



Metro

Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

**FINANCE, BUDGET AND AUDIT COMMITTEE
June 18, 2014**

SUBJECT: PROPOSITION C LOCAL RETURN CAPITAL RESERVE NEW ACCOUNT FOR THE CITY OF COMPTON, AND AMEND EXISTING ACCOUNTS FOR THE CITY OF DUARTE, AND THE CITY OF LAWDALE

ACTION: ESTABLISH NEW AND AMEND EXISTING CAPITAL RESERVE ACCOUNTS FOR CITIES

RECOMMENDATION

- A. Establish Proposition C Local Return funded Capital Reserve Accounts for the City of Compton, as described in Attachment A
- B. Approve extensions for existing Local Return Capital Reserve Accounts as prescribed in their Agreements for an additional three years for the Cities of Duarte and Lawndale, as described in Attachment A
- C. 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

A local jurisdiction may need additional time to accumulate sufficient funding to implement a project or to avoid lapsing of funds. Board approval is required if there is a need to extend beyond the normal four-year lapsing deadline for Local Return Funds. The local jurisdiction may request that funding be dedicated in a Capital Reserve Account. Once approved, a local jurisdiction may be allowed additional years to accumulate and expend its Local Return funds from the date that the funds are made available.

DISCUSSION

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.

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.

DETERMINATION OF SAFETY IMPACT

Approval of the projects will allow for improvements to the safety of the streets, and Gold Line Improvements as listed on Attachment A.

FINANCIAL IMPACT

With our recommendation, there would be no impact on the LACMTA Budget, or on LACMTA's Financial Statements. The Capital Reserve Account 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.

ALTERNATIVE CONSIDERED

The cities have no other funds, and the projects could not be constructed in a timely manner.

NEXT STEPS

With Board approval of our recommendation, we will negotiate and execute all necessary agreements between LACMTA and the listed cities for their Capital Reserve Accounts as approved. We will monitor the account to ensure that the cities comply with the Proposition A and Proposition C Local Return Guidelines and the terms of the agreement.

Prepared by: Susan Richan, Program Manager, Local Programming
Kelly Hines, Director, Local Programming and TAP

ATTACHMENT

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

Nalini Ahuja

Nalini Ahuja
Executive Director, Finance and Budget

Arthur T. Leahy

Arthur T. Leahy
Chief Executive Officer

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

JURISDICTION	PROJECT	AMOUNT	FUND	AGREEMENT TERMINATION/ REVIEW DATE
City of Compton #01-380 (New)	<p>Traffic Signal Upgrade and TMOCC <u>Project:</u> TMOCC (Traffic Management and Operations Center) which will monitor and upgrade traffic signals <u>Justification:</u> Delays due to unknown conditions during construction resulting in additional delays and costs necessary to complete the project</p>	\$1,184,100	Proposition C 20% Local Return	6/30/17
City of Duarte #01-380 (Amended)	<p>Duarte's Local Match for Gold Line Rail Project <u>Project:</u> Reserve would provide for a local match for a proposed Gold Line light rail transit station, related station capital projects, related station art, or enhancements. <u>Justification:</u> Awaiting construction of the Gold Line and require additional time with which to acquire the necessary funds with annual allocations of \$300,000</p>	\$2,000,000	Proposition C 20% Local Return	6/30/14 (original) 6/30/17 (amendment request)
City of Lawndale #-01-380 (Amended)	<p>Inglewood Avenue Corridor Widening Project <u>Project:</u> Repaving/rehabilitation and widening project <u>Justification:</u> The project is still in construction and the City requires and extension and additional time to complete the project. Delays were due to obtaining Caltrans approval to proceed.</p>	\$650,000	Proposition C 20% Local Return	6/30/11 (original) 6/30/14 (amended) 6/30/17 (amendment request)
City of Lawndale #-02-380 (Amended)	<p>Prairie Avenue North Improvement Project <u>Project:</u> Resurfacing and reconstruction of Prairie Avenue <u>Justification:</u> The capital reserve will assist in the non-lapsing of funds and provide improvements to current roadway conditions.</p>	\$500,000	Proposition C 20% Local Return	6/30/14 (original) 6/30/17 (amendment request)