

March 25, 2010

Today, the Metro Board of Directors unanimously approved the terms for the Funding Transfer and Master Cooperative Agreements between the Construction Authority and Metro. This is a significant milestone for the project – laying out the framework and mechanisms for \$810 million to be allocated to the project between 2010 and 2019, and also formalizing the roles and responsibilities of both agencies during design and construction of the project.

Leadership and staff from both agencies have worked hard over the last many months to bring these agreements to a point where the board could vote. Final agreed-to terms satisfy a number of critical goals which maximize coordination, cost effectiveness and time efficiencies; provide Metro with assurances that the project will meet their design specifications and criteria; ensures that the board will be kept well-informed of any changes that will impact budget or standards; and eliminates redundant or unnecessary approvals and reviews. As was stated today by Authority Chairman Keith Hanks to the Metro board, these agreements will become models for future efforts.

Getting to this point took a significant effort by many people. Metro Board members Mike Antonovich and John Fasana and their staff certainly led the way, creating a grassroots effort that resulted in a strong consensus of city, county, state and federal representatives advocating on behalf of the project. Metro Chairman Ara Najarian, who played an active and important role, along with Metro CEO Art Leahy, over the last six months in reaching an agreement that could result in a unanimous vote of the board. Board member Mark Ridley-Thomas who worked with Supervisor Antonovich to move forward a regionally-balanced vision for the agency and created the framework for today's vote. Board member Zev Yaroslavsky who worked on the final details of the agreement to make sure that it would work for not only our project, but for future projects in the region. And, Board member Gloria Molina who has been a continuous supporter of the project, and Mayor Antonio Villaraigosa who championed Measure R that will fund the project.

The Construction Authority board has been steadfast and determined to reach an agreement that would work for both agencies. Led by Chairman Hanks, the board delved into the details of the term sheets on multiple occasions and wasn't satisfied until they felt the project would be efficiently managed through the process by both agencies. With Chairman Hanks today, were many of our board members and JPA board members, including: Pasadena Mayor Bill Bogaard, Glendora Councilman Doug Tessitor and former Mayor Cliff Hamlow, Claremont Mayor Pro Tem Sam Pedroza, Monrovia Mayor Mary Ann Lutz and Councilman Joe Garcia, and Duarte City Council member Lois Gaston. This group – along with Congress members Dreier, Schiff, Chu, Baca and Napalitano, and State Legislators Hernandez, Portantino, Liu, Eng and Huff (as well as too many others to mention here) – have worked incredibly hard for many years and we thank them for their continued commitment to the project.

I want to sum up today's milestone by quoting something that Metro Chairman Najarian said following the vote, about why he never had a doubt that we would get to this point. He said that we had a "recipe for success." The recipe started with the grassroots support of students, residents, and elected officials at all levels; mixed in the necessary funding from Measure R, and was completed with the vision to make it happen.

As I reported yesterday, the procurement for the design-build teams to build the Iconic Freeway Structure and Phase 2A Alignment is well underway. We have six world-class teams vying for the IFS work and as of this week four more being reviewed for pre-qualification for the Alignment.

Then, we break ground June 19. Save the date.

The Journey Continues,

Habib F. Balian