

**Metro™****PLANNING AND PROGRAMMING COMMITTEE****AUGUST 18, 2004****REVISED**

SUBJECT: CAPITAL RESERVE ACCOUNT FOR THE CITIES OF HERMOSA BEACH, MALIBU AND PASADENA FROM PROPOSITION A AND/OR PROPOSITION C LOCAL RETURN FUNDS

ACTION: APPROVE ESTABLISHING CAPITAL RESERVE ACCOUNTS FOR HERMOSA BEACH, MALIBU AND PASADENA

RECOMMENDATION

Approve Capital Reserve Accounts from Proposition A and/or Proposition C Local Return funds for the Cities of Hermosa Beach, Malibu and Pasadena, so that funding may be used to finance the projects for an extra three years, as described in Attachment A.

ISSUE

The City of Hermosa Beach has requested that \$1,992,000 of its Local Return funds be reserved for their Pier Avenue Project. The City of Malibu also has requested that \$160,000 of its Local Return funds be reserved for its Malibu Canyon Road Street Overlay project. The City of Pasadena has been reserving \$4,566,347 of its Local Return funds for Metro Gold Line Pedestrian Enhancements. Previous MTA Board approval was given to Pasadena; however, amendments to keep Local Return funds on reserve were not completed. Therefore, the Pasadena Capital Reserve will serve to retain funds according to Local Return Guidelines.

POLICY IMPLICATIONS

Capital Reserve Accounts are permitted under the Proposition A and Proposition C Guidelines. With MTA Board approval, the accounts are established so that Los Angeles County local jurisdictions may extend the life of their Local Return revenue dollars, which lapse four years after allocation, to accommodate long-term financial and planning commitments for specific large capital projects. Attachment B shows the status of these accounts, along with the new recommended accounts.

A local jurisdiction may secure MTA Board approval if the jurisdiction requests that funding be dedicated in a special account that will be used to implement a larger capital project beyond the year of allocation plus three years. With such approval, a jurisdiction is allowed an additional three 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 for a total of seven. A jurisdiction also may request MTA Board approval to further extend this time limitation for its Capital Reserve Account beyond the three additional years, as needed to complete its project.

Capital Reserve Accounts

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 jurisdictions cannot accumulate the funds necessary for their larger capital projects described in Attachment A, and their funds will lapse. Lapsed funds are returned to the MTA, so that they may be reallocated for discretionary programs of countywide significance.

FINANCIAL IMPACT

There is no impact on the MTA Budget, as the funds originate from the portion of Proposition A and 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 the MTA and there will be no impact on MTA Financial Statements.

BACKGROUND

The Proposition A Local Return Program is funded from a half-cent sales tax measure that Los Angeles County voters approved in 1980. The Proposition C Local Return Program is funded from a half-cent sales tax measure that Los Angeles County voters approved in 1990. Twenty-five percent of Proposition A revenues 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 MTA Board approval of the recommendation, staff will negotiate and execute new Memoranda of Understanding with the jurisdictions. Staff will monitor these accounts to ensure that they 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 - Summary of Projects for Capital Reserve Accounts
B – Status of Proposition A and Proposition C Local Return Program Capital Reserves – Fiscal Year Ending June 30, 2004



James L. de la Loza
Executive Officer
Countywide Planning and Development



Roger Snoble
Chief Executive Officer

ATTACHMENT A

PROPOSITION A AND PROPOSITION C LOCAL RETURN FUNDS

PROJECT SUMMARIES FOR CAPITAL RESERVE ACCOUNTS

JURISDICTION	PROJECT	AMOUNT	FUND	TERMINATION DATE
City of Hermosa Beach # 01-380	<p>Pier Avenue Street Improvements Project</p> <p>Justification: The proposed improvement will reconstruct street, curb, gutter and sidewalks along Pier Avenue from Valley Drive to Hermosa Avenue. This project will remedy serious flooding problems along this route, improve pedestrian access and construct transit facility improvements including bus pads, transit shelters, and bicycle racks. This project will improve Metro Bus mobility and accessibility along this heavily traveled route.</p>	\$1,992,000	Proposition C Local Return	06/30/07
City of Malibu # 01-380	<p>Malibu Canyon Road Street Overlay project</p> <p>Justification: The proposed project will provide a street overlay (repaving) along Malibu Canyon Road that serves Metro bus route 434. The Capital Reserve will extend the life of the Local Return revenue dollars to fund this project.</p>	\$160,000	Proposition C Local Return	06/30/07
City of Pasadena # 01-380	<p>Metro Gold Line</p> <p>Justification: The City of Pasadena has been reserving funds for Metro Gold Line Pedestrian Enhancements at or adjacent to Metro Gold Line Stations. Previous Board approval was given to Pasadena, however amendments to keep funds on reserve were not completed. Therefore, this Capital Reserve serves to retain the funds in compliance with Local Return Guidelines.</p>	<p>\$3,900,000</p> <p><u>\$666,347</u></p> <p>\$4,566,347</p>	<p>Proposition A Local Return</p> <p>Proposition C Local Return</p> <p>TOTAL</p>	06/30/07

Los Angeles County Metropolitan Transportation Authority
 Proposition A and Proposition C Local return Program
 Capital Reserves - Existing and Proposed
 Fiscal Year Ending June 30, 2004

Existing Capital Reserves

CITY	PROJECT TITLE	APPROVAL DATE	TERMINATION DATE	PROPOSITION A	PROPOSITION C	TOTAL
Arcadia	Capital Reserves - Pasadena Gold Line Mass Transit Station	6/3/2003	6/30/2006	\$ 2,000,000	\$ 3,000,000	\$ 5,000,000
Industry	Commuter Rail Station Parking Lot Expansion	6/3/2003	9/1/2006	\$ 1,870,000	\$ -	\$ 1,870,000
Malibu	Zumirez Drive Realignment	6/3/2003	9/1/2006	\$ -	\$ 242,307	\$ 242,307
Montebello	Beverly/Rio Hondo Bridge Reconstruction	6/3/2003	9/1/2006	\$ -	\$ 1,400,000	\$ 1,400,000
Pico Rivera	Capital Reserve Account - Widening at Rio Hondo	6/3/2003	9/1/2006	\$ -	\$ 1,449,000	\$ 1,449,000
Pico Rivera	Capital Reserve - Washington Blvd. Bridge	6/3/2003	9/1/2006	\$ -	\$ 2,600,000	\$ 2,600,000
Pomona	Mission Blvd. Grade Separation at State Route 71	9/1/2002	6/1/2006	\$ -	\$ 6,008,000	\$ 6,008,000
San Gabriel	San Gabriel Blvd Street Improvements	9/1/2002	7/1/2006	\$ -	\$ 2,880,000	\$ 2,880,000
Santa Monica	Rail Reserve: Exposition ROW Study	6/3/2002	6/30/2005	\$ 3,559,155	\$ -	\$ 3,559,155
Whittier	Fixed-Route Vehicle Replacement Fund	6/3/2003	9/1/2006	\$ 117,400	\$ -	\$ 117,400
Sub-Total:				\$ 7,546,555	\$ 17,579,307	\$ 25,125,862

Proposed Additional Capital Reserves

CITY	PROJECT TITLE	APPROVAL DATE	TERMINATION DATE	PROPOSITION A	PROPOSITION C	TOTAL
Hermosa Beach	Pier Avenue Street Improvements Project	8/18/2004	9/1/2007	\$ -	\$ 1,992,000	\$ 1,992,000
Malibu	Malibu Canyon Road Street Overlay Project	8/18/2004	9/1/2007	\$ -	\$ 160,000	\$ 160,000
Pasadena	Metro Gold Line Enhancements	8/18/2004	9/1/2007	\$ 3,900,000	\$ 666,347	\$ 4,566,347
Sub-Total:				\$ 3,900,000	\$ 2,818,347	\$ 6,718,347

Grand Total:	\$ 11,446,555	\$ 20,397,654	\$ 31,844,209
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