



Metropolitan  
Transportation  
Authority

September 15, 1998

One Gateway Plaza  
Los Angeles, CA  
90012-2932

(213) 922-2000

**TO: BOARD OF DIRECTORS**

**FROM: ALLAN G. LIPSKY** *AL*  
**DEPUTY CEO**

**SUBJECT: SEGMENT 3 - NORTH HOLLYWOOD PROJECT COSTS**

The Daily News may report tonight that the project budget for North Hollywood is tightening because additional overhead allocations have absorbed the remaining project contingency. None of the issues raised by reporter Beth Barrett are new. The CEO reported to the Board earlier this year that the budget line item for Segment 3 agency overhead would have to increase. Actually, overhead reductions achieved in the current fiscal year budget will reduce the projected increase.

Construction department staff does not believe any change in the project budget is required. We will provide more information when we have the text of the Daily News article.