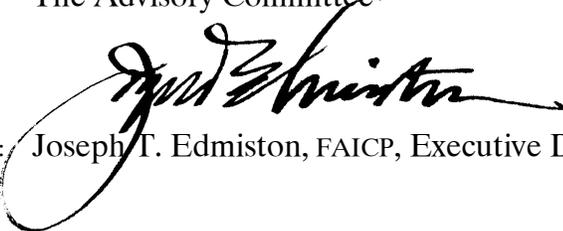


Memorandum

To : The Conservancy
The Advisory Committee

Date: August 28, 2006

From : 
Joseph T. Edmiston, FAICP, Executive Director

Subject: **Agenda Item 14: Consideration of resolution authorizing an augmentation of grant SMM-0463 to the Mountains Recreation and Conservation Authority for the Vista Hermosa Watershed Restoration project, Los Angeles.**

Staff Recommendation: That the Conservancy adopt the attached resolution authorizing an augmentation of grant SMM-0463 in the amount of \$ 5,950,000 to the Mountains Recreation and Conservation Authority for the Vista Hermosa Watershed Restoration project, Los Angeles.

Legislative Authority: Section 6500 *et seq.* of the Government Code and Section 33204 of the Public Resources Code.

Background: On August 30, 2004, the Conservancy authorized a grant of Proposition 50 funds in the amount of \$3,269,700 to the Mountains Recreation and Conservation Authority (MRCA) for construction and project management for the Vista Hermosa Los Angeles River Watershed Restoration Project. On July 19, 2006, construction bids were obtained from three contractors. The lowest qualified bid was \$9,814,775; the highest bid was \$15 million. Although the project was redesigned to cut costs, and the bid was separated into fifteen parts to isolate specific costs, the bid is significantly higher than all previous estimates. This is likely due to rapidly escalating costs for materials and transport and general uncertainties regarding the economy. The recent slowdown in the real estate market may also be a factor because of its effect on the construction industry.

Additional funding for the project has already been secured from the Los Angeles County Regional Park and Open Space District, the Los Angeles Unified School District, private donors, an SMMC Proposition 12 grant, and a City of Los Angeles Proposition K grant to the school district. Applications for competitive funds by LAUSD and YMCA were unsuccessful. The MRCA will continue to pursue other funding sources for design amenities that were deleted during redesign.

The requested augmentation will be combined with all of the funding sources to construct the park. Mobilization for the project will begin in September 2006 and the project will be complete in approximately one year.