



Metro

Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

**PLANNING AND PROGRAMMING COMMITTEE
JUNE 18, 2008**

**SUBJECT: PROPOSITION A AND PROPOSITION C LOCAL RETURN
CAPITAL RESERVE ACCOUNTS FOR THE CITIES OF
SANTA MONICA, LAWDALE, AND MALIBU**

**ACTION: ESTABLISH CAPITAL RESERVE ACCOUNTS FOR
SANTA MONICA AND LAWDALE, AND EXTEND TERM
OF EXISTING CAPITAL RESERVE ACCOUNT FOR MALIBU**

RECOMMENDATION

- A. Establish a Proposition A Capital Reserve Account for the City of Santa Monica for \$1,500,000 and Proposition C Capital Reserve Accounts for the City of Lawndale for \$650,000 and the City of Santa Monica for \$1,000,000, as described in Attachment A;
- B. Amend the existing Memorandum of Understanding (MOU) with the City of Malibu to extend the term limit by three more years for their Proposition C Capital Reserve Account of \$160,000, also as described in Attachment A; and
- C. Authorize the Chief Executive Officer to negotiate and execute all necessary agreements between the Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Cities for their Capital Reserve Accounts as approved.

ISSUE

The City of Santa Monica has requested that \$1,500,000 of its Proposition A Local Return funds be reserved for its Bus Stop and Shelter Improvement Program and that \$1,000,000 of its Proposition C Local Return funds be reserved for its 20th Street Corridor Bus Stop Improvements Project. The City of Lawndale has requested that \$650,000 of its Proposition C Local Return funds be reserved for its Inglewood Avenue Corridor Widening Project. For its Malibu Canyon Road Overlay Project, the City of Malibu has requested that a total of \$160,000 of its Proposition C Local Return funds be extended by amending their MOU, as described 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 accounts that would enable them to complete their projects.

OPTIONS

The Board of Directors may choose not to address the accounts as proposed. However, we do not recommend that option because the Cities of Santa Monica, Lawndale and Malibu would be unable to accumulate sufficient funds needed for their large capital projects, or have the time necessary to construct their projects as described in Attachment A. 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 us, so that the Board could reallocate the funds to Los Angeles County local jurisdictions through discretionary programs of countywide significance, or redistribute the funds to each Los Angeles County local jurisdiction by formula on a per capita basis.

FINANCIAL IMPACT

The funding for these actions was previously budgeted and distributed to the cities 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. This action will extend the funds until 2011.

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 between us and the Cities of Santa Monica, Lawndale and Malibu 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.

Prepared by: Susan Richan, Program Manager
Local Programming

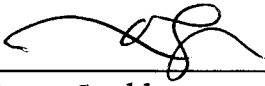
Nalini Ahuja, Director of Local Programming
Programming and Policy Analysis

ATTACHMENTS

Attachment A – Project Summaries for Proposed Capital Reserve Accounts



Carol Inge
Chief Planning Officer



Roger Snoble
Chief Executive Officer

ATTACHMENT A

**PROPOSITION C LOCAL RETURN FUNDS
PROJECT SUMMARIES FOR PROPOSED CAPITAL RESERVE ACCOUNTS**

JURIS-DICTION	PROJECT	AMOUNT	FUND	MOU TERMINATION/REVIEW DATE
City of Lawndale # 01-380	<p>Inglewood Avenue Corridor Widening Project <u>Project:</u> Roadway widening along the east side of Inglewood Ave as the I-405 freeway access ramp will be converted to a dedicated ramp. Project also includes improvements on Inglewood Ave at Marine Ave for roadway widening at the intersection corners to accommodate three dedicated right turn lane pockets. <u>Justification:</u> These improvements are estimated to improve roadway capacity by more than 25% and reduce peak delays by more than 10%. Metro Bus Lines 126 and 215 run on Inglewood Ave.</p>	\$650,000	Proposition C 20% Local Return	06/30/11 <u>Time line:</u> Project now in design phase and awaiting construction phase
City of Santa Monica # 09-380 and # 04-380	<p>20th Street Corridor Bus Stop Improvements <u>Project:</u> The project provides street, bus stop and pedestrian improvements to 20th Street between 1-10 and Pico Blvd. <u>Justification:</u> The project will add ADA safety improvements at and adjacent to existing bus stops.</p> <p>Bus Stop & Shelter Improvement Program <u>Project:</u> Project is a system-wide program; improvements include provision of lighting, benches, shelters, installation of a new uniform signage system, real-time transit information consistent with the City's AFMS. <u>Justification:</u> The program will improve and provide customer amenities and transit service information</p> <p align="right">Total:</p>	\$1,000,000 \$1,500,000 \$2,500,000	Proposition C 20% Local Return Proposition A 25% Local Return	06/30/11 <u>Time line:</u> Anticipate construction for both projects in FY 2009.
City of Malibu # 01-380	<p>Malibu Canyon Road Overlay Project <u>Project:</u> The project will provide a street overlay along Malibu Canyon Road that serves Metro bus route 434. <u>Justification:</u> The Capital Reserve will extend the life of the Local Return revenue dollars by extending their existing MOU for another three years.</p>	\$160,000	Proposition C 20% Local Return	06/30/11 <u>Time line:</u> Anticipate completion of construction in Dec. 2011.

