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# Metro rail-line contract may jump \$100 million

## Agency would pay more for less risk

By MIKE SNYDER  
HOUSTON CHRONICLE  
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As Metro's leaders try to convince Mayor Annise Parker's administration that the agency is on sound financial footing, its president said Thursday he will recommend a \$100 million increase in a contract to build four light rail lines.

In exchange for the increase from \$1.46 billion to \$1.56 billion the contractors agreed that 98 percent of the costs would be fixed, rather than 75 percent under the existing contract, said Frank Wilson, the Metropolitan Transit Authority's president and chief executive officer.

That means the contractors would absorb almost all increased costs caused by inflation, natural disasters, new regulatory laws or other factors, Wilson said.

Wilson said he would ask Metro's board next month to approve the new contract terms with Parsons Transportation Group, the lead contractor of a team that will design and build four new light

rail lines for the agency.

"It will change the price and fix the risk," Wilson said, adding that inflation alone could add as much as \$130 million in costs during the seven-year contract. "We don't want to go through years of construction not knowing what this is finally going to cost us."

Wilson's comments at a board committee meeting Thursday came one day after Metro Chairman David Wolff met with members of Mayor Annise Parker's transition team reviewing the transit agency's finances.

During her campaign, Parker expressed skepticism about Metro's ability to pay for the planned expansion of its rail system and said the agency had not been sufficiently accountable or transparent. Wolff previously had announced his intention to resign from the board, and Parker has suggested Wilson may need to be replaced.

Parker spokeswoman Janice Evans said Thursday that the mayor wanted to be briefed by members of her transition committee before commenting on the proposed changes in the rail contract.

'We are accountable'

Wolff offered a ringing defense of the agency during Thursday's board meeting.

"We are transparent. We are accountable. Those who say we are not are not well informed," he said.


By May, Wolff said, Metro expects to finalize its \$900 million grant agreement with the Federal Transit Administration for the north and southeast rail lines.

Construction is under way on those two lines, as well as the East End line, which Metro is building with local funds. The agency expects to start work in a year or two on its locally funded Uptown line.

Also Thursday, Metro published the final environmental impact statement for the fifth and longest line in its plan, the University line. Metro officials called it an important step in the laborious process of seeking federal funds for the line.

The document states that building the line will require obtaining 23 acres of land and relocating 30 homes, 100 commercial buildings and 38 mixed-use buildings.

[mike.snyder@chron.com](mailto:mike.snyder@chron.com)

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