

**Metro Gold Line Foothill Extension Construction Authority Board Meeting
 Arcadia City Council Chambers
 240 West Huntington Drive
 Arcadia, California 91007
 July 27, 2011
 9:30 A.M.**

1. Call to Order:

Chairman Tessitor called the meeting to order at approximately 9:44 AM.

2. Roll Call:

Member	Appointing Entity	Present	Absent
Voting Members			
Doug Tessitor, <i>Chair</i>	City of Pasadena	X	
Sam Pedroza, <i>1st Vice Chair</i>	SGVCOG	X	
Ed Reyes, <i>2nd Vice Chair</i>	City of Los Angeles		X
Keith Hanks	City of South Pasadena	X	
John Fasana	LACMTA	X	
Non-Voting Members			
Lara Larramendi	Governor of California		X
Bill Bogaard	City of Pasadena	X	
Daniel Evans	City of South Pasadena	X	
Alternate Members			
Gerry Miller	City of Los Angeles	—	—
Mary Ann Lutz	SGVCOG	—	—

3. Pledge of Allegiance

John Fasana led the Pledge of Allegiance.

4. Public Comments on Items On/Off Agenda

Chairman Tessitor requested any public comments on or off the Agenda. Chairman Tessitor noted that several public comments cards with the majority requesting to comment on Agenda Items 5 and 6 and few for additional items on the Agenda. Chairman Tessitor requested that Public Comment for Agenda Item 6 be conducted at the time of the item and that the remaining can be made at this time.

Christopher Sutton addressed the Board. Mr. Sutton introduced himself as counsel for George and Diana Brokate and Excalibur Properties Holdings. Mr. Sutton indicated that with regard to Agenda Item 5, that the proposed contract with the City of Monrovia and the Monrovia Redevelopment Agency, Mr. Silverstein had previously submitted objections regarding the contract to the Board. Mr. Sutton indicated that a conflict exists with Mayor Mary Ann Lutz who is a Board member of the Construction Authority as well as the Mayor of Monrovia and she also serves on the Monrovia

Redevelopment Agency. Mr. Sutton cited various legal and government codes in regards to the alleged conflict. Mr. Sutton indicated that with regard to Closed Session Agenda Item 7.c. that the Board may be seeking to hire counsel to defend the Metro Gold Line Phase II Joint Powers Authority (JPA) for a possible Quo Warranto action that may be brought against the JPA. Mr. Sutton indicated that no such action has been filed by his firm, but may do so in the future. Mr. Sutton provided his observations as to why the Board would take such an action. Mr. Sutton indicated that with regard to Agenda Item 10.c. that the Board has no authority to allow the Chief Executive Officer to enter into a Design-Build contract and that the Construction Authority is prohibited from doing so under the state's procurement laws.

Mr. Robert Silverstein addressed the Board. Mr. Silverstein introduced himself as an attorney for George and Diana Brokate and Excalibur Property Holdings whose property is located in Monrovia at the proposed Maintenance and Operations facility (M&O facility) site. Mr. Silverstein indicated that with regard to Agenda Item 5 that an action by the Board was premature since the City of Monrovia has indicated that no agreement has been reached to the Purchase and Sale Agreement (PSA). Mr. Silverstein indicated that the City of Monrovia does not have the legal authority to execute the PSA at this time and his firm is challenging the continuance ordinance with regard to the Monrovia Redevelopment Agency. Mr. Silverstein indicated that the PSA would also be an unconstitutional gift of public funds under the civil code due to the amount being proposed in the PSA as well as the additional public improvements. Mr. Silverstein indicated that the amount was well in excess of the property appraisal. Mr. Silverstein indicated that the Construction Authority was offering \$44,361,782 for the same property that a few weeks prior had offered \$13,000,000. Mr. Silverstein indicated that the Quo Warranto petition against this Board has been filed with the Los Angeles County District Attorney's office and could possibly invalidate any action taken by this Board due to conflicts of interests. Mr. Silverstein requested that with regard to Closed Session Agenda Item 7, that the comments he made orally today as well as the written objections submitted today be made part of the record. Chairman Tessitor indicated that he agreed that the courts will be the final arbitrators as to the fact and that Mr. Silverstein's comments are merely allegations at this point.

Henry Gray, a resident of the City of Monrovia, addressed the Board regarding the ongoing negotiations for property in the Maintenance and Operation Facility location with the City of Monrovia. Mr. Gray requested that all parties move as expeditiously and fairly as possible toward a resolution.

Ms. Shanna Rockenbach, President of the Monrovia Chamber of Commerce addressed the Board. Ms. Rockenbach indicated that she and the businesses in the area are supportive of the project and urged the Board to approve the PSA. Ms. Rockenbach indicated that the local businesses are eagerly awaiting the Gold Line and the positive impact the project will have in the area.

Mr. Robert Davies, private citizen, addressed the Board. Mr. Davis indicated that he has followed the project from the beginning. Mr. Davis indicated that the sooner the Gold Line is completed the sooner residents in the San Gabriel Valley will have an alternative to the congested I-210 freeway. Mr. Davis urged all parties to resolve all

disputes and keep the promise of Measure R by completing this project.

Ms. Lisa Bailey, President and CEO of the Irwindale Chamber of Commerce and a member of the San Gabriel Valley Legislative Coalition of Chambers, addressed the Board. Ms. Bailey indicated her support of the much-needed Metro Gold Line. Ms. Bailey indicated that she is a regular patron on the Gold Line into downtown LA and looks forward to the project extending further into the San Gabriel Valley. Ms. Bailey urged the Board to approve the PSA.

Mr. Blaine Fetter of Boone Fetter Associates addressed the Board. Mr. Fetter indicated his support of the project and urged the Board to approve the PSA. Mr. Fetter indicated that he has been a long-time supporter of the Gold Line and that by approving the PSA and building a M&O facility in Monrovia would be a progressive step for the valley. Mr. Fetter thanked the City of Monrovia for being willing to locate the M&O facility within the city.

Mr. Alan Weeks addressed the Board. Mr. Weeks indicated that he is an avid supporter of public transit and has seen the Pacific Electric red and yellow cars come and go and that the Metro Gold Line would be a win-win for the region. Mr. Weeks indicated that the project enjoys wide public support and urged the Board to approve the PSA.

Chairman Tessitor requested if there were any additional speakers on Agenda Items 4, 5, 7 or 10, seeing and hearing none, Chairman Tessitor closed public comment.

5. Authorize the CEO to Execute Purchase and Sale Agreement for Real Property and Public Improvements Agreement for the Maintenance and Operation Facility with the City of Monrovia and the Monrovia Redevelopment Agency

Chairman Tessitor requested a report from staff. Mr. Balian provided the report. Mr. Balian indicated that as a requirement of the Funding Agreement with Metro, the Construction Authority must provide a Maintenance and Operation Facility. Mr. Balian indicated that Metro is responsible for seventy-five percent (75%) of the capital real estate cost for the M&O facility. Mr. Balian indicated that the Construction Authority and the City of Monrovia have come to an agreement and is seeking authorization to execute the agreements.

Vice Chair Pedroza inquired what the price per square foot would be. Chris Burner, Chief Project Officer, indicated the cost would be approximately thirty dollars (\$30) per square foot but also indicated that the amount does not include other compensation such as loss of tax revenue, actual costs in acquiring the property by the City of Monrovia as well as other costs such as relocation of prior property owners, demolition of a prior building on the site and some carrying costs for the property.

Board Member Fasana inquired if the Agreements are approved today, is it correct that the earliest that the City of Monrovia and the Monrovia Redevelopment Agency would be able to execute the Agreements would be September? Mr. Balian indicated

that was correct due to a process that the City must engage to reconstitute the Monrovia Redevelopment Agency.

Board Member Hanks made a motion to Authorize the CEO to Execute the Purchase and Sale Agreement for Real Property and Public Improvements Agreement for the Maintenance and Operation Facility with the City of Monrovia and the Monrovia Redevelopment Agency. Chair Tessitor requested a second. Vice Chair Pedroza seconded the motion. Chair Tessitor requested a roll call vote. The Clerk conducted a roll call vote which was approved unanimously by a vote of four to zero (4-0) with one voting Board Member absent.

6. Hearing on Resolutions of Necessity

- i. Consideration of Adoption of a Resolution of Necessity for the Acquisition by Eminent Domain of Certain Real Property Interests located at 520 – 622 E. Evergreen Avenue in the City of Monrovia, and further Identified as Los Angeles County Tax Assessor's Parcel Numbers 8513-012-032 to 036, for Public Purposes, Namely for Public Transit Purposes.
- ii. Consideration of Adoption of a Resolution of Necessity for the Acquisition by Eminent Domain of Certain Real Property Interests located at 1630 S. California Avenue in the City of Monrovia, and further Identified as Los Angeles County Tax Assessor's Parcel Number 8513-012-043, for Public Purposes, Namely for Public Transit Purposes.
- iii. Consideration of Adoption of a Resolution of Necessity for the Acquisition by Eminent Domain of Certain Real Property Interests located at 1532 S. California Avenue in the City of Monrovia, and further Identified as Los Angeles County Tax Assessor's Parcel Number 8513-012-054, for Public Purposes, Namely for Public Transit Purposes.

Chairman Tessitor requested the Clerk of the Board to read the Agenda Item and the Resolutions of Necessity. The Clerk of the Board opened public comment and read the three resolutions of necessity as indicated in the Board report.

Chairman Tessitor requested a report from the Assistant General Counsel. Ms. Regina Danner provided the report. Ms. Danner indicated that the Board has three Resolutions of Necessity to be considered. Ms. Danner indicated that the real property sought to be acquired in fee simple are located at 520 through 622 East Evergreen Avenue, 1630 South California Avenue, and 1532 South California Avenue, all within the City of Monrovia. Ms. Danner indicated that the real property is needed for public transit purposes, which consists of the construction and operation of a maintenance and operations facility, as well as Phase II of the Metro Gold Line Foothill Extension light rail line. Ms. Danner indicated that in order to adopt the Resolution of Necessity, the Authority Board must find and determine, with respect to each proposed acquisition, that the public interests and necessity require the proposed project; that the proposed project is planned and located in the manner that would be most compatible with the greatest public good and the least private injury;

that the public property interests described in the individual Resolutions of Necessity are necessary for the proposed project; and that the Authority has made an offer, as required by Government Code Section 7267.2, to the owners of record of the real property it seeks to acquire. Ms. Danner indicated that the proposed project involves construction of a public transit system that extends the existing light rail line in Pasadena, east to the city of Azusa. Ms. Danner indicated that this will make light rail service available to the residents of the cities of Arcadia, Monrovia, Duarte, Irwindale, Azusa, and their surrounding communities. Ms. Danner indicated that the proposed project also calls, in part, for the development of a Maintenance and Operations facility. Ms. Danner indicated that the Maintenance and Operations facility will have the capacity for the storage and maintenance of up to 104 light rail vehicles. Ms. Danner indicated that the facts, according to core findings, are set forth in the Agenda Report and are incorporated into the record of this proceeding. Ms. Danner indicated to the Board that based on those facts, as well as the facts contained in the environmental and project documents, which are also incorporated into the record of this proceeding, it is staff's recommendation that the Board adopt each of the three Resolutions of Necessity.

Chairman Tessitor indicated that he had several public speaker cards for this Agenda Item and requested if there were additional members of the public who wished to speak on this item and had not filled out a card to do so now.

Mr. Robert Silverstein addressed the Board. Mr. Silverstein introduced himself as counsel for Excalibur Property Holdings and George and Diana Brokate. Mr. Silverstein reminded the Board that he had submitted written objections and that they are joint objections with regard to Agenda Items 5, 6 and 10.c. Mr. Silverstein indicated the objections were two bound volumes dated July 27, 2011 as well as another bound volume containing various CEQA objections and documents relating to the ongoing CEQA litigation. Mr. Silverstein indicated that his client does not oppose the Gold Line; however he does oppose location of the M&O facility which will cause an eminent domain action against his client. Mr. Silverstein indicated that his client has owned the property since 1951 and has requested that his property be excluded from the M&O facility site as has been done with the 3M facility which is adjacent to his clients' property. Mr. Silverstein indicated that he had previously requested on July 21, 2011, the continuance of these proceeding until all outstanding public records requests submitted by his firm had been completed. Mr. Silverstein indicated that the lack of completed records request will prejudice his client. Mr. Silverstein indicated that there is ongoing CEQA litigation against the Board and the Construction Authority and that continuing to proceed would be at their own peril. Mr. Silverstein indicated that after the October court date regarding the CEQA litigation, that one of the parties will be appealing the matter and urged the Board to go back and do a supplemental EIR correctly. Mr. Silverstein indicated that if his client prevails in the CEQA matter, it would invalidate any eminent domain proceedings. Mr. Silverstein indicated that a formal Quo Warranto complaint has been filed with the District Attorney's office regarding incompatible offices and conflict of interest. Mr. Silverstein indicated that a separate lawsuit had been filed regarding the proposed real property transaction between the City of Monrovia and the Construction Authority. Mr. Silverstein indicated the City of Monrovia had entered into a settlement agreement with his client not to use

eminent domain or would cause an eminent domain proceeding to be brought against his client. Mr. Silverstein indicated that by executing the PSA the City would indeed cause an eminent domain proceeding against his client. Mr. Silverstein cautioned the Board about using the power of eminent domain. Mr. Silverstein indicated that amount being proposed to pay the City of Monrovia for real property is an unconstitutional gift of public funds and this would also invalidate the eminent domain proceedings against his client. Mr. Silverstein indicated that the existence and actions of the Board and Construction Authority are improper because they exceed the authority provided in the Public Utilities Code. Mr. Silverstein indicated that this body (Construction Authority Board) can only build a project which includes a mass transit guideway and this project does not fit the definition of a guideway. Mr. Silverstein indicated that major fundamental errors in the entire process have occurred which undermines all actions taken today. Mr. Silverstein reiterated that all the objections presented orally and in writing are joint objections and apply fully and equally to Items 5, 6, 7 and 10.c.

Mr. Christopher Sutton addressed the Board. Mr. Sutton introduced himself as an attorney for Excalibur Property Holdings and George and Diana Brokate. Mr. Sutton urged the Board to allow staff time to review and respond to the objections that have been submitted today. Mr. Sutton requested that his previous comments regarding conflict of interest on Agenda Item 5 be incorporated by reference. Mr. Sutton indicated that the eminent domain actions being considered were improper because not all alternative locations for the M&O facility have been explored as required. Mr. Sutton indicated that some city council and Board members may have connections with owners of other possible M&O sites both in terms of direct ownership and campaign contributions. Mr. Sutton requested that his comments be incorporated on Agenda Item 10 as well. Mr. Sutton indicated that the Construction Authority is prohibited by law from entering into a design build contract and without the contract there was no need for the eminent domain proceedings. Mr. Sutton indicated that the staff had waived its right to take the 3M property and that in order to access his clients property, the Construction Authority would need to acquire the Monrovia and Monrovia Redevelopment properties first, so there is no need to have the eminent domain proceedings at this time. Mr. Sutton indicated that the eminent domain proceedings are an attempt to take private property while offering small amounts of money, yet willing to pay large sums for Monrovia and Monrovia Redevelopment Agency properties.

Mr. Henry Gray, Monrovia citizen, addressed the Board. Mr. Gray indicated he was in support of the Resolutions of Necessity and urged the Board to move forward. Mr. Gray indicated that he believed good faith negotiations have taken place with the property owners. Mr. Gray indicated that the project overwhelmingly serves the public good. Mr. Gray urged all parties to use common sense and stop being adversarial.

Mr. Alan Weeks, private citizen, addressed the Board. Mr. Weeks indicated his support for the Resolutions of Necessity to continue the momentum of the project.

Chairman Tessitor requested if there were any additional speakers on this Agenda Item, seeing and hearing none, Chairman Tessitor closed public comment.

Board Member Fasana inquired that if the Resolutions of Necessity were adopted today, would negotiations continue with the property owners. Mr. Balian indicated that discussions would continue in hopes of resolving the condemnation issues.

Vice Chair Pedroza requested an update on the negotiations with the property owners. Assistant General Counsel Regina Danner indicated that written offers had been extended to each property owner. Ms. Danner indicated that discussions with willing parties have occurred and that some parties are not willing to negotiate but that staff would be willing to talk to everyone. Ms. Danner indicated that through discussions, staff has been able to reach agreement with two of the property owners.

Board Member Fasana made a motion that the Resolution entitled, a Resolution of Necessity of the Pasadena Metro Blue Line Construction Authority, also known as the Metro Gold Line Foothill Extension Construction Authority, declaring certain real property interests, identified as Los Angeles County Tax Assessor's Parcel Numbers 8513-012-032 to 036, and further identified as 520 through 622 East Evergreen Avenue in the city of Monrovia, necessary for public purposes and authorizing the acquisition thereof for public transit purposes, be adopted. Board Member Hanks seconded the motion. Chair Tessitor requested a roll call vote. The Clerk conducted a roll call vote of voting members which was approved unanimously by a vote of four to zero (4-0) with one voting Board Member absent.

Vice Chair Pedroza made a motion that the Resolution entitled, A Resolution of Necessity of the Pasadena Metro Blue Line Construction Authority, also known as the Metro Gold Line Foothill Extension Construction Authority, declaring certain real property interests, identified as Los Angeles County Tax Assessor's Parcel Number 8513-012-043, and further identified as 1630 South California Avenue in the city of Monrovia, necessary for public purposes and authorizing the acquisition thereof for public transit services. Board Member Fasana seconded the motion. Chair Tessitor requested a roll call vote. The Clerk conducted a roll call vote of voting members which was approved unanimously by a vote of four to zero (4-0) with one voting Board Member absent.

Board Member Hanks made a motion that the Resolution entitled, A Resolution of Necessity of the Pasadena Metro Blue Line Construction Authority, also known as the Metro Gold Line Foothill Extension Construction Authority, declaring certain real property interests, identified as Los Angeles County Tax Assessor's Parcel Number 8513-012-054, and further identified as 1532 South California Avenue in the city of Monrovia, necessary for public purposes and authorizing the acquisition thereof for public transit purposes. Vice Chair Pedroza seconded the motion. Chair Tessitor requested a roll call vote. The Clerk conducted a roll call vote of voting members which was approved unanimously by a vote of four to zero (4-0) with one voting Board Member absent.

Chairman Tessitor indicated that the Board has been discussing these items for a number of months and had remained hopeful that agreements could be reached with all parties and will continue those discussions. Chairman Tessitor indicated that the

Board would not agree to terms that are not in the public's interests and against the Board mandate as a public agency. Chairman Tessitor indicated that the Construction Authority and the Project are recipients of taxpayer funds and it is the Board's obligation to make sure that the funds are spent prudently and efficiently.

7. Closed Session

A. CONFERENCE WITH REAL PROPERTY NEGOTIATORG.C. 54956.8

- (i) Property: (1) 8513-012-804; (2) 8513-012-908; (3) 8513-012-909;
(4) 8513-012-910; (5) 8513-012-911; (6) 8513-012-912

Agency Negotiator: Habib F. Balian and Wes Beverlin, Esq.
Negotiating Parties: Monrovia Redevelopment Agency
Under Negotiation: Price and terms

- (ii) Property: "Little Duarte Road"

Agency Negotiator: Habib F. Balian and Wes Beverlin, Esq.
Negotiating Parties: City of Monrovia
Under Negotiation: Price and terms

- (iii) Property: (1) 8513-012-032; (2) 8513-012-033;
(3) 8513-012-034; (4) 8513-012-035;
(5) 8513-012-036

Agency Negotiator: Habib F. Balian and Regina Danner, Esq.
Negotiating Parties: Excalibur Holdings
Under Negotiation: Price and terms

- (iv) Property: 8513-012-043

Agency Negotiator: Habib F. Balian and Regina Danner, Esq.
Negotiating Parties: Hoffman Family Trust/Linsalato
Under Negotiation: Price and terms

- (v) Property: 8531-017-022

Agency Negotiator: Habib F. Balian and Regina Danner, Esq.
Negotiating Parties: Peter & Yolanda Gutierrez
Under Negotiation: Price and terms

- (vi) Property: 8531-017-021

Agency Negotiator: Habib F. Balian and Regina Danner, Esq.
Negotiating Parties: Javier & Micaela Sanchez
Under Negotiation: Price and terms

(vii) Property: 8533-009-023

Agency Negotiator: Habib F. Balian and Regina Danner, Esq.
Negotiating Parties: MillerCoors LLC
Under Negotiation: Price and terms

B. CONFERENCE WITH LEGAL COUNSEL:G.C. 54956.9(a)
Pending Litigation

(i) Excalibur Property Holdings, LLC and George Brokate v.
Pasadena Metro Blue Line Construction Authority
Case No. BS130732

(ii) Excalibur Property Holdings, LLC and George Brokate v.
City of Monrovia et. al.
Case No. BS129985

C. CONFERENCE WITH LEGAL COUNSEL..... (G.C. 54956.9(b))

Anticipated Litigation:

A point has been reached where, in the opinion of the Authority Board on the advice of its legal counsel, based on the receipt of a Notice of Application to Attorney General and related documents from Christopher Sutton, there is a significant exposure to litigation against the Authority.

Chairman Tessitor indicated that there would be no Closed Session.

8. CEO's Monthly Report

Mr. Balian provided the report. Mr. Balian presented a video which highlighted recent activities of the Construction Authority. Mr. Balian presented the project's Critical Path Items which include property acquisitions, award of the DB2 contract later in the meeting which will keep the project on schedule. Mr. Balian also reviewed other items including various agreements, an MCA with Caltrans; grade-crossing approvals with the PUC; permits for the San Gabriel River bridge and the SEIR legal challenge. Mr. Balian indicated that as of today there were no impacts to the Critical Path Schedule. Mr. Balian indicated that work continues on the next phase of the project, Azusa to Montclair with the drafting of technical reports which should be released for review in the next few weeks. Mr. Balian indicated that work continues on the extension from Montclair to Ontario and that the firm KOA has been selected to conduct an alternative analysis. Mr. Balian indicated that funding for the alternative analysis would come from SANBAG and the other entities from the Inland Empire.

9. Consent Calendar

a. Financial Quarterly Update

Chairman Tessitor requested a motion to approve the Consent Calendar. Board Member Fasana made a motion to approve the Consent Calendar. Board Member Hanks seconded the motion which was then approved unanimously

10. General Board Items

a. Receive and File Report on Project Update: IFS Design Update

Mr. Balian reminded the Board that the design elements for the IFS were brought to the Board last year. Mr. Balian indicated that staff has been working with IFS artist, Andrew Leicester, who has produced the overall art influence for the structure. Mr. Balian indicated that a lot of good work has been done on the IFS foundation involving working with Caltrans and Metro, getting approvals that are necessary. Mr. Balian indicated that the design builder has provided artwork designs and possible materials to be used for the IFS. Mr. Balian introduced Mr. Burner who provided additional details. Mr. Burner indicated that a lot of progress has been made on the designs. Mr. Burner indicated that staff had received the early Construction Foundation Submittal in March and have since conducted a round of review and comment on the designs. Mr. Burner indicated that Caltrans approval is still needed which is important so construction can continue in the field. Mr. Burner indicated that staff has received a 90% structural submittal from Skanska which includes architectural features of the superstructure and the columns. Mr. Burner indicated that the design is under review by the Authority, Metro and Caltrans but they do not include landscaping or lighting elements. Mr. Burner indicated that those elements would be completed last in the process. Mr. Burner indicated that staff expects the final 100% Submittal in August. Mr. Burner presented a rendering of the IFS to the Board.

Chairman Tessitor requested a motion to Receive and File the Report on Project Update: IFS Design Update. Vice Chair Pedroza made a motion to receive and file the item Board Member Hanks seconded the motion which was then approved unanimously.

b. Authorize additional funding to United States Army Corp of Engineers

Mr. Balian provided the report. Mr. Balian indicated that earlier in the year, staff requested from the Board authority for up to \$50,000 for permitting costs and review costs by the Army Corp of Engineers for the San Gabriel River bridge. Mr. Balian indicated the over the last several months; staff has had good participation from the Army Corp of Engineers and that an additional \$50,000 is being requested for permits and to achieve closeout in the next several months.

Chairman Tessitor requested a motion to Authorize additional funding to United States Army Corp of Engineers. Board Member Fasana made a motion to approve the item. Vice Chair Pedroza seconded the motion which was then approved

unanimously.

c. Authorize CEO to Execute Contract in Response to Request for Proposals (RFP) C1135 for Phase 2A Alignment Design-Build Contract

Mr. Balian presented the report. Mr. Balian indicated to the Board that RFP process for the DB2 contract has taken nearly two years. Mr. Balian introduced Mitch Purcell, Chief Contracting Officer to provide a detail presentation. Prior to Mr. Purcell's presentation, Mr. Balian showed a video which recalled the beginnings of the RFP process and key moments and meetings which lead to today.

Mr. Purcell presented the boxes containing the conformed proposal from Kiewit-Parsons who is being recommended by the staff and CEO for the award of the DB2 contract. Mr. Purcell indicated that the final ranking of the proposers were in first, Foothill Transit Constructors, a Kiewit-Parsons Joint Venture; in second place, Shimmick/URS/Stacy & Witbeck, a Joint Venture; and followed by Skanska/BalfourBeatty, a Joint Venture. Mr. Purcell indicated that a design-build contract was sought because of the many inherent advantages of a single point interface with the design and construction. Mr. Purcell indicated the RFP were scored on a "Best Value" basis as opposed to a "Low Bid" basis in accordance with FTA guidelines. Mr. Purcell provided additional detail regarding the methodology of reviewing and ranking of the proposals. Mr. Purcell reviewed the various events that lead up to the final submission of the RFPs, which included an Industry and a Small Business Workshops to involve the local community in the procurement process and the release of a Request for Qualifications (RFQ) which produced a shortlist of qualified proposer teams. Mr. Purcell indicated that once the shortlist of qualified proposer teams was established based upon review of statements of qualifications, there were initially four proposer teams, but was eventually reduced to three. Mr. Purcell indicated that once the Board had approved the three qualified proposer teams and Request for Proposals (RFP) was issued. Mr. Purcell introduced Mr. Burner who provided additional detail on the process of developing the RFP.

Mr. Burner indicated that staff conducted an industry review of the project which was intended to provide feedback from the construction industry on the scope and the terms and conditions of the contract. Mr. Burner noted that staff felt it was very important to consult with various stakeholders so they could review the scope of the project and we could get their buy-in. Mr. Burner indicated that contract then underwent a Peer Review by a group of independent evaluators, who were experts in the field. Mr. Burner indicated that the comments from the Peer Review were invaluable and provided various recommendations which would be very cost-beneficial and provide some time savings for the project. Mr. Burner turned the presentation back over to Mr. Purcell.

Mr. Purcell indicated that from the date of first issuance of the RFP, there were fourteen addenda to the RFP. Mr. Purcell indicated that the Q&A process for the RFP resulted in over 1,000 questions, issues, suggestions and requests. Mr. Purcell indicated that this process allowed the proposers a chance to improve and fine-tune their proposals. Mr. Purcell indicated that by interacting with the proposers through

questions and meetings, staff was able to drive price-risk optimization and produce a better contract as a starting point as well. Mr. Purcell indicated that a total of three sets of proposals were submitted by all three proposer teams. Mr. Purcell indicated that the "discussion process" along with multiple submittals of proposals by the teams is an FTA-approved. Mr. Purcell indicated that the process allows the proposers and the agency to address any possible weakness in the proposal or contract and correct them prior the final receipt of the proposals and issuance of the contract. Mr. Purcell indicated that once the final proposals were submitted no additional discussions were held with the proposers. Mr. Purcell indicated that proposals underwent an internal review and evaluation process which was broken down into various committees and subcommittees. Mr. Purcell indicated that the committees were Administrative & Legal; Financial; Fixed Facilities, Maintenance and Operations Facility & Other Technical Requirements; Systems; and Key Personnel, Lead Personnel and Performance History and Management Approach. Mr. Purcell indicated that there was a subcommittee for the Maintenance and Operations Facility. Mr. Purcell indicated that the administrative and legal committee and financial committee reviewed the proposal documents on a pass/fail basis. Mr. Purcell indicated that key Construction Authority staff and project stakeholders composed the committees and subcommittee. Mr. Purcell introduced Greg Gharib from Hill International, chair of the Administrative and Legal Committee.

Mr. Gharib indicated that the Administrative and Legal Committee were responsible for the reviewing the documentation of the initial Statement of Qualifications and to review any potential conflicts. Mr. Gharib indicated for the final proposals, the Committee reviewed the legal information, conflict of interest documents, guarantee letters; checked for commitments from the subcontractors and the major participants if needed. Mr. Gharib indicated that the Committee also checked for the formation of the joint ventures as well as performed auditory and ethics review. Mr. Gharib indicated that all proposers were passed out of the committee.

Board Member Fasana inquired that based upon the findings has staff specified that certain people should not be involved where certain, maybe, allegations did have some merit. Mr. Purcell indicated that staff followed up on each item that was reported and where staff identified a possible issue, the proposers addressed it and gave assurances. Board Member Fasana inquired if we had the assurance for all proposers. Mr. Purcell responded affirmatively.

Vice Chair Pedroza inquired if based upon the recommendation to the Board, if the construction schedule could be maintained as proposed by the Construction Authority and Board. Mr. Burner indicated that he was confident in Kiewit-Parsons ability to deliver the project on time, based upon the past performance on Phase I and other major projects they have worked on.

Mr. Purcell indicated the Financial Committee reviewed the Statements of Qualifications regarding the proposers' history of financial stability. Mr. Purcell introduced Gary Baker to continue the report.

Mr. Gary Baker, Director of Construction, indicated that the Facilities -- Fixed Facilities

Committee was responsible for reviewing five sub-factors. Mr. Baker indicated for the sub-factor of civil works, various elements reviewed included rail alignment, utilities, and traffic engineering. Mr. Baker indicated that for the sub-factor of structures, the committee evaluated the types of structures proposed, methods proposed for constructing structures, code and permitting requirements. Mr. Baker indicated that for the sub-factor of architecture and urban design, the primary focus was on the station architecture. Mr. Baker indicated that for the sub-factor of other technical requirements, the committee evaluated environmental elements and jurisdictional concerns among the stakeholders. Mr. Baker indicated that the very important element and sub-factor was the Maintenance and Operation facility which was evaluated for architectural design of the yard and methods of procurement. Mr. Baker indicated that the Committee's found that the Kiewit-Parsons scored higher in three of these five categories.

Mr. Purcell introduce Bill Lucci from the Systems Committee who evaluated the areas of traction electrification; signaling; communications; system integration, testing and startup; and systems, safety, security, and assurance.

Mr. Lucci indicated that the committee evaluated all aspects of technical design, testing, integration, and determined that the Kiewit-Parsons team demonstrated a great understanding of the scope of work scope, and had a technically sound approach to meet the objectives of the Construction Authority and Metro. Mr. Lucci indicated that the Kiewit-Parsons team had the highest rating of the three proposers and for that reason was recommended from a systems' standpoint

Board Member Fasana inquired and recognizing the possibility that Metro or others may make changes to systems, what protections for the Construction Authority and the contractor are put in place to ensure stability in the systems design. Mr. Burner indicated staff has worked with Metro to ensure that staff understands Metro's requirements and that at this point, we have defined them very well in the contract documents. Mr. Burner indicated that Metro would provide protection in the event there are changes to the current contract documents; and the Construction Authority would require compensation us for any changes.

Mr. Purcell introduced Chris Burner to speak of the Key Personnel Committee. Mr. Burner indicated that the committee evaluated the proposers' managerial and technical capabilities, experience of key and lead personnel as well as the performance history the personnel, and major participants and subcontractors. Mr. Burner indicated that the Committee was looking for a highly qualified team of experts with an emphasis on quality control, safety, design, construction, community outreach, utility coordination, and project controls. Mr. Burner indicated that the Committee also evaluated management's approach capabilities, commitment, and organizational structure. Mr. Burner indicated that the committee was looking for a team that had good organizational structure and integrated their subcontractors into the project. Mr. Burner indicated that the committee was looking for a team that encourages and facilitates quality, design and construction of the project. Mr. Burner indicated that the Committee also evaluated the project schedule to ensure that it reflected good integration of the design and construction which is critical to these types of projects.

Mr. Burner indicated that the Committee wanted to see if the teams had the ability and processes in place to obtain the necessary permits and to evaluate the constructability of the design. Mr. Burner indicated that the Committee evaluated the sequencing of the construction, to ensure that they had thought it through and had a good plan to accomplish the project.

Mr. Balian and Mr. Purcell requested that all members of the Committees and Evaluation teams to stand and be recognized. Chairman Tessitor thanked all of the members for their hard work and dedication and especially Mr. Balian for delivering a high-quality product to the Board.

Mr. Purcell presented to the Board the results of the Committee's recommendations and evaluations. Mr. Purcell indicated that for each of the proposers were scored based on the adjectival rating system. Mr. Purcell indicated that Foothill Transit Constructors (Kiewit-Parsons) rated Good +; Shimmick at Good; and Skanska at Acceptable on their Fixed Facilities, M&O, and Other Technical Requirements. Mr. Purcell indicated that on Systems, a similar trend was present; the Kiewit-Parsons team had Good +; Shimmick, Stacy & Witbeck team, an Acceptable +; and Skanska had an Acceptable -. Mr. Purcell indicated that on Key Personnel, Lead Personnel and Performance History, Kiewit-Parsons had a Good +; Shimmick, Stacy & Witbeck team, Acceptable +; and Skanska, an Acceptable. Mr. Purcell indicated that on Management Approach, Kiewit-Parsons, Good; Shimmick, Stacy & Witbeck, Acceptable +; and Skanska was acceptable. Mr. Purcell indicated that with regard to the prices submitted, the recommended team of Kiewit-Parson bid was \$485,867,000. Mr. Purcell indicated that the Construction Authority estimated budget was \$491,000,000. Mr. Purcell indicated that the Construction Authority communicated with the proposer teams on many occasions the estimated budget and let them see how it was derived. Mr. Purcell noted that the second highest recommended proposer's bid was \$70 million above the first bid, and that the third bid is over \$100 million more than the first bid. Mr. Purcell indicated that based on this evaluation process that involved stakeholders, staff feels strongly that a good, strong set of contract documents have been achieved and that good proposal has been recommended. Chairman Tessitor thanked Mr. Purcell for his efforts and hard work.

Board Member Hanks indicated that he had multiple questions. Mr. Hanks inquired if staff saw any concern at all with the approach that Kiewit-Parsons has provided to meet the schedule of the project. Mr. Purcell indicated that he did not have any concern with the approach based upon the review and high score of the evaluation committee. Mr. Burner indicated that from his perspective of the procurement process, that the Kiewit-Parsons team was extremely well organized and detailed in their evaluation of the project. Mr. Burner indicated that Kiewit-Parsons had a very good understanding of the risk profile of the project and that they are a very good aggressive contractor whose goal and culture is to get into a project, get a project built, and to move on. Mr. Burner indicated that he is very confident that they will be able to meet the schedule.

Board Member Hanks inquired if there is any concern on the part of staff with Kiewit-Parsons being able to work within the cash flow constraints of the project. Mr.

Purcell indicated that he did not believe so based upon staffs understanding of the project and involvement on Phase I. Mr. Purcell indicated that they have great stakeholder buy-in. Mr. Purcell indicated that besides the positives of what they bring to the table, the Construction Authority has protections in place as well. Mr. Purcell indicated that with the design-build model, theirs is no finger pointing that sometimes leads to significant cost overruns. Board Member Hanks inquired if the cash flow schedule with Metro clearly shows when funds are provided by Metro to the Construction Authority and if the contractor's plan would fit the cash flow scenario? Mr. Purcell indicated that the contractor plan takes into account the funding with Metro, deadlines and the turnaround time on submitted invoices.

Board Member Hanks inquired the Authority has worked to make this really a shovel-ready project and not just a paper shovel-ready project. Board Member Hanks inquired as to what percentage level of pre-design was the project. Mr. Burner indicated that the plans are probably in the range of a 20 to 30 percent. Mr. Burner indicated that an enormous amount of project stakeholder coordination has occurred. Mr. Burner indicated that the project's very well planned above and beyond the advanced conceptual engineering drawings stage. Mr. Burner indicated that staff has completed all of the agreements necessary for the project with various project stakeholders. Mr. Burner indicated that progress in obtaining the permits for the -- from the U.S. Army Corps of Engineers and other regulatory authorities have occurred. Mr. Burner indicated that almost all of the grade-crossing approvals have been completed and the remaining are expected in September 2011. Mr. Burner indicated that that the PSR/PR document has been approved by Caltrans. Mr. Burner indicated that staff believes we are on solid ground and ready to commence.

Board Member Hanks inquired that if the project manager and key project staff are critical to a project, how strong is Kiewit's commitment to keeping a stable project staff during the course of the project, and in the case of necessary change, how deep is their bench? Mr. Burner indicated that as part of the evaluation process, proposers were required to submit staffing commitment letters, stating that they will have the same personnel throughout the project. Mr. Burner indicated that in the event that the contractor does remove personnel or that we request someone to be removed, Kiewit-Parsons has a strong team and a very strong bench of personnel that can perform this work.

Board Member Hanks inquired if staff was confident that through the evaluation process that all proposers had equal and fair access to information? Mr. Burner indicated that he believed so without a doubt. Mr. Purcell indicated that he concurred. Mr. Purcell indicated that staff was extremely careful about providing the same information to all proposer teams.

Board Member Evans inquired what the cost per-mile would be and how it compares to other projects. Mr. Burner indicated that the cost per-mile excluding the M&O facility is approximately \$33.5 million which compares very favorably to the national average of \$35 million. Mr. Burner indicated that Phase 1 of the project 10 years ago was approximately \$24 million a mile, but the construction industry has experienced an extensive escalation in price. Mr. Burner indicated that Expo's cost per-mile is

approximately \$80 to \$90 million per-mile. Chairman Tessitor inquired about the cost per-mile for the subway. Mr. Burner indicated that it would be more than \$80 to \$90 million a mile.

Board Member Fasana inquired how the Construction Authority would be protected against cost overruns. Mr. Purcell indicated that staff believes, based upon the strength of the technical documents and the quality of contract, that cost overruns have been minimized. Mr. Purcell indicated that there are also contractual provisions which guard against a change in the contract price and any cost overruns.

Board Member Fasana inquired how the project estimates prepared by staff compared with the proposer bid. Mr. Burner indicated that project engineers' estimate was \$475 million, which included some additional funding for a total of \$491 million. Mr. Burner indicated that the bid price fell within three to four percent of our engineers' estimate and just slightly below our budget estimate.

Board Member Fasana noted the name of Kiewit-Parson joint venture is Foothill Transit Constructors and if it was going to be used publically how it would not be confused with Foothill Transit Bus Services? Mr. Balian indicated that staff would do our best to make sure we market it correctly.

Chairman Tessitor indicated that he had several public comment speaker cards for this item.

Ms. Christine Cooper, Director of Economic and Policy Analysis Group for the Los Angeles Economic Development Corporation, addressed the Board. Ms. Cooper indicated that she would provide an economic picture for the project. Ms. Cooper indicated that LAEDC conducted an Economic Impact Analysis of the project in January 2010. Ms. Cooper indicated the analysis looked at project spending as well as, how the spending circulates around the community. Ms. Cooper indicated that project spending, which goes to labor and purchases of goods and services, motivates companies to provide labor and is subsequently circulated again through household spending into induced purchases and labor. Ms. Cooper indicated that the analysis estimated that the projects' \$490 million in initial spending, would generate 6,900 jobs in the five counties of the southern California region, earning over \$300 million in labor income and generating \$930 million in economic activity in the region, with a tax revenue of almost \$40 million. Ms. Cooper indicated that these impacts do not just occur in the construction industry or in the architectural and engineering fields, but they are also felt throughout the economy; in manufacturing, real estate, and wholesale trade. Ms. Cooper indicated that the project spending impacts all sectors in the economy including education, healthcare for people who are visiting hospitals or medical clinics, or children who are going to school. Ms. Cooper indicated that current unemployment rate in LA County was 12.4 percent in June and that surrounding counties are even higher. Ms. Cooper indicated over the past few years, 400,000 jobs have vanished with 10 percent of those jobs in construction employment alone. Ms. Cooper indicated that the entire Measure R spending improvement to the transit and highway system in the Southland is going to be a program of \$35 billion in spending, which we have estimated will create 500,000 jobs over the 31-year program. Ms.

Cooper indicated that Phase 2B of the project will generate additional amounts and that once transit lines are completed, additional development adjacent the stations will be spurred. Ms. Cooper indicated that LAEDC is very supportive of the improvement in transit systems which allow people to get from point A to B quickly. Ms. Cooper indicated that the study did not include additional beneficial impacts such as environmental impacts, increased availability of jobs for people living along the transit lines, and the social benefits that occur when urban development occurs.

Vice Chair Pedroza inquired what other \$700 million projects LAEDC sees in the horizon. Ms. Cooper indicated that Metro is the largest project generator in the region at the moment. Ms. Cooper indicated that DWP has large infrastructure projects as well as the ports of San Pedro and LAX.

Chairman Tessitor inquired if there are any other shovel-ready projects of any magnitude that's ready to go. Ms. Cooper indicated that there are few that would be ready within a short period of time.

Board Member Fasana inquired how this Measure R project benefits our individual communities. Ms. Cooper indicated that local communities can expect a wide variety of jobs, from entry level, people who have been out of work for maybe two years or longer, and who are perhaps not even in the labor force anymore, which will in-turn support households and engage in economic activity in local communities. Ms. Cooper indicated that we can minimize the impact of infrastructure programs, which is also critical in our region.

Dr. Cliff Hamlow, professor at Azusa Pacific University and former Glendora Mayor, addressed the Board. Dr. Hamlow indicated the reason this for this project is to provide service for the residents of the San Gabriel Valley. Dr. Hamlow indicated that it has been a long-time incoming, but the people of the communities that are along this line, as well as our elected officials, saw a need, and have come together to cooperate in a way that is significant and needs to be recognized. Dr. Hamlow indicated that the DB contract is a result of excellent planning and good leadership, that carries out the expectations of the elected officials that put this body together to make these kinds of decisions. Dr. Hamlow indicated that in representing Azusa Pacific University, and to a greater extent, the educational institutions that are along this line, it is important to provide transportation to student and ease congestion. Dr. Hamlow indicated that the line will provide transportation to thousands of students once it is completed to its hopeful destination of Ontario. Dr. Hamlow indicated that students are looking for ways to cut their costs, and the completion of this project will provide that opportunity. Dr. Hamlow indicated that he is here today as a representative of Azusa Pacific University, Jon Wallace, our President, and the Board of Trustees, but has talked extensively with Dr. Perri, President of Citrus College, and other educators, and there is consensus that this project meets a need that we have in higher education today.

Mr. Angel Carrillo, City of Azusa Councilmember and President of the San Gabriel Valley Council of Governments addressed the Board. Councilman Carrillo expressed appreciation for the time spent on this project, to the Board, all the Gold Line staff,

certainly to the members of the various organizations and committees that reviewed the bid proposals, and all of the supporters. Councilman Carrillo indicated that today is a landmark day in the San Gabriel Valley, and recognized the efforts of the current Board as well as past Board members. Councilman Carrillo thank everyone for the hard work and due diligence on this project on behalf of all the citizens of the San Gabriel Valley.

Ms. Cynthia Kurtz of the San Gabriel Valley Economic Partnership addressed the Board. Ms. Kurtz thanked Board and indicated that we have been waiting a long time for this day and wanted to acknowledge and thank the hard work of this Authority, of the Authority staff, and of the communities all along the line that have moved obstacle after obstacle out of the way. Ms. Kurtz indicated that we really need this project now, not only because it enhances our transportation system, but because of the job creation that will occur. Ms. Kurtz indicated that we lost in the past two years, all of the jobs that had taken us eight years to build, since the beginning of the decade, and no sector was hit harder than the construction sector. Ms. Kurtz indicated that we have an almost 40-percent unemployment rate in construction jobs in the San Gabriel Valley today, so this project really is a stimulus package for the San Gabriel Valley, and not only because of the direct jobs it would create, but because it clears the way for the development around each of the stations along the line. Ms. Kurtz urged the Board to approve the contract today and to get construction underway as soon as possible.

Chairman Tessitor requested a motion to Authorize CEO to Execute Contract in Response to Request for Proposals (RFP) C1135 for Phase 2A Alignment Design-Build Contract. Board Member Fasana made a motion to approve the item. Vice Chair Pedroza seconded the motion which was then approved unanimously.

d. Monthly Project Status Report

Mr. Balian introduced Mr. Burner to provide the Monthly Update. Mr. Burner indicated that all grade crossing applications have been approved except two which are expected in September. Mr. Burner updated the Board with work that continues on the IFS site which includes clearing and grubbing the site and construction of a temporary retaining wall to begin construction of the foundation pilings. Mr. Burner indicated that a contract with IBI Group has been completed for advanced conceptual engineering for Phase 2A parking facilities. Mr. Burner indicated in the next several months, staff will continue the management of the IFS contract and the approval of the foundation design which is critical to maintaining the construction schedule. Mr. Burner indicated that staff will be working on the Cooperative Agreement with Caltrans and obtaining all of the permits for the ACOE for the San Gabriel River bridge.

Chairman Tessitor requested a motion Receive and File the Monthly Project Status Report. Board Member Fasana made a motion to receive and file the item. Vice Chair Pedroza seconded the motion which was then approved unanimously.

11. General Counsel's Report

None.

12. Board Member Comments

None.

13. Adjournment

Chairman Tessitor adjourned the meeting at 12:23 pm.