



Metro

December 15, 2016

TO: BOARD OF DIRECTORS

FROM: PHILLIP A. WASHINGTON
CHIEF EXECUTIVE OFFICER PAW

**SUBJECT: FULL FUNDING GRANT AGREEMENT FOR THE WESTSIDE PURPLE
LINE EXTENSION – SECTION 2**

ISSUE

Earlier today, on behalf of our agency, I signed a series of FFGA documents at the U.S. Department of Transportation formalizing this multi-year agreement. Next week, our professional staff will be in Washington DC to close a related \$307 million Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for Section 2. The signing today occurred because the FFGA is a required document for the TIFIA loan closing next week and given that I was scheduled to be in Washington, DC today for a previously planned meeting of the newly formed Federal Advisory Committee on Transportation Equity, I wanted to secure the grants and loans as quickly as possible.

I want to personally thank all Metro Board members and their staffs for their exceptional support as we have worked together to advance an unprecedented three active FFGA's for Los Angeles County: the Regional Connector, the WPLE Section 1, and now the WPLE Section 2 projects. I also want to extend my appreciation to U.S. Transportation Secretary Anthony Foxx (who I personally thanked today) and Acting Federal Transit Administration Administrator Carolyn Flowers for working hard to ensure this FFGA moved forward in a deliberate and effective manner.

BACKGROUND

The Federal Fiscal Year 2017 New Starts Report issued by the Federal Transit Administration recommended a Full Funding Grant Agreement (FFGA) for the Westside Purple Line Extension (WPLE) Section 2 in the amount of \$1.187 billion. Section 2 of the WPLE would extend this heavy rail line from the future Wilshire/La Cienega Station to a future station in Century City at a total FFGA cost of \$2.5 billion (\$2.4 billion if one excludes interest expenses as is Metro's long-standing practice). The federal support for the project includes the \$1.187 billion FFGA signed earlier today and the \$307 million low-interest federal loan that we are seeking to close early next week in Washington, DC.

NEXT STEPS

We are working with the U.S. Department of Transportation to confirm the morning of January 4, 2017 for our agency to hold, in Los Angeles County, a ceremonial event marking both Full Funding Grant Agreement and TIFIA loan for the WPLE (Section 2). All Board members and stakeholders will be extended a formal invitation to join with our agency and the U.S. Department of Transportation to mark a welcome milestone in the construction of the Westside Purple Line Extension project.

Finally, it is imperative for us all to remember that the total \$3.1 billion in New Starts funds we have now secured are the keystone to a Countywide program of \$9.5 billion in Measure R projects that are now completed or under construction, as follows:

Measure R Projects Completed or Under Construction

(Year of Expenditure dollars in millions)

Project	Total Project Cost
Regional Connector*	1,402.9
Westside Purple Line Extension Section 1*	2,822.0
Westside Purple Line Extension Section 2*	2,499.2
Orange Line Canoga Extension	154.1
Exposition Blvd. Light Rail Transit Phase II	1,511.2
Gold Line Foothill Extension (to Azusa)	851.1
Crenshaw/LAX Transit Corridor	2,058.0
I-5/SR-14 Capacity Enhancement	175.8
I-5 South Carpool & Mixed Flow Lanes from I-605 to Orange County	1,344.4
I-5 Carmenita Road Interchange Improvement	419.8
I-5 North Carpool Lanes from SR-134 to SR-170	607.0
SR-138 Capacity Enhancements	243.0
TOTAL	9,514.1

*Project costs are those in the Full Funding Grant Agreements which include finance charges and exclude planning costs.

These three active FFGA's were the result of years of hard work on behalf of Los Angeles County by our Metro Board of Directors and our professional staff, who have worked diligently with the U.S. Department of Transportation to demonstrate that Metro has the technical and financial capacity to warrant the investment of \$3.1 billion in federal New Starts funds for the program of projects shown above.