



Board Update

One Manchester Boulevard
Inglewood CA 90301

TO: Inglewood Transit Connector Joint Powers Authority Board Members
FROM: Louis Atwell, Chief Executive Officer
RE: September 2024 Project Update

The following summarizes recent progress and future milestones associated with advancing the Inglewood Transit Connector Project (ITC or Project).

PROJECT DEVELOPMENT WITH FTA

Since the Project received approval to enter into the Engineering phase of the Federal Transit Administration's (FTA) Capital Investment Grant (CIG) Program in December 2023, the Project team continues to take steps to complete the FTA's rigorous project evaluation process in order to achieve a Full Funding Grant Agreement (FFGA).

The FTA has indicated that it has found the Project's readiness documents, including but not limited to the Program Management Plan, Risk Contingency Management Plan, Cost Estimate, Schedule, Communications Plan, and Real Estate Management Plan, to be acceptable. The FTA has also confirmed that our ridership modelling and Land Use Plan are acceptable.

The FTA hosted an in-person Risk Refresh meeting on May 21-22, 2024, which allowed FTA and their Project Management Oversight Consultants to engage the Project team on issues including anticipated cost, schedule, and risk factors associated with the Project. The Project team anticipates submitting an updated Financial Plan later this month, as the procurement process is completed and final local match funding sources needed for the Project are secured. The FTA is then anticipated to finalize their analysis and recommendations in preparation of a FFGA.

PROCUREMENT

The Final Request for Proposals (RFP) to Design-Build-Finance-Operate-Maintain (DBFOM) the ITC was issued on November 17, 2023, and the bid submittal date was May 31, 2024.

On May 31, 2024, a proposal was received from Elevate Inglewood Partners (EIP), a public-private partnership consortium comprised of Plenary Americas US Holdings, Inc. (equity member), Tutor Perini Corporation (lead contractor), Parsons Corporation (lead designer), Woojin Industrial System Co., Ltd. (automated transit system operator and supplier) and Alternate Concepts, Inc. (lead operations and maintenance contractor). A comprehensive evaluation of the proposal was then completed, adhering to the evaluation manual which the City established for the Project.

On July 1, 2024, the City announced the EIP proposal was scored, and that EIP was designated as the Best Value Proposer. EIP and the City are currently in discussions regarding EIP's proposed pricing and contract terms governing the delivery and operation of the Project.

In order to meet the Project's schedule and FTA-related funding milestones, the City determined it would realize additional benefits from further technical support from EIP beyond what was submitted in the EIP proposal, including securing inputs necessary to complete the final Financial Plan. While the City Council will not be asked to consider executing a contract with EIP until there is strong confidence that an FFGA will be executed, several predevelopment activities were identified to be beneficial in the interim to refine the Project's Financial Plan and engineering efforts.

To successfully complete the FFGA process, finalize discussions and revisions to EIP's proposal, and conform the Contract's terms with changes arising from these efforts, an increase in the stipend in an amount of up to \$1.15 million (for a total of \$4.65 million) was authorized by the City Council on August 13, 2024. The two other prequalified teams did not qualify for a stipend because they did not submit a qualifying bid. If the contract is ultimately awarded, the stipend payment will not be made to EIP.

REAL ESTATE

The City continues to perform right-of-way analysis and planning work for the acquisition and relocation program for the ITC Project. The City has updated the real estate appraisals that were completed in 2023 for the parcels needed for the Market Street Station, the Hardy Street Station, and the guideway on the west side of Prairie Avenue approaching the Hardy Street Station, and easements needed for the project. The City began sharing appraisal information with the FTA in June and will seek FTA and the City Council's approval prior to making any offers.

The Project team is also making preparations for the City to transfer legal authority to the JPA to construct and operate the ITC on the City-acquired property. This will likely be facilitated through a legal agreement between the City and JPA that initially authorizes access and entry to the property to the JPA and then transfers a permanent easement interest, as parcels come under the City's control, with easements executed at a later date.

FUNDING

The approval of the FTA to enter into the Engineering phase indicates the federal government's intent to invest \$1,009,430,998 in federal funds towards the design and construction of the Project. With this commitment, the City has secured a total of approximately \$1.9 billion in local, State and federal funding of the \$2.25 billion anticipated to be required to fully fund the base project budget (estimated at \$2.05 billion) and backstop budget (required to be 10% of FFGA base project budget, or \$202 million).

The team continues to engage partners, including the South Bay Cities Council of Governments, Metro, the County of Los Angeles, and the Southern California Association of Governments, to pursue funding strategies to address the project gap. It is anticipated that these partners will be asked to consider programming funds for the base project budget and backstop budget after completion of the procurement process.

THIRD PARTY AGREEMENTS

Following preliminary design of the ITC, the Project Team identified segments of the Project alignment where modifications and/or relocations of existing utility facilities are required. Many Utility Owners are subject to franchise agreements with the City, which require them to move their facilities at the direction of the City. Although there has been disagreement specifically regarding SCE and Verizon's franchise obligations based on recent legal proceedings, the City and Project are confident that a pending case will be resolved in its favor and both agencies have been collaborative in initiating planning activities. Notwithstanding these legal conditions, Verizon has issued a Letter of Intent to relocate their utility, and SCE has entered into a relocation agreement with the City. All other third-party agreements have also been executed.

EARLY WORKS ACTIVITIES AND UTILITY RELOCATIONS

On February 27, 2024, the Inglewood City Council authorized a contract for relocation of the water line on Prairie Avenue with J.A. Salazar Construction & Supply Corporation for a total amount not to exceed \$6,538,125. The Water Main Replacement Project has taken place on Prairie Avenue between Manchester Boulevard and Hardy Street; and Pincay Drive between Prairie Avenue and Stadium Drive to relocate existing water mains that intersect with the ITC alignment. The project has modernized the infrastructure, as most lines have been in service for 60-80 years, supporting the long-term sustainability of the water main for future use.

Construction began the first week in April and is anticipated to be completed during the first week of September. The work has been completed within budget and on schedule. The team coordinated closely with neighboring stakeholders including the entertainment venues and Inglewood Unified School District to ensure they are informed of construction activities and traffic restrictions.

OPERATIONALIZATION OF THE JOINT POWERS AUTHORITY

In order to facilitate a smooth transition between the City and the JPA of all responsibilities and obligations associated with the Project, consistent with the Governance Transition Plan and CIG requirements, the team continues to make updates to the staffing plan.

The team is preparing policies and procedures that will facilitate the JPA's ability to carry out its essential functions relative to fiscal management, project controls, administration, human resources, quality control, and project delivery. This will ensure that the JPA functions in a

manner that satisfies the JPA's responsibilities and obligations which are identified in its binding documents, including the Joint Exercise of Powers Agreement, Master Cooperative Agreements, JPA by-laws, and the terms of the DBFOM contract, among others.

As appropriate, workflows are being developed that identify organizational responsibilities for certain activities consistent with policy implementation; these workflows are being implemented by the Project Management Information System (PMIS) to automate execution of responsibilities, with a workplan that has core functions in place prior to the first Notice to Proceed being issued to the DBFOM developer. In addition, the team is developing specific staffing plans, policies, and procedures in order to assume the role of permitting agency over the stations and guideway components of the Project.

COMMUNITY ENGAGEMENT

A dedicated website, www.inglewoodtransitconnector.com, has been launched which provides robust information about the project and the Joint Powers Authority. The Project continues outreach with the community, including attending Councilmember Alex Padilla's Annual Chili Cook-Off on Saturday, August 17 where the outreach team engaged hundreds of attendees. The ITC outreach team anticipates continuing to provide information about the project at local events and at the request of Project stakeholders.