

TRANSPORTATION and PUBLIC WORKS COMMITTEES REPORT relative to proposed Second Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (Metro) to fund and construct up to \$30 million in necessary improvements in the City's right-of-way for the Rail to Rail Corridor Project with the Metro.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. RESCIND prior approval of the MOU between the City and the Metro approved by Council on January 12, 2022 (Council File No. 21-1073).
2. AUTHORIZE the City Administrative Officer (CAO) and the General Manager, Los Angeles Department of Transportation (LADOT), in coordination with the City Attorney to execute the second proposed MOU with the Metro to fund up to \$27,295,000 in necessary improvements in the City's right-of-way for the Rail to Rail Corridor Project.
3. AUTHORIZE the General Manager, LADOT, to make the agreed upon payments to Metro.
4. APPROVE the 67th Street and West Blvd Street Improvement Project with an estimated project cost of \$4.3 million, an estimated completion date of December 2024 and with the Bureau of Street Services as the project manager.
5. AUTHORIZE the CAO to make technical corrections to the MOU to effectuate the intent of the Council and Mayor.

Fiscal Impact Statement: The CAO reports that approval of the March 30, 2022 CAO report, attached to the Council File, will authorize the City to enter into a MOU with Metro and commits the City to fund up to \$27.295 million in necessary improvements in the City public right-of-way for the Rail to Rail Corridor Project. There may be an impact to the General Fund in future fiscal years from approval of these recommendations, although, special funds may be used to satisfy this obligation. The City has \$6.83 million in funds already appropriated for this Project. An additional \$20.335 million to \$20.465 million in City funds needs to be identified in Fiscal Years 2023-24 and 2024-25. Approval of the 67th Street and West Blvd Project is estimated to obligate the City to another \$4.3 million in costs. This Project is expected to be constructed by City staff.

Financial Policies Statement: The CAO reports that the actions recommended in the March 30, 2022 CAO report, attached to the Council File, comply with the City's Financial Policies.

Community Impact Statement: None submitted.

(Budget and Finance Committee waived consideration of the above matter.)

Summary:

On April 12, 2022, the Transportation Committee considered a March 30, 2022 CAO report relative to proposed Second MOU with the Metro to fund and construct up to \$30 million in necessary improvements in the City's right-of-way for the Rail to Rail Corridor Project with the Metro. According to the CAO, on January 12, 2022, Council approved the execution of a proposed MOU with the Metro that committed the City to construct up to \$30 million of necessary improvements in the City's right-of-way for the Rail to Rail Corridor Project using City staff. Immediately upon approval of the Council, the Bureau of Street Services (BOSS) engaged Metro staff in an effort to carry out the instructions of the Council and execute the MOU.

Discussion began and then quickly turned into a disagreement that resulted in Metro insisting on the City paying Metro cash so that the Metro contractor could do the work instead of the City performing the work. The CAO was not involved in those discussions. Metro staff informed the CAO that City staff refused to do the work requested. City staff informed us that Metro had not been transparent and complete in describing the work the City was being requested to perform in prior negotiations with the City. While both sides agree that the City forces were to perform the work in the City right-of-way, the scope elements at issue were the removal of railroad tracks and the associated remediation of contaminated soil, construction of storm drains and the relocation of unknown utilities.

On January 26, 2022, the Mayor's Office received an email from Metro stating that the Metro Chief Executive Officer supports "a \$25.8 million cash contribution from the City and in return Metro will do all PROW (Public Right of Way) work with exception of the City re-paving/stripping work on the west end." The west end work referenced is work that the BOSS has agreed to perform between Crenshaw Blvd and the City of Inglewood. The project scope runs along 67th Street from 111th Avenue to West Blvd and along West Blvd from 67th Street to the Los Angeles Railway Right of Way.

The Mayor's Office then asked the CAO to renegotiate the Rail to Rail Project MOU to reflect the payment of cash for the Project instead of the use of City staff to construct the portions of the Project in the public right-of-way. On January 27, 2022, Metro approved a construction contract for the Rail to Rail Project. Metro is anxious to get started on construction as they received a grant to help fund the construction and must complete construction by December 2024. The CAO worked with Metro, the BOSS, the Bureau of Street Lighting, the LADOT, the Mayor's Office and the City Attorney to develop an alternative MOU for consideration by Council that includes a more complete scope of the commitments the City has made relating to the Rail to Rail Project. Overall, that commitment exceeds the original \$30 million commitment discussed with the Council in December 2021 and January 2022. The provisions of the new proposed MOU are detailed in the CAO report. After consideration and having provided an opportunity for public comment, the Transportation Committee moved to recommend approval of the Second MOU. Subsequently, on April 13, 2022, the Public Works Committee also considered this matter and after having provided an opportunity for public comment,

moved to concur with the Transportation Committee. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Transportation Committee

COUNCILMEMBER VOTE

BONIN:	YES
KORETZ:	ABSENT
BUSCAINO:	YES

Public Works Committee

COUNCILMEMBER VOTE

BLUMENFIELD:	YES
LEE:	YES
DE LEON:	YES
O'FARRELL:	YES
KORETZ:	ABSENT

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-NOT OFFICIAL UNTIL COUNCIL ACTS-