

**Metro**

Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952213.922.2000 Tel  
metro.net**PLANNING AND PROGRAMMING COMMITTEE****October 20, 2010****MEASURE R PROJECT DELIVERY COMMITTEE****October 21, 2010****SUBJECT: ADVANCE OF UP TO \$7.2 MILLION IN MEASURE R 3% FUNDS FOR ANTELOPE VALLEY LINE TRACK WORK PROJECTS****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

- A. Authorize the advance of up to \$7.2 million in Measure R 3% funds to the Southern California Regional Rail Authority (SCRRA), until such time as Proposition 1B Trade Corridors Improvement Funds (TCIF) are available for the construction of track work projects along the Antelope Valley Line; and
- B. Authorize the Chief Executive Officer to negotiate and enter into a Memorandum of Understanding (MOU) with SCRRA to implement this action.

**ISSUE**

SCRRA received \$7.2 million in State Proposition 1B TCIF funding to complete track work projects along the Antelope Valley Line. Due to the lack of a State budget, the TCIF bonds have not been sold by the State and are presently unavailable to SCRRA. Rather than defer the award of the contract until next year and potentially incur greater expenses, SCRRA wishes to award a construction contract before favorable low bids expire in early December. SCRRA is seeking an advance of temporary replacement funding from LACMTA.

**POLICY IMPLICATIONS**

In August 2010, the California Transportation Commission (CTC) approved but deferred allocation of TCIF funds for these track work projects. LACMTA has been asked to advance replacement local funds until the TCIF funds are available, which is anticipated to occur in spring 2011. With the Board's approval, SCRRA will have local backstop funding, and will be able to obtain approval of a LONP at the November 2010 CTC meeting (see Attachment A). LONP guidelines allow applicants to advance local funds and receive a guarantee of reimbursement from the State at a later date, when the bonds are sold, for projects already approved for funding by the CTC.

The LACMTA Board previously approved \$7.5 million in PC 10% funds as local match for the track work. These PC 10% funds would be used first, and the most likely scenario is that only a minimal amount of Measure R 3% funds, if any, would need to be advanced before the bonds are sold. Even if SCRRRA were to need the full \$7.2 million in Measure R 3% funds, there would still be sufficient funds available to complete the full advance of funds.

## **OPTIONS**

The Board could choose not to approve the advance of local Measure R 3% funds. Staff does not recommend this option as the advance will enable SCRRRA to award the construction contract at its November 12, 2010 meeting and realize approximately \$3.1 million in construction cost savings.

## **FINANCIAL IMPACT**

When the Proposition 1B bonds are issued by the State, these funds will be substituted, and any Measure R 3% funds already used by SCRRRA will be reimbursed to LACMTA. In the unlikely event that Proposition 1B bonds are not issued by the State, LACMTA would not be reimbursed. This would reduce the availability of Measure R 3% funds for other eligible projects. Since Proposition 1B and/or Measure R 3% funds will not be needed until FY 12, the project manager will be responsible to budget any Measure R 3% funds required, as part of the FY 12 budget process.

### **Impact to Bus and Rail Operating and Capital Budget**

Measure R Transit Capital – Metrolink 3% is not eligible for bus and rail operating or capital expenses. No other sources of funds were considered for this activity because Metrolink R 3% transit capital funds are available and eligible for this type of capital project. This activity will not impact ongoing operating costs.

## **BACKGROUND**

The LACMTA Board has approved the funding and construction of an up to 7,000 foot siding along the Metrolink Antelope Valley Line between Santa Clarita and Acton. The siding is needed as currently most of the Antelope Valley Line is single track and the few sidings are spaced widely apart. This new siding will reduce dispatch related wait times from an average of 30 minutes to 15 minutes, when a conflict occurs with a freight train, allow for future increases in train service, and provide operating flexibility to recover from schedule delays.

The siding was originally anticipated to cost \$14.7 million. Due to the downturn in construction activity, recent construction bids came in at approximately \$12.3 million. Approval of the advance of funds will enable the siding project to proceed as scheduled and the project will realize approximately \$2.4 million in savings. The project is fully designed and construction can begin in early 2011, with completion by the end of 2011.

Additionally, due to the favorably low bids, SCRRRA will likely have sufficient funds to exercise an option for \$500,000 to do track work for the future Vincent 2<sup>nd</sup> Platform Advance of Funds for Antelope Valley Line Track Work Projects

project. The Vincent 2<sup>nd</sup> Platform track siding work was bid as an option to the original siding project. Because the original estimate was \$1.2 million, exercising this option allows SCRRA to realize an additional \$700,000 in construction savings. Attachment B shows the funding for all of the proposed track work.


### **NEXT STEPS**

With the Board of Directors approval, staff will enter into an MOU with SCRRA for the advance of up to \$7.2 million in Measure R 3% funds. Initially, SCRRA will invoice against \$7.5 million in PC 10% funds which LACMTA has already programmed for the project. Thereafter, should LACMTA need to advance Measure R 3% funds to SCRRA, SCRRA will reimburse those funds to LACMTA, once SCRRA is in possession of the TCIF funds.

### **ATTACHMENT(S)**

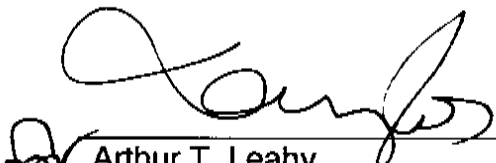
- A. SCRRA LONP Request for TCIF Funding
- B. Antelope Valley Line Track Work Funding Plan

Prepared by: Jay Fuhrman, Project Manager



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Alex Clifford  
Executive Officer,  
High Speed Rail



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for Arthur T. Leahy  
Chief Executive Officer

**METROLINK.**

Southern California Regional Rail Authority

September 2, 2010

Ms. Bimla Rhinehart  
Executive Director  
California Transportation Commission  
1120 N Street, Suite 2221  
Sacramento, CA 95814

Mr. William Bronte  
Chief, Division of Rail  
California Dept. of Transportation  
P.O. Box 942874, MS 74  
Sacramento, CA 94274-0001

**AB 672 LETTER OF NO PREJUDICE REQUEST FOR  
NEW SIDING ON THE ANTELOPE VALLEY LINE FOR FREIGHT TRAINS PROPOSITION  
1B TRADE CORRIDORS IMPROVEMENT FUND PROGRAM (TCIF) FUNDS: \$7,200,000**

Dear Ms. Rhinehart and Mr. Bronte:

The Southern California Regional Rail Authority (SCRRA) requests AB 672 Letter of No Prejudice (LONP) Authority for the New Siding on the Antelope Valley Line for Freight Trains Project. We are requesting LONP authority at the November 2010 California Transportation Commission (CTC) meeting so that we may award the construction contract at the SCRRA Board meeting on November 12, 2010. We plan on replacing the \$7.2 million in Proposition 1B Trade Corridors Improvement Fund Program (TCIF) funds with Los Angeles County Metropolitan Transportation Authority (LACMTA) Measure R local sales tax funds until such time as the TCIF funds are available. Approval of an LONP authority request will allow us to seek allocation reimbursement for expenses incurred as soon as TCIF funds become available. An Allocation Request for the TCIF funds was considered at the August 2010 CTC meeting. The Allocation was deferred and the project was placed on the Delivered but not yet Allocated list. This LONP request is made according to the CTC's guidelines for submittal of an LONP approved in December 2009.

**BACKGROUND**

As indicated in the AB 672 legislation, a regional entity that is a lead applicant may apply to the CTC for authority to expend its own funds for any component of the transportation project and would retain eligibility to request reimbursement at a later date.

Due to state-wide budget constraints, we are requesting that the LONP authority be granted to allow us to enter into the construction contract. We have received bids and the low bid is \$2 million under the Engineer's Estimate. The bids are good through mid December, 2010. LACMTA has committed \$7.2 million in Measure R local sales tax transit funds to implement this component of work for the project in advance of receiving the TCIF funds. This will allow

us to preserve our current project time line and retain our ability to seek TCIF funds at a later date as they become available, without any additional impacts on the project schedule or budget.

#### PROJECT INFORMATION

The New Siding on the Antelope Valley Line (MP44 to MP61) for Freight Trains project received \$7.2 million in TCIF Proposition 1B funds to increase freight capacity and reduce travel times on this line. Design was completed May 2010 and pending approval of this LONP, SCRRA plans to award a construction contract on November 12, 2010. All construction is scheduled for completion by the end of June 2011 with closeout September 2011.

There are 24 weekday Metrolink trains, 10 Saturday trains, 6 Sunday trains & up to 5 daily Union Pacific (UP) freight trains. The Antelope Valley Line is a single-track line with widely spaced passing sidings. The freight trains currently average 5,300 ft with some trains close to 7,000 ft. Only four of the nine sidings can be used by these long freight trains. The wide siding spacing limits capacity as freight and passenger service expand. Caltrans is planning to widen I-5 at Empire Avenue and would take one siding out of service for about a year. A new 7,000-foot siding with no grade crossings between Lang and Vincent Sidings would reduce wait times from an average of 30 minutes to about 15 minutes. The project will allow increase in train service and provide operating flexibility to recover from schedule delays.

The benefits include more efficient use of the rail network. To avoid delays, schedules must be adjusted so that trains do not meet in this single-track segment. The project will also increase flexibility when trains are operating behind schedule. By allowing for increased rail traffic, the project allows for reduction in truck traffic along the I-5 and SR-14. Further, by allowing more freight trains onto the Antelope Valley Line, they avoid the much longer trip from Lancaster to the Ports of Los Angeles and Long Beach through Colton.

The output/outcome is that the project will reduce wait times from an average of 30 minutes to about 15 minutes.

The project will be entirely within rail right-of-way, so there will be no property takes as a result of this project. The project is determined to be eligible for a Statutory Exemption under California Code of Regulations (CCR) Section 15260 et seq.

To assist you with the processing of our request, we are enclosing the following information:

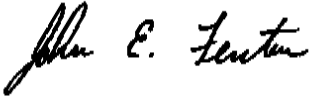
- Exhibit A: Project Development Schedule
- Exhibit B: LACMTA approval of Measure R funds for PTC
- Exhibit C: Project Financial Plan showing Measure R funds as the alternate funding source until SLPP funds are available

We thank you for your consideration of our AB 672 LONP request. Should you require additional information or anticipate any difficulties in meeting our request to have this item

Prop 1B TCIF LONP  
New Siding on the Antelope Valley Line  
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addressed at the November 2010 CTC meeting, please contact Joanna Capelle at (213) 247-8049.  
Thank you.

Sincerely,

A handwritten signature in black ink that reads "John E. Fenton". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

JOHN FENTON  
Chief Executive Officer

Enclosures

Cc: Michele Fell, CT, Planning  
Lauren Clauson, CT, DOR  
Mark Codey, CT, DOR  
Linda Wright, Caltrans District 7  
Kurt Scherzinger, Caltrans  
Laurel Janssen, CTC  
Maura Twomey, CTC

**Exhibit A**

**Southern California Regional Rail Authority  
SCRRRA NEW SIDING ON THE ANTELOPE VALLEY LINE FOR FREIGHT TRAINS  
*Project Development Schedule***

<b>PHASE OF WORK</b>	<b>Begin</b>	<b>End</b>
<b>Environmental:</b> Statutory Exemption under California Code of Regulations (CCR) Section 15260 et seq.	<b>1/08</b>	<b>1/08</b>
<b>PS&amp;E</b>	<b>7/08</b>	<b>5/10</b>
<b>Right of Way</b>	<b>NA</b>	<b>NA</b>
<b>Construction</b>	<b>11/10</b>	<b>6/11</b>
<b>Close Out</b>	<b>7/11</b>	<b>9/11</b>



**Southern California Regional Rail Authority  
SCRRRA NEW SIDING ON THE ANTELOPE VALLEY LINE FOR FREIGHT TRAINS**

**LACMTA Resolution Showing Approval of \$7.2 million in Measure R funds (available  
October 28, 2010)**

**Southern California Regional Rail Authority**  
**SCRRRA NEW SIDING ON THE ANTELOPE VALLEY LINE FOR FREIGHT TRAINS**

**Project Financial Plan**  
**(in 1,000s)**

<b>Source</b>	<b>Prior</b>	<b>FY11</b>	<b>FY12</b>	<b>Total</b>
<b>Local</b>	<b>5,600</b>	<b>1,900</b>		<b>7,500</b>
<b>LACMTA Measure R to replace TCIF under LONP</b>		<b>7,200</b>		<b>7,200</b>
<b>TOTAL</b>	<b>5,600</b>	<b>9,100</b>		<b>14,700</b>

ANTELOPE VALLEY LINE TRACK WORK FUNDING PLAN

ATTACHMENT B

Lang/Ravenna Siding

original estimate	\$ 14,700,000
bids received	<u>\$ 12,300,000</u>
project savings	\$ 2,400,000

Vincent track work option

original estimate	\$ 1,200,000
bids received	<u>\$ 500,000</u>
project savings	\$ 700,000

both projects (combined)

original estimate	\$ 15,900,000
bids received	<u>\$ 12,800,000</u>
	

TOTAL PROJECT COSTS

	\$ 12,800,000	
Prop 1B TCIF grant (50%)	\$ 6,400,000	1
local PC 10% match (50%)	\$ 6,400,000	2

- 1) CTC has allocated \$7.2 million
- 2) MTA board has already programmed \$7.0 million