

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: June 5, 2019

To: Honorable City Council
c/o City Clerk, Room 395
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds,  General Manager
Department of Transportation

Subject: **Overland Avenue / Motor Avenue / Exposition Light Rail Line Phase II / Expo Bike Path Northvale Gap Closure Project**

SUMMARY

Council File 09-1295-S5 directs the Department of Transportation (LADOT) to report back on the status of the Expo Bike Path Northvale Gap Closure Project between Overland and Motor Avenues. This report provides an update on the project budget, and on the status of design and construction.

RECOMMENDATIONS

1. AUTHORIZE LADOT and the Bureau of Engineering (BOE) to begin real estate acquisition required to construct the Expo Bike Path Northvale Gap Closure Project; and to expend funds for this purpose, as needed, from the \$4.2 million appropriated in the Measure R Local Return Fund 51Q, "Expo Bike Path Northvale Gap Closure Project" Account.
2. DIRECT LADOT to work with the City Administrative Officer (CAO), Chief Legislative Analyst (CLA), and Los Angeles County Metropolitan Transportation Authority (Metro) to identify funding sources to bridge the projected funding gap that currently ranges from \$4,946,000 to \$11,475,000, depending on real estate acquisition needs.

BACKGROUND

The Exposition Light Rail project included a contiguous bike path from Downtown Los Angeles to Santa Monica. However, a significant gap in the bikeway network remains between Overland Avenue and the bike lanes on Motor Avenue. As an interim solution, LADOT placed shared pavement markings or "sharrows" on Northvale Road to facilitate bicycle travel between Overland Avenue and Motor Avenue. However, a permanent bicycle facility is necessary to establish a continuous bicycle network. Closing this 0.7-mile gap will achieve a regionally-significant bikeway network (consisting of Class I and Class II bikeways) for a distance of over 14 miles from USC/Exposition Park to the beach in Santa Monica.

LADOT secured a \$4.4 million grant through Metro's 2009 Call for Projects for the design and construction of the Expo Bike Path Northvale Gap Closure Project. The City committed \$1.1 million in local matching funds for an original project budget of \$5.5 million. However, in November of 2011, the City executed a

lawsuit settlement agreement with the owners of eight of twelve residential parcels affected by the bike path project. As a result of this settlement agreement, the scope of the project broadened to include a sound wall between the bike path and the homes, as well as compensation to the plaintiffs for up to fee simple value (market value) for the portion of each parcel containing the sewer easement.

In addition to the funds awarded by Metro and the City's local match, this project was appropriated a total of \$2,520,000 in Transportation Development Act/Local Transportation Funds (TDA/LTF) in the Fiscal Year 2018-2019 budget. In July 2018 LADOT applied for grant funding from the State's Active Transportation Program (ATP) Cycle 4 to close the budget shortfall, but was not granted funding.

On December 11, 2018, Council authorized LADOT to receive a \$4.2 million refund from the Metro Exposition Line Construction Authority to support the completion of the design and construction of this bicycle facility, but a budget shortfall ranging from \$4,946,000 to \$11,475,000 remains.

DISCUSSION

Project Scope

In the City of Los Angeles (City), the existing bike path contiguous to the Exposition Light Rail alignment runs from Venice Boulevard/Robertson Boulevard to Centinela Avenue, within the right-of-way (ROW) owned by Metro. However, the bike path terminates on the approaches to and under the Santa Monica Freeway (10 Freeway), where the Metro ROW narrows significantly. Hence, the City developed and refined a proposal to close the bikeway gap between Overland Avenue and Motor Avenue, which includes two distinct contexts: (1) a 0.42-mile section between Putney Road and a point 500 feet east of Dunleer Drive, wherein the bike path will run along a new sidewalk on the south side of Northvale Road; and (2) a 0.28-mile section outside of the public ROW, between a point 500 feet east of Dunleer Drive and Motor Avenue, wherein the bike path will be built within an existing utility easement. The utility easement is situated between 12 residential parcels to the north and the Exposition Light Rail alignment to the south. The project will also install a new traffic signal where the bike path terminates at Motor Avenue about 500 feet south of Walavista Road, to provide a safe crossing for bicyclists and pedestrians.

Design and Construction Status

BOE reports that they have completed the 50 percent construction documents. The current design incorporates input the City received in a series of meetings with the litigants and the community, the last of which occurred on June 26, 2018.

The design and construction schedule is as follows:

| | |
|---|---------------|
| Begin right-of-way acquisition | July, 2019 |
| Completion of 100% construction documents | July, 2020 |
| Complete right-of-way acquisition | July, 2021 |
| Advertisement of construction contract | July, 2021 |
| Award of construction contract | January, 2022 |
| Completion of construction | July, 2023 |

Updated Cost Estimates and Funding Shortfall

Based on the latest assessment of project costs and available funding, the project has an estimated budget shortfall of \$4.946 million to \$11.475 million, according to the best case and the worst case real estate cost scenarios, respectively. As summarized in the table below, the estimated project cost varies depending on the outcome of real estate acquisition. BOE’s Real Estate Division, after recent consultations with the City Attorney’s Office, determined that real estate cost estimates should assume a best case 95 percent and a worst case 50 percent diminution in the value of the land with the utility easement, due to the legal restriction that prevents the underlying fee owner from placing improvements within the easement. Overall, the funding shortfall is attributed to the obligations of the settlement to provide real estate compensation and a sound wall, as well as the complexity of building a bike path along/above sloped terrain.

| EXPO NORTHVALE GAP CLOSURE PROJECT COST ESTIMATE (\$000s) | | | | |
|--|---------------|------------|---------------------|-----------------|
| BEST CASE SCENARIO (95% Diminution on Land Value) | | | | |
| | Design | ROW | Construction | TOTAL |
| Total Project Cost (4/15/19) | \$ 2,165 | \$ 735 | \$ 14,287 | \$ 17,187 |
| Funding Secured | | | | |
| 2009 Metro Call for Project (includes 20% Local Match) | \$ 2,165 | \$ 313 | \$ 3,043 | \$ 5,521 |
| Expo Light Rail Refund | | | | \$ 4,200 |
| TDA/LTF (Fiscal Year 2018) | | | | \$ 1,260 |
| TDA/LTF (Fiscal Year 2019) | | | | \$ 1,260 |
| <i>Total</i> | | | | \$ 12,241 |
| Budget Shortfall | | | | \$ 4,946 |

| WORST CASE SCENARIO (50% Diminution on Land Value) | | | | |
|---|---------------|------------|---------------------|------------------|
| | Design | ROW | Construction | TOTAL |
| Total Project Cost (4/15/19) | \$ 2,165 | \$ 7,264 | \$ 14,287 | \$ 23,716 |
| Funding Secured | | | | |
| 2009 Metro Call for Projects (includes 20% City Match) | \$ 2,165 | \$ 313 | \$ 3,043 | \$ 5,521 |
| Expo Light Rail Refund | | | | \$ 4,200 |
| TDA/LTF (Fiscal Year 2018) | | | | \$ 1,260 |
| TDA/LTF (Fiscal Year 2019) | | | | \$ 1,260 |
| <i>Total</i> | | | | \$ 12,241 |
| Budget Shortfall | | | | \$ 11,475 |

Next Steps

To refine the project's cost estimate, and reduce risks and uncertainties, it is necessary to initiate real estate acquisition and to complete the construction documents as soon as possible. Therefore, LADOT recommends using the \$4.2 million Metro Exposition Line Construction Authority refund, or a portion thereof, for real estate acquisition to supplement the \$313,000 Metro CFP grant amount programmed for ROW costs. LADOT will work with Metro to extend the lapse date and/or re-program the funds to ensure that these existing Metro grant funds are secure.

LADOT will also work with Metro to identify projects that had previous financial commitment from Metro but are no longer viable and re-purpose these funds to this project. Other funding sources may include Measure R, TDA/LTF, Proposition C, West LA Transportation Improvement and Mitigation Funds, developer fees, and other grant opportunities.

FINANCIAL IMPACT

The City must address a project budget shortfall in order to complete the project. However, since various funds are eligible for this project, the General Fund should not be impacted.

If the City fails to deliver the project, it may be required to return the amount of Federal grant funds already reimbursed for expenditures.

c: Diego de la Garza, Mayor's Office
Gary Lee Moore, Bureau of Engineering