

South Bay Cities Council of Governments

April 23, 2020

To: SBCCOG Board of Directors

From: Jacki Bacharach, Executive Director
Steve Lantz, Transportation Director

Subject: Metro Budget Request Amendment For Redondo Beach Park & Ride Facility
Cost Increase

Adherence to Strategic Plan:

Goal A: Environment, Transportation, and Economic Development. Facilitate, implement, and/or educate members and others about environmental, transportation, and economic development programs that benefit the South Bay. Strategy 5 – Actively pursue opportunities for infrastructure funding for member agencies.

BACKGROUND

The SBCCOG approved and submitted the FY 2019-20 South Bay Measure M Multi-Year Sub-Regional Programs Metro Budget Request (MBR) which recommended \$4.5 million in initial funding for a new Redondo Beach Park & Ride facility adjacent to the South Bay Galleria to Metro staff in February 2019. The Metro Board approved the initial Measure M Funding Agreement (# 9200000000M55085 & Project#: MM5508.05), using \$4.5 million in South Bay Measure M Transportation System Mobility Improvement 2 (TSMIP 2) funding at its September 26, 2019 meeting.

The SBCCOG submitted the FY 2020-21 MBR on March 9, 2020. Metro expects to act on the FY 2020-21 MBR request at its May 2020 Board Meeting..

Subsequent to the SBCCOG FY 2020-21 MBR submittal in mid-February 2020, the city received bids for the Park and Ride facility that were \$2.75 million higher than originally estimated resulting in a request for a cost to complete amendment increasing the cost estimate to \$7.25 million. The city is requesting SBCCOG support for amending the MBR to include the \$2.75 increase.

Redondo Beach staff has noted that the additional funds will not be needed until FY 2021-22. To allow the project to proceed without delay, SBCCOG support now would allow the city and Metro to execute the project funding agreement amendment to provide timely availability of the \$2.75 million additional TSMIP 2 funds.

SBCCOG has previously programmed all but \$3 million in TSMIP 2 available through FY 2021-22. Commitment of an additional \$2.75 million in FY 2021-22 will reduce available Measure M TSMIP II funding for future cost increases on other active projects or new projects in FY 2022-23 from approximately \$3 million to approximately \$250,000. However, approximately \$10 million uncommitted TSMIP 2 funding may be available in FY 2023-24 and \$34 million

available for cost increases or new projects in 2024-25. These estimates do not reflect potential reductions in sales tax revenues or project delays due to the economic impacts of COVID-19.

Funding the Redondo Beach project cost increase in FY 2021-22 rather than FY 2020-21 would reduce delay risks for other projects that may experience cost-to-complete project increases during the next two years.

Since this item arose after posting of the Board of Directors agenda and Metro is expected to adopt its budget in May or June 2020, this item will need to be considered as an urgency matter.

RECOMMENDATION

The SBCCOG Board requests L. A. Metro approve a Funding Agreement Amendment to program in the FY 2021-22 Metro Budget an additional \$2.75 million in TSMIP 2 funding for the Redondo Beach Park and Ride Facility project (MM 5508.05).