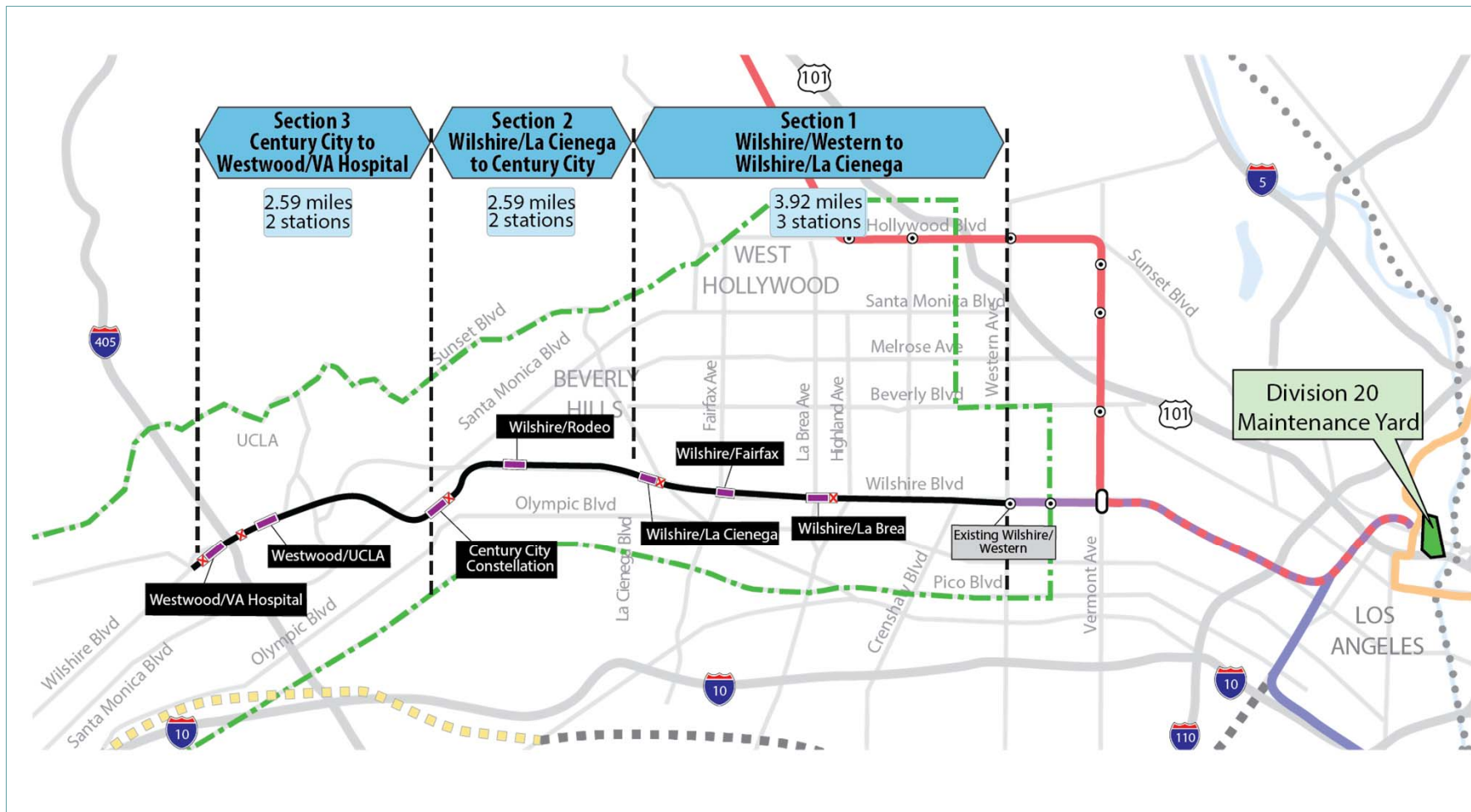
- 1st/Alameda Shoofly work completed on schedule
- 1st/Central Station Box fully excavated; permanent works now underway

Challenges/Risks:

- Obtaining continued City of LA support for, and approval of, the necessary traffic control and extended work hour permits to effectively work in a dense urban setting
- Continue to redefine schedule options to the extent possible as a result of early experienced delays due to utility relocation issues
- Conclusion of contractor negotiations on schedule recovery measures related to delayed utility relocations
- Safely prosecute underground construction across Alameda Street to facilitate placement, and launching of tunnel boring machine (TBM) and the timely excavation of the related TBM recovery shaft on Flower Street
- Defining current and projected cost trends into a revised cost at completion forecast; seek budget adjustments accordingly. This action is expected to be guided upon completion of FTA risk assessments



Westside Purple Line Extension Project



Westside Purple Line Extension Section 1

Project Budget: \$2,778.9M

(Excludes finance costs)

Project Completion: November 2023

% Project Complete: 12%

Accomplishments:

FY16

- Awarded and Issued NTP for Design-Build Contract of Division 20 Maintenance-of-Way and Non-Revenue Vehicle Building 61S.
- AUR Contract Wilshire/Fairfax achieved substantial completion, ahead of schedule and within budget (second of three AUR contracts to have been completed).
- Completed all environmental property abatement/remediation along the Project alignment and gave access to all properties to the Tunnels, Stations, Trackwork, Systems and Testing Contractor.
- The planned 22-weekend closures began on June 10, 2016 for the installation of deck beams and concrete deck panels prior to the Wilshire/La Brea Station excavation under the temporary street decking.

FY17

- Complete final design on Division 20 Maintenance-of-Way and Non-Revenue Vehicle Building 61S and Westside Purple Line Extension Section 1 Design-Build contracts
- Wilshire/La Brea and Wilshire/Fairfax Stations installation of deck beams and concrete deck panels are planned to be completed. Wilshire/Fairfax Station excavation is planned to begin and Wilshire/La Brea Station excavation will near completion
- Site preparation work and construction mobilization activities have begun at the Wilshire/La Cienega Station. Installation of station piles are planned to begin and will near completion
- AUR Contract Wilshire/La Cienega is planned to achieve substantial completion, ahead of schedule and within budget (last of the three AUR contracts to complete)



Westside Purple Line Extension Section 2

Approved Budget through FY17: \$ 358.5 M

Project Completion: August 2025

Working Project Estimate: \$ 2,410.5 M

(Excludes planning and finance costs)

Accomplishments:

- Received Proposals for Contract Management Support Services (CMSS) contract in April 2016, currently under evaluation, award anticipated October 2016
- Received Proposals for Design-Build contract in June 2016, currently under evaluation, award anticipated January 2017
- Began design of advanced relocation of utilities
- Construction of the telecom joint trench at Century City Constellation has begun
- Real Estate certifications and acquisitions are underway
- In August 2016, U.S. District Court issued final remedy ruling in the NEPA lawsuits brought by Beverly Hills. The judge declined to vacate FTA's approval of the project; FTA can execute an FFGA with Metro for the project. The judge is requiring that FTA prepare a Supplemental Environmental Impact Statement (FFGA), which Metro is preparing with FTA's guidance for completion in Spring 2017

Challenges/Risks:

- Receive a FFGA and a Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan



Westside Purple Line Extension Section 3

Projected Budget through FY17: \$51.5M
Working Project Estimate: TBD

Project Completion: TBD

Accomplishment:

- Advanced preliminary engineering and design of advanced relocation of utilities to advance the project delivery under Operation Shovel Ready Program of Projects

Challenge/Risk:

- Project funding commitment



Patsaouras Plaza Busway Station

Project Budget: \$ 39.7 M

Project Completion: December 2017

Accomplishments:

- Completed final design

Challenges/Risks:

- Maintain Third Party cooperation review/approval, including Caltrans, to be consistent with project schedule
- DWP vault and conduit relocation
- Utility relocation must be completed by August 2016 to avoid conflicts with foundation construction
- Budget impacts due to design changes or unforeseen underground conditions



Metro Blue Line Signal Rehabilitation Project

Project Budget: \$ 93.6 M Project Completion: August 2020

Accomplishments:

- Solicitation released in March 2016, design-build proposals due October 2016
- Secured additional funding from State Cap & Trade Transit and Intercity Rail Capital Program (TIRCP) for \$38.5 million

Challenges/Risks:

- Track allocations coordination with other projects/maintenance on Metro Blue Line
- Existing aged ductbank/conduits may require replacement
- Additional right-of-way needed for new Slauson Interlocking bungalow near 51st Street
- Meet December 2016 Cap & Trade deadline for funding
- Receiving technically acceptable competitive proposals



New train control



Project adds 6 Crossovers



Metro Red Line to Metro Orange Line North Hollywood Station West Entrance

Project Budget \$ 23M

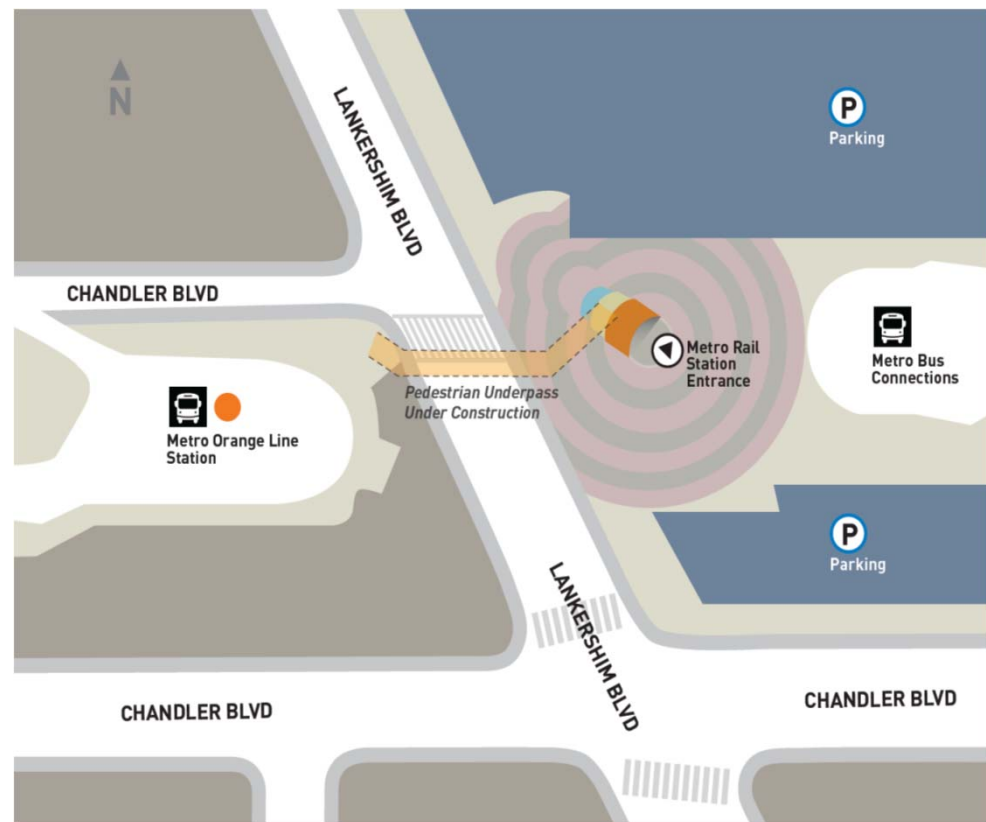
Project Completion: August 2016

Accomplishment:

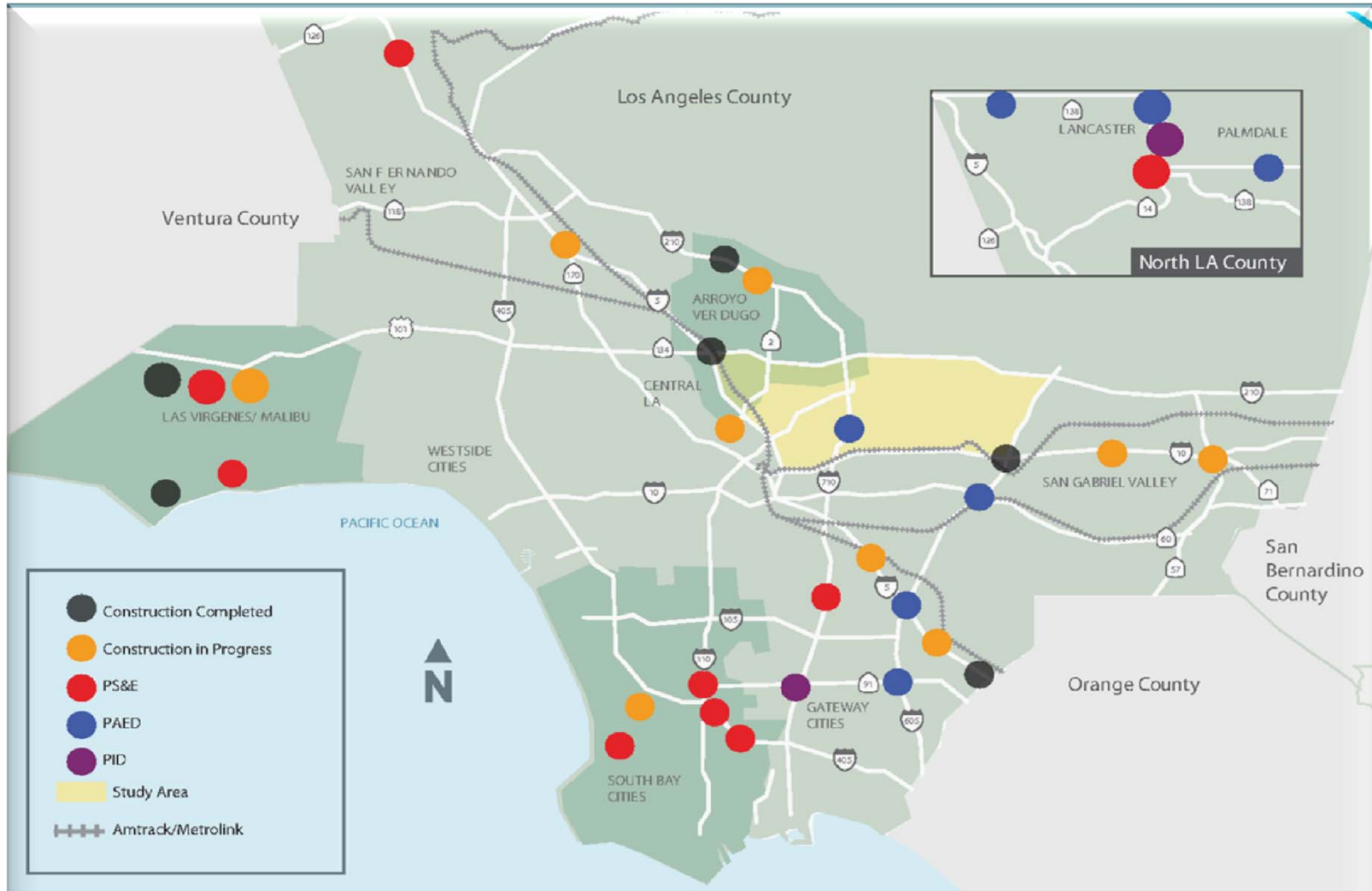
- Project substantial completion in August 2016

Challenge:

- Timely contract close-out



Highway Program





Highway Program Status Summary (Measure R Funded)

#	Project	Current Phase	Estimated Cost of Current Phase (\$mil.)	Phase Completion
1	I-5 South - Alondra	Construction	\$114.07	Completed
2	I-5 South – Valley View Interchange	Construction	\$631.12	Feb 2020
3	I-5 South – Shoemaker, Rosecrans, Bloomfield	Construction	\$188.22	Aug 2017
4	I-5 South – San Antonio, Imperial Hwy and Orr Day	Construction	\$323.29	May 2018
5	I-5 South – Florence	Construction	\$211.67	Sep 2019
6	I-5 South - Carmenita Interchange	Construction	\$419.88	Dec 2018
7	I-5 North - HOV from SR 118 to SR 170	Construction	\$219.49	Completed
8	I-5 North - HOV from SR 170 to North of Buena Vista	Construction	\$94.72	Completed
9	I-5 North – North of Buena Vista to South of Magnolia Blvd	Construction	\$402.38	Jan 2020
10	I-5 North - Magnolia Blvd to SR 134	Construction	\$137.37	Dec 2018



Highway Program Status Summary (Measure R Funded)

#	Project	Current Phase	Estimated Cost of Current Phase (\$mil.)	Phase Completion
11	I-5 North HOV Project SR 14 to Parker Road	Plan, Specification & Estimate (PS&E)	\$31.0	Jul 2018
12	Interstate 605 Corridor Hot Spots – I-605/I-5 Interchange Improvement	Project Approval / Environmental Document (PAED)	\$20.84	Mar 2019
13	Interstate 605 Corridor Hot Spots – I-605/SR 60 Interchange Improvement	PAED	\$30.0	Feb 2020
14	Interstate 605 Corridor Hot Spots – I-605/SR 91 Interchange Improvement	PAED	\$7.8	May 2019
15	Interstate 605 Corridor Hot Spots – I-710/SR 91 Interchange Improvement	Project Study Report / Project Development Support (PSR/PDS)	\$2.6	June 2017
16	Interstate 405 Crenshaw Blvd On and Off Ramp Improvements	PS&E	\$10.3	Aug 2016
17	Interstate 405 and I-110 Aux Lane from SR 91 to Torrance Blvd	PS&E	\$9.0	Jul 2017
18	SR 138 I-5 to SR 14	PAED	\$25.0	Apr 2017
19	I-710 South	PAED	\$91.0	Sep 2018
20	I-710 South Early Action Projects - Soundwall Projects (3 locations)	PS&E	\$12.7	Nov 2017
Subtotal Measure R Highway Project			\$2,982.45	



Highway Program Status Summary (Non-Measure R Funded)

#	Project	Current Phase	Estimated Cost of Current Phase (\$mil.)	Phase Completion
21	I-10 HOV from Citrus Avenue to SR 57	Construction	\$264.4	Nov 2021
22	I-10 HOV from Puente Avenue to Citrus Avenue	Construction	\$195.6	Apr 2019
23	SR 57 and SR 60 Mixed Flow Interchange ** (Eastbound and Westbound flyover off-ramp to Grand Ave, Eastbound on-ramp SR-60)	PS&E	\$13.0*	Dec 2019
24	SR 71: Interstate 10 to Mission Blvd **	PS&E	\$11.0*	Nov 2026
25	SR 71: Mission Blvd to Rio Rancho Road **	PS&E	\$13.0*	Dec 2019
Subtotal Non-Measure R Funded Highway Projects			\$497	
Total Highway Program			\$3,479.45	

* Initial Budget Estimate is through completion of Design

** These are projects with completed PAED and in Approved 2009 LRTP and 2014 SRTP



I-605 “Hot Spots”

Approved budget: \$61.24 M

Estimated Cost to Complete Phase: \$61.24 M

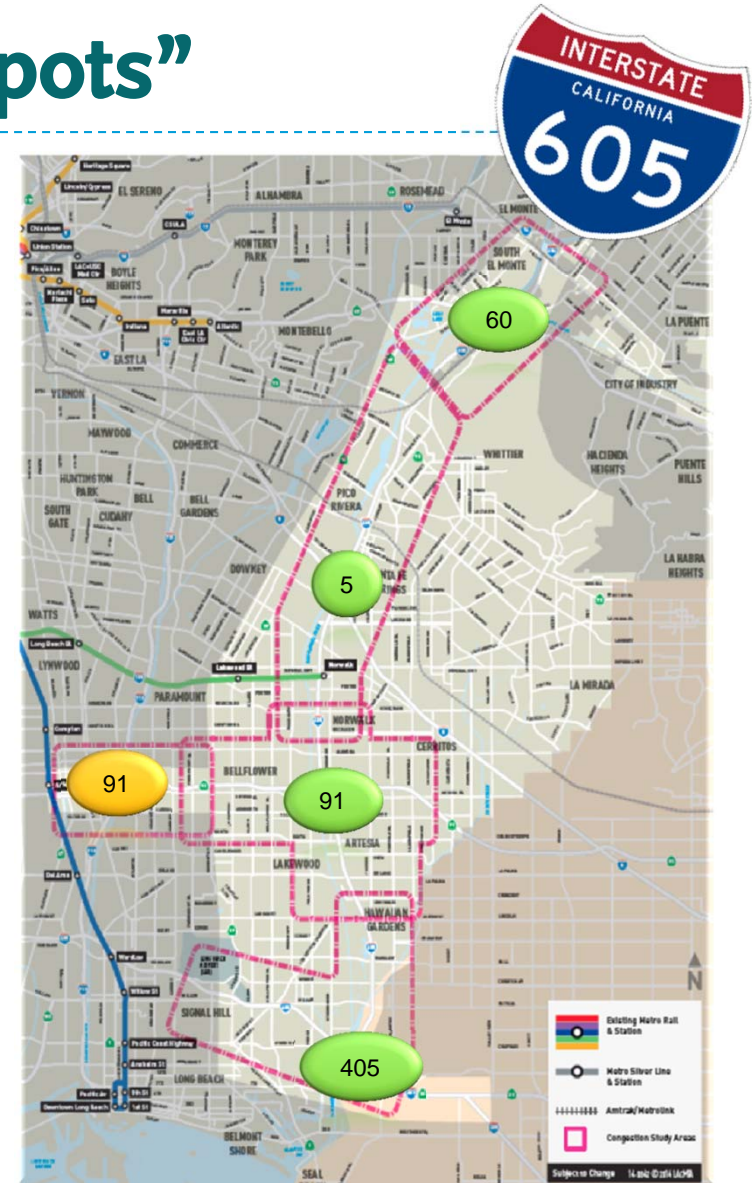
Accomplishments:

- Aggressive contract starts:
 - 605/5 PAED awarded December 2015
 - 710/91 PSR-PDS awarded December 2015
 - 605/91 PAED awarded May 2016
 - 605/60 PAED awarded June 2016
- Effective coordination of all contracts

Challenges/Risks:

- Funding to advance projects to design and construction
- Strategy to resolve: Considering breaking down the mega projects to smaller fundable projects with independent utility and sustainability

Note: Project costs, schedules, milestones, and delivery plans are on project-by-project basis.



I-710 South

Approved Budget: \$91.0 million

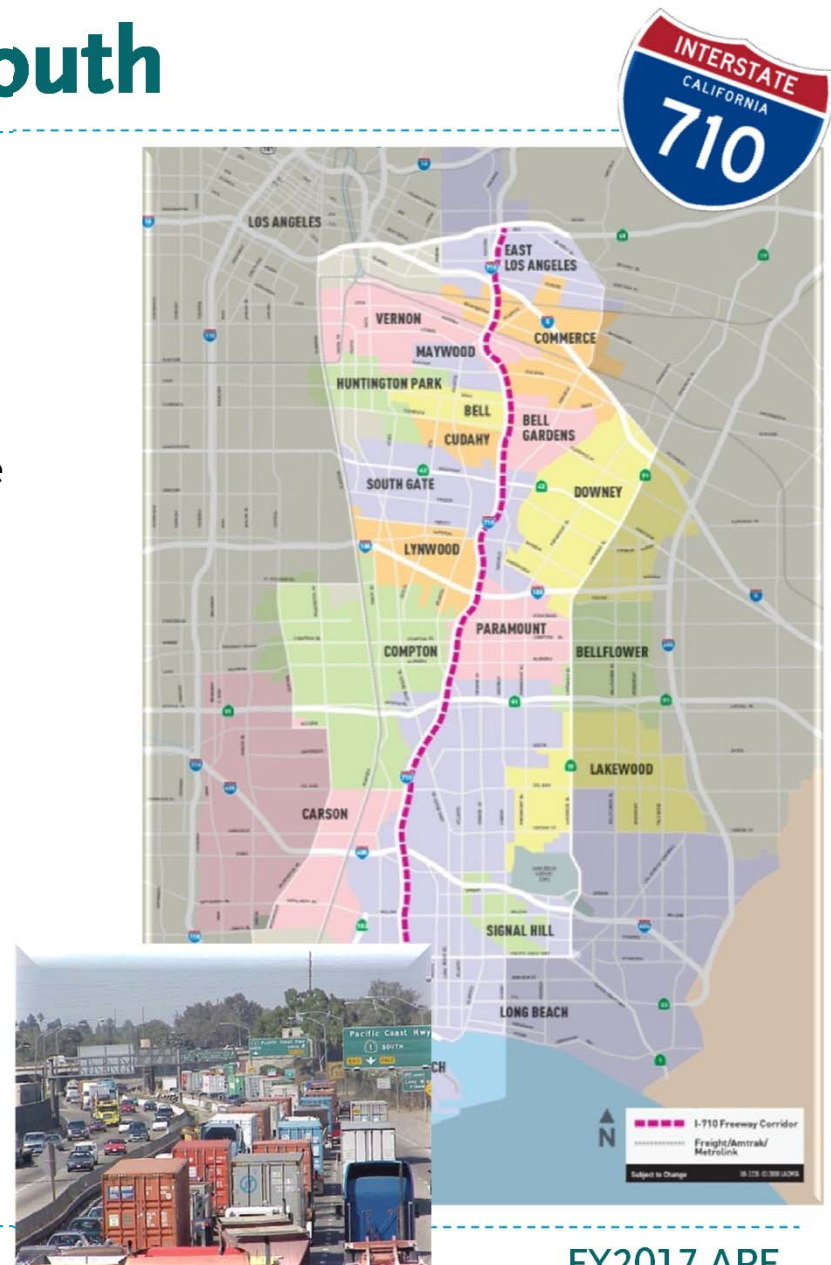
Estimated Cost to Complete Phase: \$91.0 mil

Accomplishments:

- On schedule
- Conducting additional studies as directed by the Board
- Strong collaborative work with the local agencies, communities, and Metro Board members in addressing community concerns
- Pursuing early action projects during the development of the corridor environmental documents

Challenges/Risks:

- Funding to pursue design and construction of the proposed improvements
- Strategy to resolve: Pursuing implementation of early action projects with independent utility and sustainability.



I-5 North HOV: SR 14 to Parker Road



Approved Budget: \$31.4 M
Estimated Cost to Complete Design: \$31 M

Accomplishments:

- Award of consultant services contract in May 2016 to complete final design
- Agreement with the consultant to complete final design in 30 months

Challenges/Risks:

- Funding for construction
- Coordination with Caltrans pavement rehabilitation project.



I-5 Corridor
Construction
Projects Managed
by Caltrans





I-5 South: Orange County Line to I-605



Project Managed by Caltrans :

- Approved budget: \$1,888.25 M
- Estimated Cost to Complete Construction: TBD

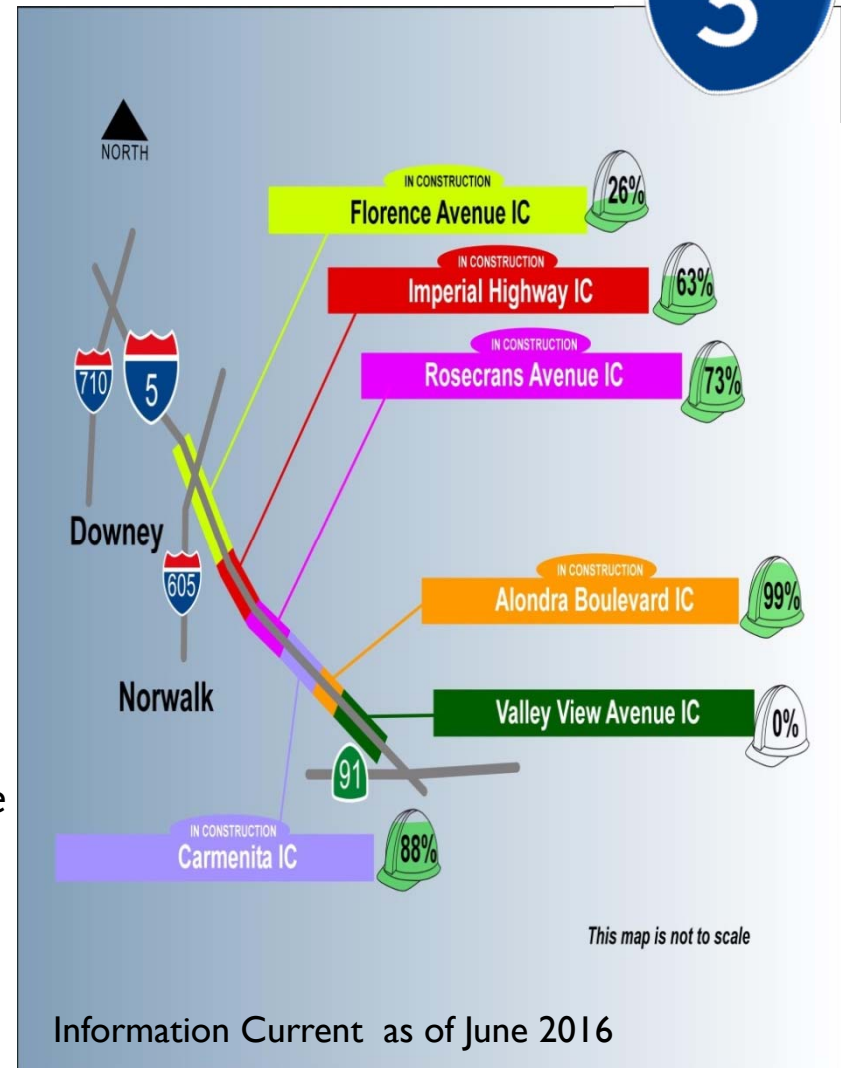
Accomplishments:

Effective coordination of all contracts:

- Alondra Blvd – Completed and Open to traffic
- Valley View Avenue – Construction begin summer 2016
- Rosecrans Avenue – Construction in progress
- Imperial Highway – Construction in progress
- Florence Avenue – Construction in progress
- Carmenita Interchange – Construction in progress

Challenges/Risks:

- Extensive utility and ROW relocation
- Different soil condition encountered on site for the piles
- Railroad work
- Working proactively with Caltrans to manage contingency





I-5 North: SR 118 to SR 134



Project Managed by Caltrans :

- Approved budget: \$853.96 M
- Estimated Cost to Complete Construction: TBD

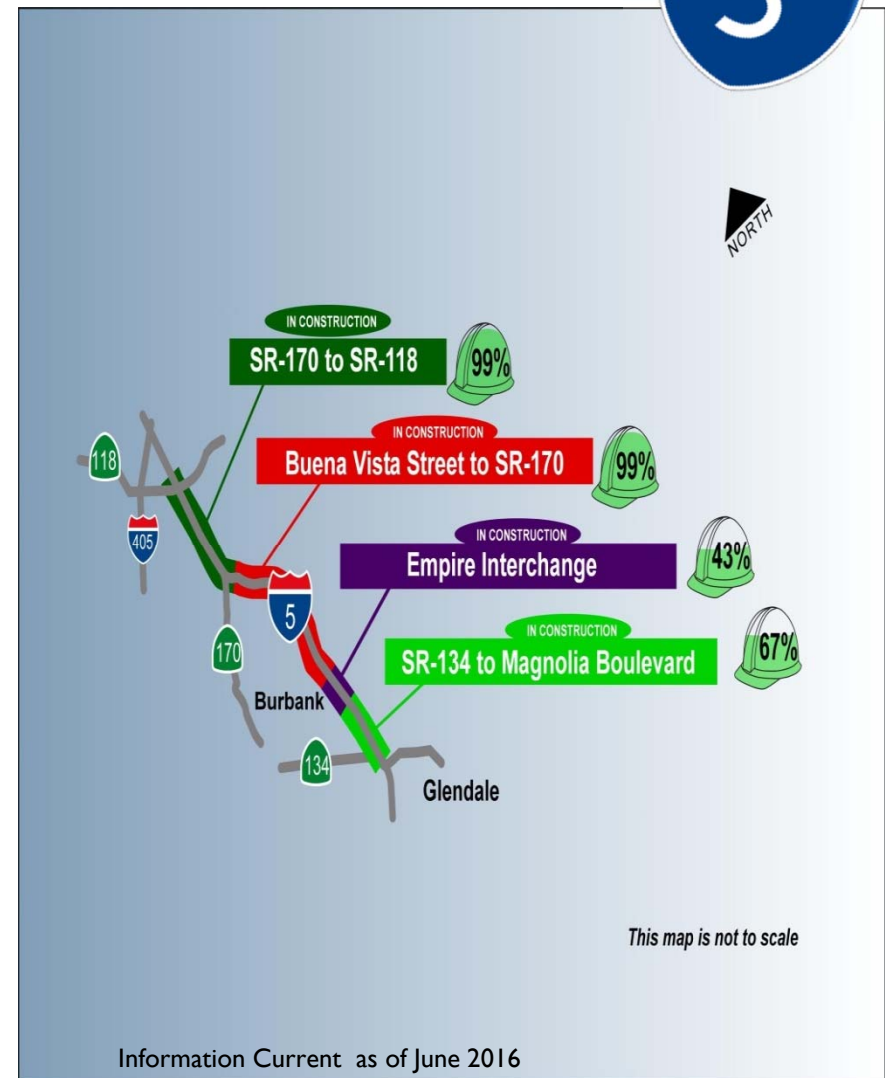
Accomplishments:

Effective coordination of all contracts

- SR118 to SR170 – Completed and Open to traffic
- SR170 to North of Buena Vista – Completed and Open to traffic
- North of Buena Vista to Magnolia Blvd including Empire Blvd Interchange – Construction in progress
- Magnolia Blvd to SR 134 – Construction in progress

Challenges/Risks:

- Girder manufacturing delay (Segment 4)
- Utility relocation/ Railroad work changes (Seg. 3)
- Survey work related to roadway and structures (Seg.4)
- LA River Bridge construction requires significant changes to avoid working on the River bed. (Seg. 4)
- Working proactively with Caltrans to manage contingency



Regional Rail Program



Regional Rail Program Summary

#	Project	Current Phase	Estimated Cost of Current Phase (\$mil.)	Phase Completion
1	LINK Union Station (Southern California Regional Interconnector Project)	Environmental & PE	\$55	March 2018
2	Bob Hope Airport Metrolink Station Pedestrian Bridge Project	Environmental & 90% Design	\$4	June 2017
3	Bob Hope Airport/Hollywood Way Metrolink Station Project	Construction	\$15	Anticipated Construction to begin Nov 2016
4	Doran Street and Broadway/Brazil Safety and Access Project	Environmental/100% PE Design	\$10	December 2018
5	Brighton to Roxford Double Track Project	Environmental; Plan, Specification & Estimate	\$15	October 2018
6	Rosecrans/Marquardt Grade Separation Project	Environmental; Plan, Specification & Estimate; Real Estate Acquisition	\$85	June 2019
7	Lone Hill to CP White Double Track Project	Environmental & 30% PE	\$5	June 2017
Total Regional Rail Program			\$189	

Bob Hope Airport/ Hollywood Way Metrolink Station

Project Budget: \$15M

Project Schedule: Anticipate Construction
to begin November 2016

Accomplishments:

- 100% design complete
- Airport committed to providing courtesy shuttle service between Station and Airport
- Invitation for bids for construction was issued in August 2016

Challenges/Risks:

- To arrange short term, long term parking solution with the City of Burbank
- To establish Operating & Maintenance (O&M) Plan with the Bob Hope Airport, City of Burbank, and City of Los Angeles
- City of Burbank requested design revisions to accomplish a more cost-effective O&M
- Potential closure of Sun Valley Station (within 2 miles of Bob Hope Station) to be determined



Rosecrans/Marquardt Grade Separation Project

Estimated Cost: \$85 M

- Environmental/PS&E: \$12M
- Real Estate Acquisition, Third Party: \$73M
- Construction: TBD

Phase Completion: June 2019

Accomplishments:

- Alternative #2 Offset overpass with connector roads was approved by Santa Fe Springs City Council and the Metro Board
- Environmental documentation obtained
CEQA clearance
- Completed 35% Design

Challenges/Risks:

- Multi-agencies cooperation and approval process
- Minimize traffic impacts during construction
- Constraints at Coyote Creek
- Diagonal rail crossing at a busy intersection may be a potential risk
- Securing multi-agency funding for construction



Link Union Station (US)

Estimated Cost to Complete Environmental/PE:

\$55M

Environmental/PE Completion Date:

March 2018

Accomplishments:

- Commitment of \$15M California High Speed Rail funding
- Environmental Design accommodated High Speed Rail and integrated passenger concourse

Challenges/Risks:

- Securing funding for construction
- Interface with High Speed Rail



FY17 APE Summary

- New Project with Planned Adoption of Life-of-Project Budget
 - Westside Purple Line Extension Section 2 Project (separate board action)
- Existing Project with Planned Adjustments to Approved Budget
 - Div. 20 Portal Widening and Turnback Facility Design (separate board action)
- Existing Projects with Potential Adjustments to LOP Budget
 - Regional Connector Transit Project
 - Crenshaw/LAX Transit Project
 - ~~▪ I-5 South: Orange County Line to I-605~~
 - ~~▪ I-5 North: SR 118 to SR 134~~



Next Steps

- Project Managers to manage project scope, budget, and schedule for quality, on-time and within budget delivery
- To present project-specific LOP budget for Board review/adoption
- Seek additional revenue sources needed to fulfill funding commitment required to build and deliver projects
- Begin FY18 Program Management APE process in Fall 2016 and report to the Board in Spring 2017



Appendix: Project Listing by Type

TRANSIT CAPITAL PROJECTS WITH TOTAL PROJECT COSTS > \$5 M		TYPE	LOP BUDGET (\$ MIL.)
1	BRT Freeway Station Sound Enclosure	Bus Facilities Improvements	\$5.8
2	Fuel Storage Tank System Enhancements (FY15 - FY17)	Bus Facilities Improvements	\$6.5
3	Metro Silver Line Improvements & Upgrades	Bus Facilities Improvements	\$7.8
4	Division 3 Master Plan Phases II-IV	Bus Facilities Improvements	\$13.2
5	Division 1 Improvements	Bus Facilities Improvements	\$20.9
6	Bus Facility Maintenance Improvements & Enhancements Phase II	Bus Facilities Improvements	\$20.9
7	Bus Facility Maintenance Improvements & Enhancements Phase I	Bus Facilities Improvements	\$21.2
8	Bus Facilities Maintenance & Improvement - Phase III	Bus Facilities Improvements	\$21.7
9	Patsaouras Plaza Bus Station Construction	Bus Facilities Improvements	\$39.8
10	El Monte Busway & Transit Center Expansion	Bus Facilities Improvements	\$60.1
		Bus Facilities Improvements Total	\$217.8
11	Westside Purple Line Extension Section 1 Project	Major Construction	\$2,778.9
12	Westside Purple Line Extension Section 2 Project	Major Construction	\$395.3*
13	Westside Purple Line Extension Section 3 Project	Major Construction	\$55.5**
14	Regional Connector: Construction	Major Construction	\$1,551.8
15	Crenshaw/LAX Light Rail Transit: Construction	Major Construction	\$2,058.0
		Major Construction Total	\$6,839.5
16	Patsaouras Bus Plaza Paver Retrofit	Misc. Capital Projects	\$9.1
17	Division 20 Portal Widening Turnback Facility Design	Misc. Capital Projects	\$3.5***
18	Division 22 Paint And Body Shop	Misc. Capital Projects	\$11.0
19	Metro Red Line University City Pedestrian Bridge	Misc. Capital Projects	\$29.6
		Misc. Capital Projects Total	\$53.2
20	Southwestern Maintenance Yard	Rail Facilities Improvements	\$157.0
21	Systemwide Elevator Installations (Vertical Systems)	Rail Facilities Improvements	\$8.0
22	LRT Freeway Stations Sound Enclosures	Rail Facilities Improvements	\$8.6
23	Metro Red Line Civic Center Station Escalator/Elevator Modernization	Rail Facilities Improvements	\$12.0
24	Metro Red Line Escalator Replacement/Modernization	Rail Facilities Improvements	\$20.8
25	Metro Red Line to Orange Line North Hollywood Station West Entrance	Rail Facilities Improvements	\$23.1
		Rail Facilities Improvements Total	\$229.5
26	Metro Gold Line I-210 Barrier Replacement Phase I	Security/Safety	\$11.1****
27	Metro Emergency Security Operations Center	Security/Safety	\$112.7
		Security/Safety Total	\$123.8
28	Metro Blue Line Pedestrian Safety Enhancement at Grade Crossings	Wayside Systems	\$30.2
29	Metro Blue Line Signal System Rehabilitation	Wayside Systems	\$93.6
		Wayside Systems Total	\$123.8
		TRANSIT CAPITAL TOTAL	\$7,587

* Based on FY17 approved budget, LOP to be established

** Based on projected budget through FY17 non-accelerated schedule

*** This is the approved budget to complete preliminary engineering. A separate report to the Board later this calendar year is planned to request budget adjustment.

**** Design LOP budget approved for risk assessment study, environmental clearance and final design

Appendix: Project Listing by Type

	HIGHWAY	TYPE	CURRENT ESTIMATE (\$ MIL.)
1	I-5 South – Alondra	Measure R Highway Capital Project	\$114.1
2	I-5 South – Valley View Interchange	Measure R Highway Capital Project	\$631.1
3	I-5 South – Shoemaker, Rosecrans, Bloomfield	Measure R Highway Capital Project	\$188.2
4	I-5 South – San Antonio, Imperial Hwy and Orr Day	Measure R Highway Capital Project	\$323.3
5	I-5 South – Florence	Measure R Highway Capital Project	\$211.7
6	I-5 South – Carmenita Interchange	Measure R Highway Capital Project	\$419.9
7	I-5 North – HOV from SR 118 to SR 170	Measure R Highway Capital Project	\$219.5
8	I-5 North – HOV from SR 170 to North of Buena Vista	Measure R Highway Capital Project	\$94.7
9	I-5 North – North of Buena Vista to South of Magnolia Blvd	Measure R Highway Capital Project	\$402.4
10	I-5 North – Magnolia Blvd to SR 134	Measure R Highway Capital Project	\$137.4
11	I-5 North HOV Project	Measure R Highway Capital Project	\$31.0
12	Interstate 605 Corridor Hot Spots – I-605/I-5 Interchange Improvement	Measure R Highway Capital Project	\$20.8
13	Interstate 605 Corridor Hot Spots – I-605/SR 60 Interchange Improvement	Measure R Highway Capital Project	\$30.0
14	Interstate 605 Corridor Hot Spots – I-605/SR 91 Interchange Improvement	Measure R Highway Capital Project	\$7.8
15	Interstate 605 Corridor Hot Spots – I-710/SR 91 Interchange Improvement	Measure R Highway Capital Project	\$2.6
16	Interstate 405 Crenshaw Blvd On and Off Ramp Improvements	Measure R Highway Capital Project	\$10.3
17	Interstate 405 and I-110 Aux Lane from SR 91 to Torrance Blvd	Measure R Highway Capital Project	\$9.0
18	SR 138 I-5 to SR 14	Measure R Highway Capital Project	\$25.0
19	I-710 South	Measure R Highway Capital Project	\$91.0
20	I-710 South Early Action Projects - Soundwall Projects (3 locations)	Measure R Highway Capital Project	\$12.7
		Measure R Highway Total	\$2,982.5
21	I-10 HOV from Citrus Avenue to SR 57	Other Highway Projects	\$264.4
22	I-10 HOV from Puente Avenue to Citrus Avenue	Other Highway Projects	\$195.6
23	SR 57 and SR 60 Mixed Flow Interchange	Other Highway Projects	\$13.0
24	SR 71: Interstate 10 to Mission Blvd	Other Highway Projects	\$11.0
25	SR 71: Mission Blvd to Rio Rancho Road	Other Highway Projects	\$13.0
		Other Highway Total	\$497.0
		HIGHWAY PROGRAM TOTAL	\$3,479.4
	REGIONAL RAIL	TYPE	CURRENT ESTIMATE (\$ MIL.)
1	Link Union Station	Regional Rail	\$55
2	Bob Hope Airport Metrolink Station	Regional Rail	\$15
3	Bob Hope Airport Pedestrian Bridge	Regional Rail	\$4
4	Brighton to Roxford Double Track	Regional Rail	\$15
5	Doran St Grade Separation	Regional Rail	\$10
6	Lone Hill to White - Env & 30 % Design	Regional Rail	\$5
7	Rosecrans Marquardt Grade Separation	Regional Rail	\$85
		REGIONAL RAIL PROGRAM TOTAL	\$189