

TRANSPORTATION COMMITTEE REPORT relative to preliminary engineering, project schedule, and new independent cost estimate for the proposed Downtown Los Angeles Streetcar Project.

Recommendations for Council action:

1. RECEIVE and FILE the attachment entitled Downtown Los Angeles Streetcar Project dated June 1, 2017, attached to the Council file, prepared by Kimley-Horn under contract to the Bureau of Engineering (BOE).
2. RECEIVE and FILE the attachment entitled Los Angeles Streetcar Project Schedule dated March 28, 2017, attached to the Council file, revising the Project anticipated revenue start date from December 2020 to July 2021 under the Construction Manager/General Contractor method.
3. AUTHORIZE the City Administrative Officer (CAO) to review the Community Facility District Tax (CFD) as a funding source for scheduled activities critical to proceeding with the Los Angeles Streetcar Project in Fiscal year 2017-18.
4. AUTHORIZE and INSTRUCT the Los Angeles Department of Transportation (LADOT) to communicate, on behalf of the City of Los Angeles, with the Los Angeles County Metropolitan Transportation Authority in regard to requesting the initiation of the process of accelerating Measure M funding and/or additional funding from other sources to offset the cost of the Downtown Los Angeles Streetcar Project; and INSTRUCT the LADOT to report to Council on how said request may impact the schedule of projects identified in the Measure M Ballot Measure prior to formally submitting the accelerated funding request.
5. DIRECT the CAO, in coordination with the BOE and the LADOT, to report within 30 days with a financing plan.

Fiscal Impact Statement: The CAO, BOE, and LADOT report that the General Fund impact is unknown at this time as a comprehensive financial plan has not yet been fully developed. The actions in this report will provide authority to seek potential funding options to offset the construction shortfall with special funds as part of developing the financial plan.

Community Impact Statement: None submitted.

(Public Works and Gang Reduction and Budget and Finance Committees waived consideration of the above matter.)

Summary:

On June 28, 2017, your Committee considered a June 14, 2017 Joint CAO/BOE/LADOT report relative to preliminary engineering, project schedule, and new independent cost estimate for the proposed LA Streetcar Project. According to the CAO/BOE/LADOT, on June 19, 2015, Council authorized the Los Angeles Streetcar, Inc. (LASI) to competitively contract with a firm to conduct preliminary engineering (30 percent) using existing funds under LASI's

control. It also directed the BOE, in coordination with the LADOT, to provide ongoing regular peer review of the engineering work, establish a project cost estimate target of \$250 million or less inasmuch as the project is financially constrained and this amount was the maximum project cost eligible for Federal Small Starts grant funding at the time, complete a final review of the engineering work, and report to Council on whether or not the preliminary engineering documents were formally accepted by the BOE, along with any major findings from the plans.

In addition, Council authorized the BOE to hire a consultant to complete a third party cost estimate at the completion of the 30 percent preliminary engineering (Council File No. 11-0329-S12). As requested, this report back contains project updates on the preliminary engineering (30 percent) prepared by Mott MacDonald (MM), a new independent cost estimate prepared by Kimley-Horn (K-H), and a revised project schedule for the proposed Los Angeles Streetcar Project (Project) pursuant to Council instructions.

The new project cost estimate is \$274.2 million excluding finance charges or \$290.7 million including finance charges. Overall the three most recent cost estimates prepared have resulted in a similar range from \$278.0 million to \$290.7 million, including finance charges. It is important to note that the Los Angeles Department of Water and Power (LADWP) has provided an all-inclusive cost estimate of \$45 million for power relocation and the BOE is working to establish a memorandum of understanding based on the LADWP not-to-exceed cost estimate. Lastly, opportunities for cost savings estimated up to \$20.8 million are identified in the report which include savings from the replacement of LADWP water infrastructure, a reduction in the number of station stops, a reduction in vehicle technical requirements, the leveraging of the use of the Maintenance and Storage Facility, and integration with other street projects along the route all of which will be further explored as the project moves forward.

Currently the Request for Proposals for the Vehicle Procurement, the Final Design and the Construction Manager/General Contractor (CM/GC) (RFPs) are being prepared and anticipated to be ready for release, pending the CAO's report back on the financial plan. In August 2016, the CAO released an alternative funding strategy which explored the feasibility of a public-private partnership (P3) to help the City address the projected construction funding shortfall. This report is pending review by Council (Council File No. 11-0329-S13).

After further consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the recommendations contained in the June 14, 2017 Joint Report and detailed in Recommendation Nos. 1-3 and 5. Additionally, the Committee moved to recommend that the LADOT be instructed to communicate with the Metro in regard to initiating the process of securing accelerated funding for this project along with an analysis of funding sources identified in the Measure M Ballot Measure and the impacts on other projects if the acceleration process is initiated (Recommendation No. 4). This matter is now submitted to Council for its consideration.

Respectfully Submitted,

TRANSPORTATION COMMITTEE



MEMBER VOTE

BONIN: YES
KORETZ: YES
HUIZAR: YES
MARTINEZ: YES
RYU: YES

ARL
6/28/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-