



**Metro**

Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000 Tel  
metro.net

**PLANNING AND PROGRAMMING COMMITTEE  
JUNE 15, 2005**

**SUBJECT: CAPITAL RESERVE ACCOUNT FOR CITY OF  
SOUTH GATE FROM PROPOSITION C LOCAL RETURN FUNDS**

**ACTION: ESTABLISH CAPITAL RESERVE ACCOUNT FOR SOUTH GATE**

**RECOMMENDATION**

Establish a Capital Reserve Account for the City of South Gate from \$1,500,000 of their Proposition C 20% Local Return funds, so that allocated funding may be used to finance the Otis Street Pavement Rehabilitation project for an extra three years, as described in Attachment A.

**ISSUE**

The City of South Gate has requested that \$1,500,000 of its Proposition C 20% Local Return funds be reserved for its Otis Street Pavement Rehabilitation project.

**POLICY IMPLICATIONS**

The Proposition A and Proposition C Local Return Guidelines require that Local Return funds be expended before a four-year lapsing deadline (the year of allocating plus three years). However, Capital Reserve Accounts are permitted under the Proposition A and Proposition C Guidelines. With approval from the Board of Directors, the Accounts are established so that Los Angeles County local jurisdictions may extend the life of their Local Return revenue to accommodate long-term financial and planning commitments for specific projects. Attachment B shows the status of these accounts for ten local jurisdictions, including the new recommended account.

A local jurisdiction may secure Board approval if the local jurisdiction requests that funding be dedicated in a Capital Reserve Account that would be used to implement a project beyond the normal four-year lapsing deadline. With such approval, a local jurisdiction may be allowed up to three extra years to accumulate and expend its Proposition A 25% and/or Proposition C 20% Local Return funds from the date that the funds are made available (seven years in total). A local jurisdiction also may request Board approval to extend this time limitation for its Account beyond the three years, as needed to complete its project.

## **OPTIONS**

The Board may choose not to establish the Account as proposed; however, staff does not recommend that option. If the Board does not approve the Account, the City of South Gate cannot accumulate sufficient funds necessary for the large capital project described in Attachment A, and the project would not be completed. Their funds also would lapse. Lapsed funds are returned to us, so that they may be reallocated for discretionary programs of countywide significance.

## **FINANCIAL IMPACT**

There is no impact on our Budget, as the funds originate from the portion of Proposition C funds that are allocated to each Los Angeles County local jurisdiction by formula on a per capita basis. These funds are not available to us and there will be no impact on our Financial Statements.

## **BACKGROUND**

The Proposition C Local Return Program is funded from a half-cent sales tax measure that Los Angeles County voters approved in 1990. Twenty percent of Proposition C revenues designated for the Local Return Program are returned to the cities and Unincorporated Los Angeles County, so that they may be used for developing and/or improving public transit, paratransit and related transportation infrastructure.


## **NEXT STEPS**

With Board approval of the recommendation, staff will negotiate and execute a new Memorandum of Understanding with the City of South Gate. Staff will monitor the Account to ensure that South Gate complies with the Proposition A and Proposition C Local Return Guidelines and the terms of the Memorandum of Understanding.

Prepared by: Susan Richan, Program Manager, Local Programming  
Nalini Ahuja, Director, Local Programming  
Frank Flores, Deputy Executive Officer,  
Programming & Policy Analysis


## **ATTACHMENTS**

- A – Project Summary for Capital Reserve Account
- B – Status of Proposition A and Proposition C Local Return Program Capital Reserves - As of May 1, 2005



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James L. de la Loza  
Chief Planning Officer



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Roger Snoble  
Chief Executive Officer

ATTACHMENT A

PROPOSITION C LOCAL RETURN FUNDS

PROJECT SUMMARY FOR CAPITAL RESERVE ACCOUNT

JURISDICTION	PROJECT	AMOUNT	FUND	TERMINATION DATE
City of South Gate # 04-380	Otis Street Pavement Rehabilitation  <u>Justification:</u> This project involves resurfacing of existing pavement, according to the 2004 Pavement Management System report. The condition of the existing pavement is deteriorated and requires resurfacing. Cracks have developed throughout the asphalt pavement, if the street is not resurfaced, moisture and wear and tear will penetrate the sub-grade and consequently will lead to complete structural failure of the roadway.	\$1,500,000	Proposition C Local Return	06/30/08

Los Angeles County Metropolitan Transportation Authority  
 Proposition A and Proposition C Local Return Program  
 Status of Capital Reserves - Existing and Proposed  
 As of May 1, 2005

**Existing Capital Reserves**

CITY	PROJECT TITLE	APPROVAL DATE	TERMINATION DATE	PROPOSITION A	PROPOSITION C	TOTAL	STATUS
Arcadia	Capital Reserves - Pasadena Gold Line Mass Transit Station	6/3/2003	6/30/2006	\$ 2,000,000	\$ 3,000,000	\$ 5,000,000	City is currently in the planning stage. This project is long term, awaiting construction of Gold Line extension.
Hermosa Beach	Pier Avenue Street Improvements Project	8/18/2004	9/1/2007	\$ -	\$ 1,992,000	\$ 1,992,000	Project is in the planning phase. Anticipate start of construction in FY06.
Malibu	Zumirez Drive Realignment	6/3/2003	9/1/2006	\$ -	\$ 242,307	\$ 242,307	Currently under construction. It is about 50% complete and expect the project to be completed by Aug 2005.
Malibu	Malibu Canyon Road Street Overlay Project	8/18/2004	9/1/2007	\$ -	\$ 160,000	\$ 160,000	In design stage. Project to be started and completed in FY06.
Montebello	Wilcox Avenue Widening	6/3/2003	9/1/2006	\$ -	\$ 448,000	\$ 448,000	Soliciting bids and will award contract in June. Expect construction to start in August.
Montebello	Beverly/Rio Hondo Bridge Reconstruction	6/3/2003	9/1/2006	\$ -	\$ 1,200,000	\$ 1,200,000	Plans and specs completed. Awaiting allocation of FHWA to start construction.
Montebello	Whittier Boulevard Reconstructions Project Phase III	6/3/2003	6/30/2006	\$ -	\$ 267,000	\$ 267,000	Project is in the bid phase. Anticipate start of construction in July and completion in Nov 2005.
Pasadena	Metro Gold Line Enhancements	8/18/2004	9/1/2007	\$ 3,900,000	\$ 666,347	\$ 4,566,347	Project in the planning stage, multiple stations and multiple funding sources - match to federal funding
Pico Rivera	Capital Reserve - Washington Blvd. Bridge	6/3/2003	9/1/2006	\$ -	\$ 2,600,000	\$ 2,600,000	Project in design phase.
Pomona	Mission Blvd. Grade Separation at State Route 71	9/1/2002	6/1/2006	\$ -	\$ 6,008,000	\$ 6,008,000	35% of drawings given approval from Caltrans. Project construction will begin in 2006.
San Gabriel	San Gabriel Blvd Street Improvements	9/1/2002	7/1/2006	\$ -	\$ 2,880,000	\$ 2,880,000	Project in multiple phases and is in middle of the work. LR funds provide match to STPL funds.
Santa Monica	Rail Reserve: Exposition ROW Study	6/3/2002	6/30/2005	\$ 3,559,155	\$ -	\$ 3,559,155	This project is ongoing and the city is requesting an extension.
Sub-Total:				\$ 9,459,155	\$ 19,463,654	\$ 28,922,809	

**Proposed Capital Reserves (South Gate) and One-Year Extension (Bradbury and South El Monte) for Metro Approval June 2005**

CITY	PROJECT TITLE	APPROVAL DATE	TERMINATION DATE	PROPOSITION A	PROPOSITION C	TOTAL	STATUS
South Gate	Otis Street Pavement Rehabilitation	6/23/2005	6/30/2008	\$ -	\$ 1,500,000	\$ 1,500,000	Project in the planning phase
Sub-Total:				\$ -	\$ 1,500,000	\$ 1,500,000	

Grand Total: \$ 9,459,155 \$ 20,963,654 \$ 30,422,809

