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*Carried Over*

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October 29, 1996

*Joe*  
Los Angeles County  
Metropolitan  
Transportation  
Authority

**TO: BOARD OF DIRECTORS**

**FROM: JOSEPH E. DREW**

**SUBJECT: FUNDING ACCELERATION FOR THE ALAMEDA  
CORRIDOR PROJECT**

One Gateway Plaza  
Los Angeles, CA  
90012

**RECOMMENDATION:**

Approve accelerated funding schedule of \$140 million of the MTA's \$359 million commitment to the Alameda Corridor Project ("the Project") to ensure a 2001 project completion date.

213.922.6000

**ORGANIZATIONAL IMPACT:**

This recommendation is contingent on the resolution of the governance issue to the satisfaction of the MTA Board. The Letter of Agreement between the MTA and the Alameda Corridor Transportation Authority (ACTA) dated June 15, 1995 includes the following governance provision: "No MTA funds shall be allocated to the Alameda Corridor Project until either the Third Amendment is repealed and full power is restored to the Governing Board on which the MTA is represented, or MTA has a seat on the Finance Committee."

**BUDGET IMPACT:**

This recommendation has no financial impact to the MTA as there is no increase in the \$359 million funding commitment to the Project. The funds were programmed in the March 1995 Long Range Transportation Plan through fiscal year 2005. This recommendation would allow the funds to be accelerated through 2001 and the costs of acceleration, i.e. projected debt issuance cost and interest costs, are factored into the original \$359 million funding commitment.

**ALTERNATIVES CONSIDERED:**

Staff considered the alternative of not accelerating MTA's funding commitment and maintaining the funding commitment as reflected in the March 1995 Long Range Transportation Plan. This alternative is not consistent with the intention of MTA to be a cooperative funding partner in the Alameda Corridor Project and would not support the revised project completion date of 2001.

**DRAFT FUNDING ACCELERATION AGREEMENT**  
**BETWEEN MTA AND ACTA**

1. MTA has committed \$358.6 million to the Project in escalated dollars, based on the \$1.98 billion total project cost. This project cost represents the fixed cost. MTA does not commit any other funds under its control to the Project.
2. In order to accelerate the funding, MTA shall accelerate \$140 million in funding originally programmed beyond FY 2001, less the projected debt issuance cost and interest expense of \$21 million. This \$140 million represents the amount of funds being accelerated from FY 2002 through FY 2005 into FY 2001.
3. ACTA shall be responsible for any and all cost overruns for the Project. Any savings achieved from underruns to the Programmed Budget shall be shared between MTA and ACTA in the same proportion as the sources of funds contributed by each party. MTA's funding commitment represents 18.1% of the \$1.98 billion total project cost.
4. The \$358.6 million exceeds the \$350 million committed through the MTA Long Range Transportation Plan ("the Long Range Plan") by \$8.6 million because those funds had been programmed before the Long Range Plan was adopted in March 1995.
5. The MTA currently has programmed:
  - \$ 8.6 million programmed in the FY 1993-94 Call for Projects
  - \$ 91.5 million programmed in the FY 1995-96 Call for Projects
  - \$ 40.0 million programmed through the 1996 STIP
  - \$140.1 million total programmed to-date

The \$91.5 million programmed to the Project in the FY 1995-96 Call for Projects includes \$11.5 million programmed to the City of Los Angeles. The projects funded with the \$11.5 million programmed to the City are not included in the Environmental Impact Statement (EIS) for the Alameda Corridor. Nevertheless, the projects and the \$11.5 million remain part of the MTA's Alameda Corridor commitment.

6. Therefore, the total commitment of funds to the Project is as follows:
  - \$337.6 million Programmed Funds
  - \$ 21.0 million MTA projected financing expense
  - \$358.6 Total MTA Commitment