



**PLANNING AND PROGRAMMING COMMITTEE
JULY 15, 2009**

**SUBJECT: PROPOSITION A AND PROPOSITION C LOCAL RETURN
CAPITAL RESERVE ACCOUNTS FOR THE CITIES OF ARCADIA,
CALABASAS, LYNWOOD, POMONA, SAN GABRIEL, SOUTH GATE,
TEMPLE CITY AND WEST COVINA**

**ACTION: ESTABLISH A NEW CAPITAL RESERVE ACCOUNT FOR LYNWOOD,
AND AMEND EXISTING CAPITAL RESERVE ACCOUNTS FOR
ARCADIA, CALABASAS, POMONA, SAN GABRIEL, SOUTH GATE,
TEMPLE CITY AND WEST COVINA**

RECOMMENDATION

- A. Establish Proposition C Capital Reserve Account for the City of Lynwood for \$1,588,686 and amend the existing Proposition A and Proposition C Capital Reserve Accounts for the Cities of Arcadia, Calabasas, Pomona, San Gabriel, South Gate, Temple City and West Covina, to extend the term limit for three more years, the City of West Covina also requests to lower the original amount of the Capital Reserve, as described in Attachment A; and
- B. Authorize the Chief Executive Officer to negotiate and execute all necessary agreements between Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Cities for their Capital Reserve Accounts as approved.

ISSUE

The City of Lynwood has requested that \$1,588,686 of its Proposition C Local Return funds be reserved for its Imperial Highway Street Improvement Project. The Cities of Arcadia, Calabasas, Pomona, San Gabriel, South Gate, Temple City and West Covina, have requested that LACMTA extend the term limits of their established Proposition A and Proposition C Local Return Capital Reserve Agreements for transit and street/road improvement projects, as described in Attachment A. The City of West Covina has an additional request to lower the original amount of \$3,500,000 to \$2,100,000 for their Azusa Avenue Improvement Project, also noted in Attachment A.

POLICY IMPLICATIONS

Proposition A and Proposition C Local Return Guidelines require that Local Return funds be expended before a four-year lapsing deadline (the year of allocation 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 may be established so that Los Angeles County local jurisdictions may extend the life of their Local Return revenue to accommodate longer term financial and planning commitments for specific capital projects.

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 for Local Return Funds. In some cases, a local jurisdiction may need the additional time to accumulate sufficient funding to implement a project. With such Board approval, a local jurisdiction may be allowed additional 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. We have reviewed the requests from the Cities and have determined that their requests have sufficient justification for establishing the account and extending the terms of their existing Capital Reserve Agreements that would enable them to complete their projects.

OPTIONS

The Board of Directors may choose not to establish the accounts as proposed and the Cities would not have the time allowance to accumulate the funds needed to complete their projects. Some of the Proposition A and Proposition C Local Return funds could lapse due to time constraints. According to the Proposition A and Proposition C Guidelines, the lapsed funds then would be returned to LACMTA, so that the Board may redistribute the funds for reallocation to Jurisdictions for discretionary programs of county-wide significance, or redistribute to each Los Angeles County local jurisdiction by formula on a per capita basis.

If the Board does not approve the accounts, which we do not recommend, the Cities of Lynwood, Arcadia, Calabasas, Pomona, San Gabriel, South Gate, Temple City and West Covina cannot accumulate sufficient funds necessary for their large capital projects, or have the time necessary for the construction of their projects as described in Attachment A.

FINANCIAL IMPACT

Funding for the administration of this program is included in the FY10 budget in cost center 4430 (Local Programming) in project 405510 (Planning & Programming – Admin). The Capital Reserve Account funds originate from the portion of Proposition A & C funds that are allocated to each Los Angeles County local jurisdiction by formula on a per capita basis. There is no impact on the LACMTA Budget, or on LACMTA's Financial Statements.

Impact to Bus and Rail Operating and Capital Budget

The funding for this project is Prop A & C Local Return Funds and these funds are not allocated to bus or rail operating and capital expenditures and therefore will not impact any future operating costs.

BACKGROUND

The Proposition A and Proposition C Local Return Program is funded from two half-cent sales tax measures that Los Angeles County voters approved in 1980 and 1990, respectively. Twenty-five percent of Proposition A and 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 our recommendation, we will negotiate and execute all necessary agreements and amendments between LACMTA and the Cities of Lynwood, Arcadia, Calabasas, Pomona, San Gabriel, South Gate, Temple City and West Covina for their Capital Reserve Accounts as approved. We 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 agreements.

ATTACHMENTS

A – Project Summary for Proposed New and Amended Capital Reserve Accounts

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ATTACHMENT A

**PROPOSITION A AND PROPOSITION C LOCAL RETURN FUNDS
PROJECT SUMMARY FOR PROPOSED NEW AND AMENDED
CAPITAL RESERVE ACCOUNTS**

JURISDICTION	PROJECT	AMOUNT	FUND	MOU TERMINATION/REVIEW DATE
City of Lynwood # 49-380	<p>Imperial Highway Street Improvement Project <u>Project:</u> Street rehabilitation to include pavement, sidewalk, curb and gutter, wheelchair ramps, striping on a principal arterial and bus route <u>Justification:</u> These improvements are to improve current roadway conditions. Metro Bus Lines, Metro Rapid, Orange Country Transit and Local Services run on Imperial.</p>	\$1,588,686	Proposition C 20 % Local Return	<p>06/30/12</p> <p><u>Time line:</u> Project now in design phase and awaiting construction phase</p>
City of Arcadia # 01-380	<p>Pasadena Gold Line – Mass Transit Station Project <u>Project:</u> Design, Engineering and Construction of Mass Transit Bus/Rail Station in the City of Arcadia <u>Justification:</u> The ADA compliant multi-modal facility will service bus, rail, bicycle and pedestrian traffic, and will incorporate an information center to provide transportation (route/time) schedules, amps, communication equipment.</p>	\$2,000,000	Proposition A 25 % Local Return	<p>06/30/12</p> <p><u>Time line:</u> Project now in design phase and awaiting construction phase</p>
		\$3,000,000	Proposition C 20 % Local Return	
		<u>\$5,000,000</u>	Total	
City of Calabasas #01-380	<p>Transit Facility with a Park and Ride Lot Project <u>Project:</u> Acquisition of land for and design and construction of a Transit Facility to maintain City buses. <u>Justification:</u> Project includes a much needed Transit Facility, Park and Ride lot, and visitor serving information. Need time to reserve 100k annual contribution.</p>	\$1,500,000	Proposition C 20 % Local Return	<p>06/30/15</p> <p><u>Time line:</u> Awaiting fund accumulation for construction phase</p>
City of Pomona #01-380	<p>Mission Boulevard Grade Separation at State Route 71 Project <u>Project:</u> Removal of at grade intersection and constructing an interchange by grade separating Mission. Project is 95% complete. <u>Justification:</u> Need time to complete project. Funds are used to match STIP funds.</p>	\$6,008,000	Proposition C 20 % Local Return	<p>07/01/11</p> <p><u>Time line:</u> Anticipate completion of construction in 2010.</p>

City of San Gabriel 01-380	<p>San Gabriel Boulevard Major Street Improvements Project <u>Project:</u> Street rehabilitation to include pavement, bus pads, shelters, lighting & trash receptacles as needed on a principal arterial and bus route <u>Justification:</u> LR funds provide match to STPL funds. Improvements for bus routes Montebello Line 284 and Metro Line 487.</p>	\$2,860,000	Proposition C 20 % Local Return	07/01/15 <u>Time line:</u> Project now in design phase and awaiting construction phase and Caltrans' authorization
City of South Gate #05-380	<p>Firestone Boulevard over Rio Hondo Bridge Widening Street Pavement Improvement Project <u>Project:</u> Bridge widening to both sides on Firestone Boulevard over Rio Hondo Channel and providing an extra-lane structure, seismic retrofit, barrier rail replacements and associated street improvements. <u>Justification:</u> Scheduling problems have delayed the project.</p>	\$620,000	Proposition C 20 % Local Return	06/30/12 <u>Time line:</u> Anticipate completion of construction in 2012.
City of Temple City #01-380	<p>Rosemead Boulevard Improvement Project <u>Project:</u> Repairs and improvements to the portion of Rosemead Boulevard that runs through the City. <u>Justification:</u> City has been negotiating with the Stat to take over the portion of the State Highway 19/164 (Rosemead). This project is currently in progress with Caltrans for obligation.</p>	\$5,000,000	Proposition C 20 % Local Return	06/30/11 <u>Time line:</u> Anticipate construction 2010.
City of West Covina #01-380	<p>Azusa Avenue Improvement Project <u>Project:</u> Repairs and improvements to Azusa Avenue. Project consists of cold-milling, Asphalt Hot Rubber Mix, striping, drainage, adjustment of manholes, repair of concrete curb, gutters, installation of bus shelters. <u>Justification:</u> Annual contribution of \$700,000 and is in its third year. City has already set aside \$2.1 million and intends to go ahead on a scaled down version of the same project.</p>	<p>(\$3,500,000 Original) \$2,100,000 Requested as scaled down project amount</p>	Proposition C 20 % Local Return	06/30/12 <u>Time line:</u> Anticipate completion of construction in Dec. 2011.