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**CONSTRUCTION COMMITTEE
JUNE 18, 2009**

**PROJECT: RED LINE SEGMENT 3 CLOSE-OUT
UNIVERSAL CITY STATION PEDESTRIAN BRIDGE**

**ACTION: AUTHORIZE PRELIMINARY ENGINEERING AND NEGOTIATION
SUPPORT AND AMEND THE FY10 BUDGET**

RECOMMENDATION

- A. Increase the Life of Project authorization for Project 809082, Red Line Segment 3 Close-out in the amount of \$1.5 million, increasing the previous authorization amount of \$3,639,000 to \$5,139,000;
- B. Amend the FY10 budget to add \$1.5 million of revenues and expenses to Project 809082 Red Line Segment 3 Close-out; and
- C. Authorize the Chief Executive Officer to proceed with Preliminary Engineering and negotiation support for the Universal City Station Pedestrian Bridge in the amount of \$1.5 million

RATIONALE

In October 2002, staff went to the Board to seek approval of a new total capital budget of \$26,408,000 for Project 800115, Universal City Station Site Enhancements. This proposed new project was to fund (1) Contract C0322, Universal City Station Pedestrian Underpass and (2) Contract C0324, Universal City Site Improvements. The obligation to construct a pedestrian underpass arose out of a March 1994 Memorandum of Understanding (MOU) with MCA (now NBC Universal) entered into as part of acquiring real estate for the Universal City Red Line subway station. Contract C0322 was initially advertised in August 1999, but all bids were rejected due to higher than anticipated bids. Subsequently, the underpass was redesigned and rebid. In October 2002, the Board chose to only authorize funds for contract C0324. Consequently, for a second time all C0322 bids were rejected due to cost considerations.

NBC Universal filed a tort claim for construction of the pedestrian underpass. The parties have tolled the claim for the past six years. NBC Universal has expressed a willingness to explore a pedestrian bridge in lieu of the more costly pedestrian underpass. The bridge

would be located on the eastern edge of the proposed Universal City Station transit oriented development site which is being discussed in ongoing meetings between Metro, NBC Universal and Thomas Properties Group. The purpose of this action is to establish a budget for consultant, third party and agency staff to investigate the feasibility of Universal's proposed bridge concept, perform preliminary engineering for various design concepts, perform additional site investigations at foundation locations, prepare an Environmental Assessment in accordance with state and federal laws, prepare cost estimates and to provide support to County Counsel to negotiate a revised contract with Universal to supersede the previous agreement which called for construction of the pedestrian underpass. If such an agreement is reached, we would bring the matter back to the Board for approval along with a request to approve a life-of-project budget for final design and construction.

FINANCIAL IMPACT

This action will amend the FY10 budget to add \$1.5 million of expense and revenues to Project 809082 Red Line Segment 3 Close-out in Cost Center 8510. The source of funds is Prop C 40% discretionary revenues. These funds are eligible for bus and rail operating and capital expenses.

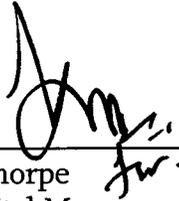
Project 809082 was established to complete all remaining construction and contract close-out activities for the Red Line Segment 3. As part of the annual budget process, the Board has authorized an expenditure level (similar to life-of-project budget for capital projects) of \$3.6 million. This action will increase this authorization to \$5.1 million. As noted above, once the preliminary engineering is completed and agreements reached, the life-of-project budget for construction activities will be brought to the Board for approval.

Since this is a multi-year project, the Deputy Chief Capital Management Officer will be accountable for budgeting the costs in future years.

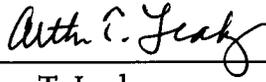
ALTERNATIVES CONSIDERED

The Board may choose not to proceed with these actions for this project. We do not recommend this alternative because the tort claim would remain unresolved.

Prepared By: Roger F. Dames, Deputy Executive Officer



Richard Thorpe
Chief Capital Management Officer



Arthur T. Leahy
Chief Executive Officer

