

BUDGET AND FINANCE COMMITTEE REPORT relative to a recommended project delivery method and summary project management plan for the LA Streetcar Project.

Recommendations for Council action:

1. ADOPT the summary document which contains the recommended project delivery method and the summary project management plan for the LA Streetcar Project (Attachment 1 of the joint City Administrative Officer (CAO), Los Angeles Department of Transportation (LADOT), and Bureau of Engineering (BOE) revised report dated September 5, 2013, attached to the Council file).
2. REQUEST the Office of the City Attorney to prepare and present an ordinance allowing the Department of Public Works to let Construction Manager/General Contractor contracts for the delivery of the LA Streetcar Project pursuant to a competitive proposal method.
3. AUTHORIZE the CAO to issue Requests for Proposals to hire a financial advisor, outside counsel and other appropriate consultants, as necessary, to assist with the analysis and development of a Design-Build-Operate-Maintain and/or Design-Build-Finance-Operate-Maintain project delivery model for the streetcar project.
4. INSTRUCT the CAO, LADOT, BOE and all relevant City staff that no additional City funds, including Measure R funds, should be expended for the LA Streetcar Project beyond those already committed to the Project.

Fiscal Impact Statement: The CAO, LADOT, and BOE jointly report that the recommendations in the report do not commit to expend any additional funds for the streetcar project. The Community Facilities District (CFD) tax funds will be used by the City as the local match for federal grant funding [if approved by the Federal Transit Administration (FTA)], and the City has already committed to use local Measure R funds towards streetcar operations. To the extent that final capital costs exceed funds available from the CFD and federal grant funding (if approved the FTA), the City will need to identify an additional funding source to eliminate the funding shortfall. This additional local funding must be identified before the FTA will award grant funding for the project to the City.

Community Impact Statement: None submitted.

## SUMMARY

At its regular meeting of September 9, 2013, the Budget and Finance Committee considered joint reports from the CAO, LADOT and BOE relative to a recommended project delivery method and summary project management plan for the LA Streetcar Project. The report dated August 26, 2013, presents recommendations of the CAO, LADOT and BOE regarding the LA Streetcar Project. The revised report dated September 5, 2013, includes information concerning the potential economic benefits of the streetcar project and selected minor edits and technical clarifications.

During Committee discussion, representatives of Council Office 14, the CAO, LADOT and BOE provided an overview of the project recommendations and responded to related questions from

Committee members. Committee members expressed concerns regarding the project cost estimate and the preliminary estimated total shortfall for the project which currently ranges from \$94.8 million to \$190.3 million, as indicated in the joint reports. The various funding sources for the project were discussed in detail including CFD tax funds, local Measure R funds, Community Redevelopment Agency funds and federal grants; and it was reiterated that the report recommendations do not commit to expending any additional City funding.

One of the next project steps is LADOT's submittal of an FTA Small Starts grant application on behalf of the City. After a discussion of the grant process and the requirement to identify full funding for the project, Committee members stated that no additional City funds should be committed to this project. Additionally, the Committee Chair emphasized that the Budget and Finance Committee must review and approve any grants awarded to this project prior to the acceptance of the grant.

After providing an opportunity for public comment, the Budget and Finance Committee recommended that Council approve the recommendations contained in the joint report dated September 5, 2013 and further instruct the CAO, LADOT, BOE and all relevant City staff that no additional City funds, including Measure R funds, should be expended for the LA Streetcar Project beyond those already committed to the Project. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
KREKORIAN:	YES
ENGLANDER:	ABSENT
KORETZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	YES

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**