

**Metro**

Metropolitan Transportation Authority

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Los Angeles, CA 90012-2952213.922.2000 Tel
metro.net**PLANNING AND PROGRAMMING COMMITTEE
JULY 20, 2005****SUBJECT: CAPITAL RESERVE ACCOUNTS FOR CITIES OF
CUDAHY, SAN MARINO AND SOUTH EL MONTE FROM
PROPOSITION C LOCAL RETURN FUNDS****ACTION: ESTABLISH CAPITAL RESERVE ACCOUNTS FOR CUDAHY,
SAN MARINO AND SOUTH EL MONTE****RECOMMENDATION**

Establish Capital Reserve Accounts for the City of Cudahy for \$300,000, the City of San Marino for \$900,000 and the City of South El Monte for \$478,000 from their Proposition C 20% Local Return funds, so that allocated funding may be used to finance street improvement projects for an extra three years, as described in Attachment A.

ISSUE

The City of Cudahy has requested that \$300,000 of its Proposition C 20% Local Return funds be reserved for its Street Pavement Overlay projects on Atlantic Avenue, Florence Avenue, Bear Avenue, Clara Street and Elizabeth Street. The City of San Marino has requested that \$900,000 of its Proposition C 20% Local Return funds be reserved for its Huntington Drive Street Pavement Improvement project. The City of South El Monte has requested that \$478,000 of its Proposition C 20% Local Return funds be reserved for its Garvey Avenue Street Pavement Improvement 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 Accounts as proposed; however, staff does not recommend that option. If the Board does not approve the Accounts, the Cities of Cudahy, City of San Marino and South El Monte cannot accumulate sufficient funds necessary for their large capital projects described in Attachment A, and the projects would not be completed. The 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 new Memoranda of Understanding with the Cities of Cudahy, San Marino and South El Monte. Staff will monitor the Accounts to ensure that the cities comply with the Proposition A and Proposition C Local Return Guidelines and the terms of the Memoranda of Understanding.

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ATTACHMENTS

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



James L. de la Loza
Chief Planning Officer



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 Cudahy # 01-380	<p>Street Overlay Project for the following: Atlantic Avenue & Florence Bear Avenue Overlay Clara Street Overlay Elizabeth Overlay</p> <p><u>Justification:</u> The projects listed were scheduled for FY 2004-05. Due to the unusual weather conditions and unforeseen circumstances the projects were started, but delayed. The Local Return funds have a lapsing policy of three years. The Capital Reserve would allow for an additional three years, more than enough time to complete the projects and not lapse the funds.</p>	<p>\$40,000 \$45,000 \$65,000 <u>\$150,000</u> \$300,000</p>	Proposition C Local Return	06/30/08
City of San Marino # 01-380	<p>Huntington Drive Improvement Project</p> <p><u>Justification:</u> This project involves resurfacing of existing pavement. The project is currently under design and the project will start construction October 2005 and be completed by December 2005. The city wants the Capital Reserve to extend the life of the Local Return funds and not lapse funds.</p>	\$900,000	Proposition C Local Return	06/30/08
City of South El Monte # 01-380	<p>Garvey Avenue Improvement Project</p> <p><u>Justification:</u> This project involves resurfacing of existing pavement. The project will be completed by September 2005. The city wants the Capital Reserve to extend the life of the Local Return funds and not lapse funds.</p>	\$478,000	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 June 16, 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 competed. Awaiting allocation of FHWA to start construction.
Montebello	Whittier Boulevard Reconstitutions 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. Project in the planning stage, multiple stations and multiple funding sources - match to federal funding
Pasadena	Metro Gold Line Enhancements	8/18/2004	9/1/2007	\$ 3,900,000	\$ 666,347	\$ 4,566,347	Project in design phase.
Pico Rivera	Capital Reserve - Washington Blvd. Bridge	6/3/2003	9/1/2006	\$ -	\$ 2,600,000	\$ 2,600,000	35% of drawings given approval from Caltrans. Project construction will begin in 2006.
Pomona	Mission Blvd. Grade Separation at State Route 71	9/1/2002	6/1/2006	\$ -	\$ 6,008,000	\$ 6,008,000	Project in multiple phases and is in middle of the work. LR funds provide match to STPL funds.
San Gabriel	San Gabriel Blvd Street Improvements	9/1/2002	7/1/2006	\$ -	\$ 2,880,000	\$ 2,880,000	This project is ongoing and the city is requesting an extension.
Santa Monica	Rail Reserve: Exposition ROW Study	6/3/2002	6/30/2005	\$ 3,559,155	\$ -	\$ 3,559,155	Project in the planning phase
South Gate	Otis Street Pavement Rehabilitation	6/23/2005	6/30/2008	\$ -	\$ 1,500,000	\$ 1,500,000	
			Sub-Total:	\$ 9,459,155	\$ 20,963,654	\$ 30,422,809	

Proposed Capital Reserves Cudahy and San Marino for Metro Approval July 2005

CITY	PROJECT TITLE	APPROVAL DATE	TERMINATION DATE	PROPOSITION A	PROPOSITION C	TOTAL	STATUS
Cudahy	Street Overlay Projects	7/21/2005	6/30/2008	\$ -	\$ 300,000	\$ 300,000	Project in the beginning of the construction phase
San Marino	Huntington Drive Street Improvement Project	7/21/2005	6/30/2008	\$ -	\$ 900,000	\$ 900,000	Project in the planning phase
South El Monte	Garvey Avenue Street Improvement Project	7/21/2005	6/30/2008	\$ -	\$ 478,000	\$ 478,000	Project in the beginning of the construction phase
			Sub-Total:	\$ -	\$ 1,678,000	\$ 1,678,000	

Grand Total:	\$ 9,459,155	\$ 22,641,654	\$ 32,100,809
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Capital Reserve Accounts

