

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.21
metro.net**CONSTRUCTION COMMITTEE
JUNE 21, 2012****SUBJECT: GOLD LINE FOOTHILL EXTENSION PHASE 2A AND EASTERN
OPERATION AND MAINTENANCE FACILITY****ACTION: APPROVE BUDGET INCREASES FOR EASTERN OPERATIONS AND
MAINTENANCE FACILITY AND FOOTHILL EXTENSION PHASE 2A
AND AMENDMENT TO THE FUNDING AND MASTER COOPERATIVE
AGREEMENTS (MCA)****RECOMMENDATIONS**

- A. Acknowledge the cost estimate increase for construction of the Eastern Operation and Maintenance (O&M) Facility by \$12,000,000 to a new total of \$276,583,167
- B. Establish a Life of Project (LOP) budget of the Eastern O&M Facility for Metro's 75% share under Project 800200 of \$207,437,375 that includes the \$9,000,000 cost increase above the prior reported estimate
- C. Increase LOP budget for Foothill Extension Phase 2A by \$6 million for a new total of \$741 million to meet Metro's Contingency Policy
- D. Amend the Funding Agreement to incorporate the changes noted above; and
- E. Modify punch list and warranty language in Master Cooperative Agreement (MCA) for consistency with the Exposition Metro Line Construction Authority MCA

ISSUE

Continuing progress on the Gold Line Foothill Extension as well as recent Metro Board adopted policies have necessitated amendments/modifications to the Funding Agreement and MCA between Metro and the Gold Line Foothill Extension Construction Authority (Authority) that were originally approved by the Metro Board in March 2010.

As a result, Metro staff is seeking Board approval for: 1) the cost estimate increase for the Eastern O&M Facility by \$12,000,000 to include Excluded Costs as defined by the Funding Agreement, of which Metro's 75% share under project 800200 will be

\$9,000,000; and 2) an increase of \$6 million to the Foothill Extension Phase 2A LOP budget to comply with the Metro Contingency Policy and to which a portion of the increase will be used to fund the Eastern O&M Facility cost increase. Excluded Costs represent expenses such as fixtures and equipment, relocation, loss of business goodwill, and remediation related to the real estate acquisition for the Eastern O&M Facility that were not known at the time the Metro Board approved the budget for the facility in April 2011. In addition, punch list and warranty language in the MCA needs to be modified to be consistent with the punch list and warranty language agreed to with the Exposition Metro Line Construction Authority.

DISCUSSION

The Gold Line Foothill Extension is being managed cooperatively between Metro and the Authority wherein the Authority is responsible for the design and construction of the project while Metro is funding, overseeing the design and construction, and operating the project upon completion. The collaboration between the two agencies is guided by the Funding Agreement and MCA. The Funding Agreement provides the guidelines and mechanism by which Metro will fund the project while the MCA provides the guidelines and mechanism by which Metro oversees the design, construction, testing, and start-up of the project.

The Gold Line Foothill Extension has three components: the I-210 bridge in Arcadia, alignment and O&M facility, and parking facilities. Currently, the I-210 bridge is under construction and substantial completion is projected for late summer 2013. The alignment and O&M facility are in design and a design-build contract for the parking facilities is expected to be awarded in early 2013.

Per the Metro Contingency Policy, projects between construction contract award and 50% construction completion are recommended to hold a 10% contingency. The contingency increase required for the Foothill Extension Phase 2A was calculated based on actual project costs to date, cost to complete, and current contingency. Based on these factors, the funds required to maintain a 10% contingency for remaining costs is approximately \$6 million and would be added to the current LOP budget of \$735 million for a revised LOP budget of \$741 million. Including the \$6 million in additional contingency, the total project contingency would be approximately \$49 million. The revised \$741 million LOP budget is within the overall Foothill Extension \$810.5 million allocation and would not require any new funding.

Schedule contingency is being incorporated also as per the Metro Contingency Policy to manage any unforeseen events that may delay project completion. Metro's Project Contingency procedure indicates that the project should have sufficient schedule contingency available to absorb schedule delays equal to 20% of the duration from entry into final design through to the commencement of revenue service. Applying Metro's schedule contingency requirements would add 305 days to the current schedule, which would result in a new projected Revenue Operations Date of October 2016. Once major risk elements have been resolved, such as utility relocations,

hazardous abatements, and freight track relocations, it would be appropriate to re-evaluate the schedule contingency and perhaps reduce it based on the current status of construction at that time.

Staff is also seeking Board approval of the budget for Excluded Costs related to real estate acquisitions needed for construction of the Eastern O&M Facility consistent with the approved Funding Agreement. In April 2011 the Metro Board approved a \$264.5 million budget for construction and land acquisition for the facility whose costs would be split 75% and 25% between Metro and the Authority. However, as noted in that Board report this figure did not include Excluded Costs which represent expenses such as fixtures and equipment, relocation, loss of business goodwill, and remediation. The Authority, which has been conducting the acquisition and negotiation process, completed property acquisition for land located in Monrovia, CA in the area bounded by California Avenue to the west, Evergreen Avenue to the north, Shamrock Avenue to the east, and Duarte Road to the south. The Authority then submitted a budget to Metro for the Excluded Costs that will be incurred for five privately owned parcels totaling \$12,000,000. As with the other O&M facility costs, the Excluded Costs would also be split 75% and 25% between Metro and the Authority. Therefore Metro's share would be \$9,000,000. Metro staff has reviewed and concurs with the budget submitted by the Authority for Excluded Costs. In total, Metro's commitment for the facility is now \$207,437,375 (\$141,001,937 for construction and \$66,435,438 for real estate) including Excluded Costs. The revised total budget required for the O&M facility construction including Excluded Costs is now \$276.6 million and is detailed in Attachment A.

In addition to changes in the Funding Agreement, two changes will be made to the punch list and warranty language in the MCA for consistency with the Exposition Metro Line Construction Authority MCA. The original MCA had stipulated that punch list items may be added during the Pre-Revenue Operations Period and up to 90 days after the Revenue Operations Target Date. This would be changed so that punch list items must be developed prior to Substantial Completion.

The warranty period in the original MCA began at substantial completion and continues for the latter of final acceptance or at least one year after substantial completion. This would be changed so that the warranty would begin at the Revenue Operations Date (ROD) and continue for one year after ROD. Furthermore, originally if the Authority requests a warranty term of one year after substantial completion, it will also solicit proposals for a 2 year warranty as an option. This would be changed so that the Authority will simply solicit a proposal for an additional year of warranty. Finally, language will also be added to the MCA to incorporate project landscaping. Specifically, landscaping will have an establishment period of the later of one year after Substantial Completion or when planted. If any plants do not survive the establishment period, they will be replaced by the Authority at no cost to Metro.

The amendments to the Funding Agreement were reviewed by the Management Audit Services Department (MASD) and the Office of the Inspector General (OIG) to confirm that it meets the requirements of the Board's directive to address the issues identified in

the OIG Report No. 12-AUD-08 dated February 24, 2012 titled "Review of Staffing Plans, Compensation, and Expenditure Policies of the Metro Gold Line Foothill Extension, the Exposition Metro line and the Alameda Corridor-East Construction Authorities".

DETERMINATION OF SAFETY IMPACT

This report has no impact on safety.

FINANCIAL IMPACT

The \$12,000,000 cost increase for the Eastern O&M Facility would be funded by Projects 860200-Gold Line Foothill Extension and 800200-Eastern O&M Facility Metro 75%

The \$6 million increase in Phase 2A LOP budget is part of the \$810.5 million allocated to the Foothill Extension by the Long Range Transportation Plan. No additional fund programming is required to fund the LOP increase under this action.

The \$9,000,000 increase in the Eastern O&M Facility Metro 75% will be funded from a combination of Long Range Transportation Plan resources previously planned to be available for other priorities (96%) and the Regional Connector project budget (4%) per the Metro Board's countywide light rail yard cost allocation policy. Attachment D describes the cost allocation policy and tracks where the Long Range Transportation Plan would be made whole at some point in the future per the countywide light rail yard cost allocation policy.

ALTERNATIVES CONSIDERED

The Board may choose not to adopt the amendments to the Funding and Master Cooperative Agreements. However, this is not recommended as the proposed amendments are consistent with previous Metro Board reports and Board adopted policies. Furthermore, choosing not to adopt this amendment would delay the real estate acquisition process that needs to be completed prior to construction of the Eastern O&M facility.

NEXT STEPS

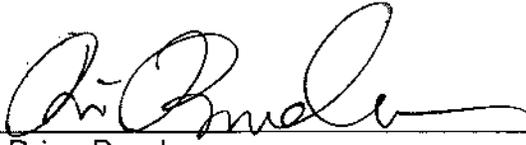
Upon Board approval, staff will work with the Authority to amend the Funding and Master Cooperative Agreements.

ATTACHMENTS

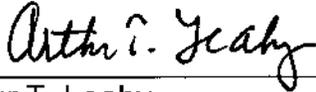
- A. Revised Eastern Operation and Maintenance Facility Budget
- B. Eastern O&M Facility Funding Expenditure Plan
- C. Foothill Extension Phase 2A Funding Expenditure Plan

- D. Light Rail Yard Cost Allocation
- E. MTA Board Report April 2011 Item 12 – Eastern O&M Facility

Prepared by: Brian Boudreau, Executive Director Program Management
Julie Owen, Senior Project Control Manager
Philbert Wong, Transportation Planning Manager, San Gabriel Valley
Area Team



Brian Boudreau
Executive Director, Program Management



Arthur T. Leahy
Chief Executive Officer

Attachment A
Revised Eastern Operation and Maintenance Facility Cost Estimate

	Amount	Percentage
Design, Construction, and Real Estate Acquisition	\$ 264,583,167	
Excluded Costs	\$ 12,000,000	
Total	\$ 276,583,167	100%
MTA share (Proj 800200)	\$ 207,437,375	75%
Construction Authority share	69,145,792	25%

	MTA (Project 800200)	Construction Authority (Project 860200)	Cost Estimate Total for Eastern O&M Facility
Construction	\$ 141,001,937	\$ 47,000,646	\$ 188,002,583
Real Estate including Excluded Costs	\$ 66,435,436	\$ 22,145,146	\$ 88,580,584
Total	\$ 207,437,375	\$ 69,145,792	\$ 276,583,167

Attachment B
Project 800200 – Eastern O&M Facility, MTA 75% Share
Funding / Expenditure Plan

Capital Project 800200	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Total
Uses of Funds										
Real Estate	16.8	44.9	4.7							66.4
Construction		10.0	50.2	60.5	20.3					141.0
Total Project Costs	16.8	54.9	54.9	60.5	20.3	0.0	0.0	0.0	0.0	207.4
Sources of Funds										
Prop A 35% Bonds	16.8	54.9	54.9	52.2	20.3					199.1
Measure R Regional Connector				8.3						8.3
										0.0
										0.0
										0.0
										0.0
Total Project Funding	16.8	54.9	54.5	60.5	20.3	0.0	0.0	0.0	0.0	207.4

Attachment C
Project 860200 – Foothill Extension Phase 2A
Funding / Expenditure Plan

Capital Project 860200	FY	FY	FY	FY	FY	FY	FY	FY	FY	Total
Uses of Funds	11	12	13	14	15	16	17	18	19	
Construction	34.7	71.9	113.5	163.0	86.6					469.7
Right of Way	15.0	30.0	19.0							64.0
Professional Services	5.0	12.0	15.0	15.0	15.0	11.9	0.0			73.9
Project Contingency						23.0	23.0			46.0
Vehicles			30.0	30.0						60.0
Project Financing			5.5	5.1	5.6	4.6	6.6			27.4
Total Project Costs	54.7	113.9	183.0	213.1	107.2	39.5	29.6	0.0	0.0	741.0
Sources of Funds										
Prop A 35%										0.0
Prop C 25%				30.9						30.9
Measure R 35%	54.7	113.9	183.0	182.2	107.2	39.5	29.6	0.0	0.0	710.1
Prop 1B Bonds - PTMISEA										0.0
RIP (STIP)										0.0
CMAQ										0.0
Total Project Funding	54.7	113.9	183.0	213.1	107.2	39.5	29.6	0.0	0.0	741.0

ATTACHMENT D

On August 4, 2011, the LACMTA Board of Directors approved countywide light rail yard cost allocation percentages and amounts. Using the same corridor descriptions, percentages, and amounts from that action, the allocation of this LOP cost increase would be as shown in Table 1: LACMTA Board Approved Cost Allocation Percentages.

Table 1: LACMTA Board Approved Light Rail Yard Cost Allocation Percentages

Transit Corridor	Cost Alloc. %	Alloc. of Increase Per Policy	Per Fund. Agree.	Notes
Gold Line Foothill 2A	23%	\$2,760,000	\$3,000,000	The 25% Foothill share agreement provides \$240,000 in supplemental funds. We recommend these become a credit towards Gold Line System Expansion, below.
Gold Line System Expansion	29%	\$3,480,000	(\$240,000)	The Foothill portion of the Gold Line System Expansion costs has a total credit to date of \$5,340,000, including the credit of \$240,000 above. For more information, see the note below.*
Gold Existing (More Service)	44%	\$5,280,000		The LACMTA Board action does not allocate this cost to specific projects, so it is to be funded from system-wide funds.
Regional Connector	4%	\$ 480,0000		The Regional Connector budget cost estimate will be adjusted to include this cost.
Sub-Total Metro Share	77%	\$9,000,000		
Total	100%	\$12,000,000		The total system-wide cost allocation is \$9,000,000

* The LACMTA Board does not yet have a specific cost sub-allocation strategy for "Gold Line System Expansion". The previous Foothill credit of \$5.1 million is from the Board's original August 2011 cost allocation action. This cost allocation action will increase Foothill's credit towards Gold Line System Expansion by \$240,000. For the time being, the entire \$3,480,000 must be funded from system-wide funds until such time as the Foothill credits totaling \$5,340,000 are exhausted and/or other Gold Line System Expansion projects are fully funded.



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Pk.
Los Angeles, CA 90001-9999

REVISED
PLANNING AND PROGRAMMING COMMITTEE
APRIL 20, 2011

SUBJECT: EASTERN OPERATION AND MAINTENANCE FACILITY (DIVISION 23)

ACTION: APPROVE FINDINGS OF SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT FOR EASTERN (GOLD LINE) OPERATION AND MAINTENANCE FACILITY AND APPROVE BUDGET ENVELOPE FOR LAND ACQUISITION, DESIGN, AND CONSTRUCTION OF FACILITY.

RECOMMENDATIONS

A. Approve Findings and Statement of Overriding Considerations in accordance with the California Environmental Quality Act (CEQA) for Supplemental Environmental Impact Report (SEIR) prepared by the Metro Gold Line Foothill Extension Construction Authority ("Construction Authority") for the Eastern Operation and Maintenance (O&M) Facility (Attachment A); and

B. Approve a \$264.5 million budget envelope for land acquisition, design, and construction of the O&M facility. Of this amount, MTA will pay 75%, or \$198.4 million, of actual expenditures up to the budget envelope using non-Foothill Extension project funds, while the Construction Authority will pay \$66.1 million reflecting 25% of the O&M facility cost from their Phase 2A Measure R funds. Should expenditures exceed this amount, the Construction Authority will be responsible for 100% of the cost above the budget envelope. As additional rail lines are constructed (i.e. ~~Gold Line Foothill Extension Phase 2B and Eastside Extension Phase 2~~) in the San Gabriel Valley and nearby, each project will provide funding from project fund sources to reimburse MTA's non-project funds used to construct this facility.

ISSUE

MTA's existing rail operation and maintenance facilities are reaching or have already reached capacity and will not be able to handle future needs resulting from system expansion. On the Gold Line, railcars are currently stored and maintained at Midway Yard (Division 21). However, the increase in the number of railcars due to construction of the Gold Line Foothill Extension and general systemwide growth on the existing Gold

Line requires a new rail operation and maintenance facility to handle heavy maintenance and storage functions that cannot be accommodated at the capacity constrained Midway Yard. The lack of rail storage and maintenance facility space to accommodate future growth will require acquisition of strategically placed facilities to minimize expenses incurred in operating, storing and maintaining light rail vehicles. In fact, both the Gold Line and southwest portion of the County are facing this challenge. As a result, two new operation and maintenance facilities are being considered. The first is the Eastern facility, which would serve the existing Gold Line, Gold Line Eastside Extension, Gold Line Foothill Extension Phases 2A, ~~and 2B~~, and ~~Eastside Extension Phase 2~~ **and any additional rail lines in the San Gabriel Valley and nearby**. The second is the Southwest facility, which would serve the Crenshaw/LAX line, Green Line LAX, and South Bay Extension.

Regarding the Eastern O&M facility, the Construction Authority prepared an SEIR to analyze potential locations for a new Eastern O&M facility, which will be known as Division 23. The SEIR analyzed a no-build alternative and two build alternatives, one located in Irwindale and one in Monrovia. The SEIR recommends the Monrovia build alternative primarily due to lower potential environmental impacts when compared to the Irwindale alternative. The Findings and Statement of Overriding Considerations of the SEIR are included in Attachment A. An Overview of the SEIR is included as Attachment B. The Construction Authority Board approved the SEIR on January 18, 2011.

MTA staff concurs with the findings of the SEIR and believes the Monrovia alternative represents the best option to meeting its operational needs. Therefore, staff recommends the MTA Board: 1) approve Findings and a Statement of Overriding Considerations for the SEIR as a responsible agency under the California Environmental Quality Act (CEQA) (Attachment A); and 2) approve the budget envelope submitted by the Construction Authority for land acquisition and construction costs related to the O&M facility.

The current budget for the Eastern O&M facility is approximately \$264.5 million including real estate, design, and construction costs. Pursuant to the Funding Agreement, the Construction Authority is required to submit to MTA a budget for the land acquisition and construction costs for the O&M facility (Part I Section 12.2). Of this total, the estimated cost for design and construction is \$195 million and real estate is estimated to cost \$69.5 million. The real estate land acquisition budget includes costs to acquire both privately-owned parcels as well as land owned by the City of Monrovia/Monrovia Redevelopment Agency. The design and construction portion of the budget include engineering costs, construction, contingencies, and mitigation costs as identified in the SEIR. The budgets for real estate and construction are separate and the Construction Authority cannot transfer funds between the two without MTA approval. A summary of the Construction Authority and MTA's share of the facility cost can be found in Attachment C.

Although the budget for real estate is approximately \$69.5 million, other expenses such as fixtures and equipment, relocation, loss of business goodwill, or remediation are not included and are defined as Excluded Costs. Excluded costs represent those costs not currently identified in the budget that will need to be added at a later point when good estimates become available. Budget requests to fund future expenses currently defined as Excluded Costs are subject to MTA Board approval.

Per the Funding Agreement between the Construction Authority and MTA, MTA Board approval of the budget constitutes MTA's commitment to fund 75%, or \$198.4 million, of the total cost of the facility using non-Foothill Extension project funds. As additional rail lines are constructed in the San Gabriel Valley and nearby, (~~i.e. Gold Line Foothill Extension Phase 2B and Eastside Extension Phase 2~~), each project will provide funding from project fund sources to reimburse MTA's non-project funds used to construct this facility. It is important to note that the \$264.5 million estimated cost represents a budget cap that cannot be exceeded. MTA will pay 75% of actual expenditures up to this cap amount. Should expenditures exceed this amount the Construction Authority will be responsible for 100% of the cost of the facility above the budget envelope. The Construction Authority's share (\$66.1 million) will come from Measure R Foothill Extension project funds.

DISCUSSION

MTA's current light rail operating facilities are dedicated to each service line with each having differing capabilities for performance of light rail vehicle maintenance functions such as cleaning, washing, light and heavy repairs and painting.

Gold Line railcars are currently stored and maintained at the Division 21 Midway Yard. However, as outlined in the Rail Division Potential Storage Site Assessment Report presented at the December 2008 MTA Board meeting, the number of vehicles operating on the Gold Line will exceed the vehicle storage capacity of Midway Yard due to Gold Line system expansion and construction of the Foothill Extension. As a result, a new facility would not only provide storage and heavy maintenance capabilities (e.g., paint shop) for the Gold Line that cannot be accommodated at Midway Yard, it could also function as a storage and maintenance resource for other light rail lines once the Regional Connector is completed.

Per the Funding Agreement, the Construction Authority is responsible for the construction of the O&M facility and the acquisition of the parcels of land needed for the facility. As a result, the Construction Authority proceeded to prepare an SEIR to environmentally clear an O&M facility for the Gold Line. The draft SEIR was issued in September 2010 and open for public comment until December 9, 2010. The findings and statement of overriding considerations is included in Attachment A. An overview of the SEIR is included in Attachment B.

O&M Cost Allocation

The cost of the Eastern O&M facility will be split between MTA and the Construction Authority: MTA will pay 75% and the Construction Authority will pay 25%. The percentages were based on the capacity of the facility and the number of cars needed for each line. The facility is estimated to handle 104 vehicles and about 25 vehicles will be needed to operate the Foothill Extension Phase 2A from Pasadena to Azusa based on the future planned service level of 6 minute headways and three car trains. The remainder of the 104 vehicles are expected to be needed for the Foothill Extension Phase 2B, Eastside Extension Phase 2, and increased service on the Gold Line and for future expansion in the San Gabriel Valley and nearby. Furthermore For example, Attachment H of the Funding Agreement stipulates that to the extent that Phase 2B is environmentally cleared and approved, and to the extent all or any portion of Phase 2B is funded with funds remaining from the \$810.5 million allocated per the LRTP to the Foothill Extension, the Construction Authority's share of the cost of the O&M facility will be adjusted to factor in the additional vehicles needed to operate Phase 2B (to the extent capacity is available for those additional vehicles).

Although MTA Board approval of the O&M facility budget constitutes MTA's commitment to fund 75% of the cost of the facility within the budget envelope, the Escape Clause specified in the Funding Agreement remains in effect until: 1) MTA and BNSF Railway have executed an agreement for BNSF's abandonment of its rail right-of-way between Arcadia and Irwindale (Section 11.1A) and 2) the Construction Authority has acquired at least 50% of the real property needed to construct the O&M facility by either: entering into a fully executed purchase and sale agreement(s) for the parcel of land; or commencing eminent domain proceedings and obtaining an order for possession of the parcel of land by the Construction Authority (Section 11.1B).

CEQA

On January 18, 2011, the Construction Authority certified and approved the SEIR for refinements to Phase 2A of the Gold Line Foothill Extension from Pasadena to Azusa, including a proposed O&M facility in the City of Monrovia on a tract of land located south of East Evergreen Avenue west of Shamrock Avenue, north of Duarte Road, and east of South California Avenue. An overview of the SEIR is included as Attachment B. The Construction Authority also approved Findings and a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the SEIR (collectively the "SEIR Documents"). Copies of the SEIR Documents are available upon request. The O&M facility area and features are more particularly described in the SEIR Documents.

After the public comment period closed but before the Construction Authority approved the SEIR, an attorney for a commercial property owner whose property is needed for the O&M facility sent a letter dated December 20, 2010 to the Construction Authority claiming that: 1) the comment period on the Draft SEIR is legally inadequate; 2) the

Draft EIR improperly fails to analyze a reasonable range of alternatives; 3) the proposed Monrovia site for the O&M facility is inconsistent with the siting criteria presented in the 2007 Final EIR for an O&M facility; 4) the Draft EIR incorrectly concludes that the Monrovia site is the environmentally superior site; and 5) certification of the Draft SEIR, without an appropriate alternatives analysis, is a rationalization for decisions already made regarding a Monrovia O&M facility. The attorney's letter is also available upon request.

At the Construction Authority Board meeting on January 18, 2011, a letter from another attorney representing the same property owner was hand-delivered to the Board. This letter claimed: 1) the environmental documents for Phase 2A and 2B must be combined into a single environmental document encompassing both phases; 2) the SEIR fails to analyze 32 alternate sites for the O&M facility; and 3) the SEIR fails to address the Construction Authority's plans for joint private development of the Monrovia site. This attorney's letter is also available upon request.

Both attorney letters present numerous legal and factual assertions in support of their claims that are too numerous to set forth here. However, one issue warrants discussion. The letter criticizes the Draft SEIR for failing to sufficiently analyze any off-site alternatives for an O&M facility in any meaningful way. CEQA requires the Construction Authority to consider a "reasonable range" of alternatives. The Construction Authority evaluated another possible site in Irwindale and provided justification for why this site was deemed to be infeasible. Furthermore, in response to the letters from the property owner's attorneys suggesting 32 alternative sites for consideration, the Construction Authority evaluated these 32 alternatives and found them to be inferior because they would require significant residential and/or commercial relocations, are inconsistent with General Plan land uses, are not in Phase 2A of the Gold Line Foothill Extension, or are less than the 20-acre minimum needed for an adequate O&M facility. Thus, the administrative record demonstrates that the Construction Authority evaluated a reasonable range of alternatives.

On February 17, 2011, the property owner filed a lawsuit against the Construction Authority challenging its approval of the Final SEIR. It appears that the Construction Authority will proceed with acquiring the properties needed to construct the Monrovia O&M facility as it vigorously defends the lawsuit.

MTA Legal Counsel has reviewed the environmental documents and concur that they have been prepared appropriately and in accordance with CEQA requirements.

MTA's role in the proposed actions described in the Final SEIR may qualify it as a responsible agency under CEQA because MTA is approving a budget envelope for land acquisition, design, and construction of an O&M facility. Accordingly, the Board should:

- A) consider the Final SEIR, letters from property owner's attorneys dated December 20, 2010 and January 18, 2011, and the Construction Authority's responses pursuant to CEQA Guidelines Section 15096(a):

- B) find that the responses adequately respond to the factual assertions in the property owner's letters that the SEIR is inadequate;
- C) consider the environmental effects of the proposed O&M facility, pursuant to CEQA Guidelines Section 15096(f);
- D) find that changes or alterations have been required in, or incorporated into, the proposed O&M facility that avoid or substantially lessen a number of the significant environmental effects as identified in the Final SEIR, pursuant to CEQA Guidelines Section 15091(a);
- E) find that the economic, legal, social, technological or other benefits of the proposed O&M facility outweigh the unavoidable adverse environmental effects as identified in the Final SEIR, pursuant to CEQA Guidelines Section 15093;
- F) find that there are no feasible alternatives or feasible mitigation measures within the power of MTA that would substantially lessen or avoid any significant environmental effect of the proposed O&M facility, pursuant to CEQA Guidelines Section 15096(g)(2); and
- G) find that the Final SEIR is adequate under CEQA.

Attachment A sets forth the specific findings and statement of overriding considerations that the Board should approve in order to comply with CEQA.

FINANCIAL IMPACT

MTA's 75% share (\$198.4 million) will be funded from non- Foothill Extension project funds. This amount would be paid from Prop A 35% and/or Measure R 2% funds, specifically line item 44 Metro Rail capital projects – system improvements, rail yards, and rail cars in the Measure R Expenditure Plan. However, future projects (~~i.e. Gold Line Phase 2B and Eastside Extension Phase 2~~) **in the San Gabriel Valley and nearby** that are expected to utilize the Eastern O&M Facility will contribute project funds to reimburse the Measure R 2% Program for their portion of the facility as they become operational. The \$77 million necessary for MTA's portion of its obligation in FY 2012 has been budgeted accordingly under project 800200.

The Construction Authority's 25% share (\$66.1 million) is included in the Measure R Foothill Extension project funds that have already been approved by the Board.

ALTERNATIVES CONSIDERED

The Board could choose to reject the site acquisition in favor of other alternatives. This is not recommended as other potential alternative sites are projected as much more

costly and would require substantially more time to due to the need for construction of site access improvements. The Board could also choose not to move forward with site acquisition. This is also not recommended as the need for added light rail storage and maintenance facilities is critical and will increase as additional light rail lines move toward completion.

NEXT STEPS

Upon Construction Authority's compliance with Sections 11.1 A and B of the Funding Agreement, the Escape Clause conditions will have been met and MTA will remove the funding cap and release funds per the Funding Agreement to the Construction Authority for the O&M facility.

ATTACHMENTS

- A. MTA Findings and Statement of Overriding Considerations
- B. Overview of Gold Line Foothill Extension Supplemental Environmental Impact Report
- C. Eastern Operation and Maintenance Facility Budget

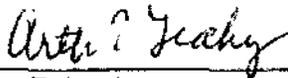
Prepared by: Roger Moliere, Chief, Real Property Management and Development
Philbert Wong, Transportation Planning Manager, San Gabriel Valley Area Team
Shahzad Amiri, Deputy Executive Officer, San Gabriel Valley Area Team
Diego Cardoso, Executive Officer, TDI



Roger S. Moliere
Chief, Real Property Management &
Development



Martha Welborne, FAIA
Executive Director, Countywide Planning



Arthur T. Leahy
Chief Executive Officer

FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS

FINDINGS

As part of the MTA Board's approval of the budget envelope for land acquisition, design, and construction of an O&M facility for the Gold Line Foothill Extension Project, the MTA Board makes these findings and statement of overriding considerations with respect to the proposed O&M facility, which would be constructed on an approximately 24-acre site located in Monrovia and bounded by South California Avenue to the west, East Evergreen Avenue to the north, South Shamrock Avenue to the east, and East Duarte Road to the south (excluding the 3M parcel in the southeast corner of the site). The site presently contains 12 commercial structures, which would be removed for the O&M facility.

On January 18, 2011, the Metro Gold Line Foothill Extension Construction Authority certified and approved the Final Supplemental Environmental Impact Report for the Gold Line Foothill Extension Project dated January 2011 (SCH No. 2003061157) (the SEIR) for project refinements, including an O&M facility. The Construction Authority also approved Findings and a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the SEIR .

The MTA may be a responsible agency under the California Environmental Quality Act ("CEQA") with respect to the proposed O&M facility. Accordingly, the MTA Board:

has considered the Construction Authority's SEIR dated January 2011; the Construction Authority's Findings and Mitigation Monitoring and Reporting Program for the SEIR; the claims made in the letters from Mr. Robert P. Silverstein, Esq. dated December 20, 2010 and from Christopher Sutton, Esq. dated January 18, 2011; and the responses to those letters contained in the Construction Authority's Resolution No. 2011-R-001 adopted January 18, 2011 (the "Responses"), pursuant to California Code of Regulations ("CEQA Guidelines") Section 15096(a) (collectively the "SEIR Documents");

hereby finds that the Responses reasonably consider and respond to the claims made in Mr. Silverstein's and Mr. Sutton's letters; and hereby finds and relies upon the Responses' conclusions that the SEIR properly analyzes the impacts of the proposed O&M facility;

has considered the environmental effects of the proposed O&M facility as set forth in the SEIR Documents, pursuant to CEQA Guidelines Section 15096(f);

hereby finds that changes and alterations have been required by the Construction Authority and incorporated into the proposed O&M facility which avoid or substantially lessen the significant environmental effects as identified in the SEIR Documents, pursuant to CEQA Guidelines Section 15091(a)(1):

hereby finds that certain economic, legal, social, technological or other benefits of the proposed O&M facility outweigh the unavoidable adverse environmental effects, all of which are identified in the SEIR Documents, pursuant to CEQA Guidelines Section 15093;

hereby finds that there are no feasible alternatives or feasible mitigation measures within the power of MTA that would substantially lessen or avoid any significant environmental effect of the proposed O&M facility, as indicated by the SEIR Documents, pursuant to CEQA Guidelines Section 15096(g)(2); and

hereby finds that the SEIR Documents are adequate under CEQA for approval of the budget envelope for land acquisition, design, and construction of an O&M facility.

STATEMENT OF OVERRIDING CONSIDERATIONS

Consistent with the Construction Authority's Statement of Overriding Considerations for the SEIR and pursuant to CEQA Guidelines Section 15096(h), the MTA Board hereby determines that the proposed O&M facility will have the benefits as set forth in the SEIR Documents, including but not limited to economic growth in the cities along the Gold Line Foothill Extension Project; an increase in transit service to corridor residents, both in terms of quality and speed; enhanced quality of life through achievement of land use and mobility goals; beneficial cumulative impacts to hydrology and water quality through reduction in vehicle miles traveled (VMT); and an increase in transit ridership and corresponding decrease in VMT and reduction in vehicle pollutant emissions. These benefits outweigh the unavoidable significant impacts of the proposed O&M facility as described in the SEIR Documents.

OVERVIEW OF GOLD LINE FOOTHILL EXTENSION SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT

The Construction Authority issued the SEIR in September 2010 that analyzed an operation and maintenance facility for the Gold Line as well as five other project refinements: 1)realign Mountain Avenue/Duarte Road intersection to improve safety; 2)relocate parking at Monrovia Station to better accommodate the City of Monrovia's future transit oriented development; 3)relocate parking location and configuration at Irwindale station and improve safety and constructability at the Irwindale station; 4)replace the Colorado Boulevard bridge to address structural issues and minimize property requirements; and 5)replace the San Gabriel River bridge design.

The SEIR included two build alternatives for an O&M facility along with a no-build alternative. The first build alternative would be located on 31 acres land, of which 24 acres is for the storage yard and access roadways that is owned by the Miller-Coors Brewing Company in Irwindale, California and an additional 7 acres for the lead tracks that is on United States Army Corps of Engineers (ACOE) property. This site was originally discussed in the 2007 Final Environmental Impact Report for the Phase 2A alignment. The facility is generally bounded by the I-210 to the north, the Santa Fe flood control basin to the west, West First Street to the south, and the Miller-Coors facility to the east. The second build alternative is located in Monrovia and is bounded by South California Avenue to the west, East Evergreen Avenue to the north, South Shamrock Avenue to the east, and East Duarte Road to the south. There were two options (Option A and B) considered for this alternative. Option A occupies approximately 27 acres (Figure 3-2), and Option B occupies approximately 24 acres. The difference between Option A and B is the inclusion or exclusion of a 3.0-acre (approximate) property located in the southeast corner of the proposed M&O Facility study area.

The SEIR recommends the Monrovia build alternative mainly due to lower potential environmental impacts when compared to the Irwindale alternative. For example, according to the SEIR impacts to sensitive biological resources, including bird species protected under the Migratory Bird Treaty Act (MBTA) would be greater in the Irwindale alternative. In addition, impacts relative to hydrology and water quality, specifically the potential for flooding, are also greater in the Irwindale alternative. Lastly, due to the former use of the Irwindale site as a quarry, the stability of slopes and soils within the site poses a significant risk to worker safety during construction and operation of the M&O Facility in Irwindale, which may result in the need to incorporate slope stabilizing measures throughout large portions of the site.

The final SEIR as well as supporting documentation can be found at:
http://www.foothillextension.org/construction_phases/phase_2a_pasadena_to_azusa/supplemental-environmental-impact-report/

EASTERN OPERATION AND MAINTENANCE FACILITY BUDGET

	Amount	Percentage
Total	\$ 264,583,167.00	100%
MTA share	\$ 198,437,375.25	75%
Construction Authority share	\$ 66,145,791.75	25%

	MTA	Construction Authority	Total
Construction	\$ 146,251,937.25	\$ 48,750,645.75	\$ 195,002,583.00
Real Estate	\$ 52,185,438.00	\$ 17,395,146.00	\$ 69,580,584.00
Total	\$ 198,437,375.25	\$ 66,145,791.75	\$ 264,583,167.00