



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2932

(213) 922-2000

July 1, 1999

TO: BOARD OF DIRECTORS

FROM: TERRY MATSUMOTO
EXECUTIVE OFFICER, FINANCE & TREASURER

SUBJECT: SALES TAX REVENUES

REPORT

This report shows combined fiscal year-to-date Proposition A and C sales tax revenues received by the MTA.

In FY 1999, the MTA realized an actual Prop A and C revenue growth rate of 3.3% over FY98. Revenue received is \$28.4 million more than last year, but \$8.2 million less than budgeted.

The following tables detail FY99 revenue growth over FY98 and FY99 actuals versus FY99 budget estimates.

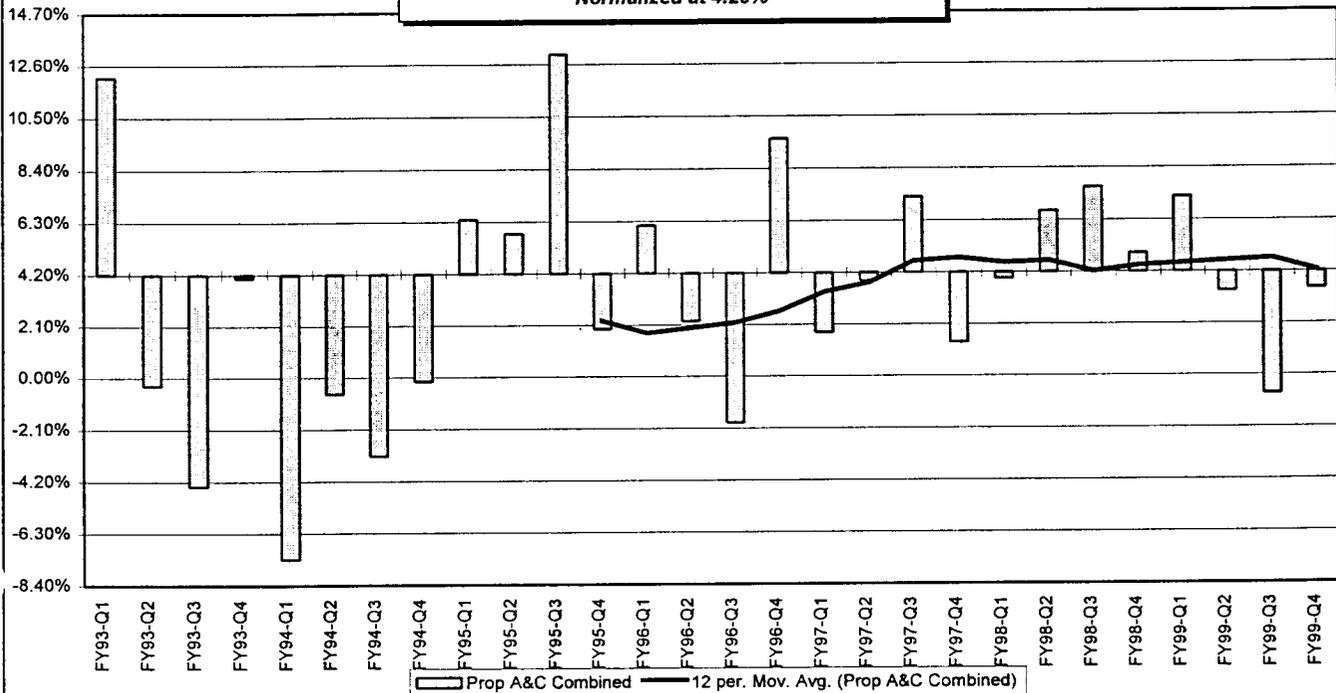
Prop A & C Combined - FY98 actual versus FY99 actual (millions)

Period	FY98 Actual	FY99 Actual	Growth %	Growth \$
Jul - Sep	\$211.7	\$227.0	7.2%	\$15.3
Oct - Dec	\$220.2	\$227.7	3.4%	\$7.5
Jan - Mar	\$229.8	\$228.1	-0.7%	-\$1.7
Apr - June	\$210.5	\$217.9	3.5%	\$7.4
FY Total	\$872.2	\$900.6	3.3%	\$28.4

Prop A & C Combined - FY99 budget versus FY99 actual (millions)

Period	FY99 Budget	FY99 Actual	Growth %	Growth \$
Jul - Sep	\$220.5	\$227.0	1.9%	\$4.2
Oct - Dec	\$229.4	\$227.7	0.8%	\$1.9
Jan - Mar	\$239.5	\$228.1	-2.4%	-\$11.4
Apr - June	\$219.4	\$217.9	-0.7%	-\$1.5
FY Total	\$908.8	900.6	-.90%	-\$8.2

Quarterly Sales Tax Revenue History
 Year over Year Proposition A and C Combined Growth Rate
 Normalized at 4.20%



July 8, 1999



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Los Angeles, CA
90012-2932

(213) 922-2000

TO: BOARD OF DIRECTORS

FROM: JAMES L. de la LOZA, EXECUTIVE OFFICER
REGIONAL TRANSPORTATION PLANNING &
DEVELOPMENT

SUBJECT: FY 1999-2000 BENEFIT ASSESSMENT RATE
FOR METRO RAIL RED LINE DISTRICT A1

ISSUE

In July 1999, staff will forward the Benefit Assessment District A1 assessments for FY 1999-2000 to the Los Angeles County Assessor's Office for collection. The FY 1999-2000 levy for the Metro Red Line District A1 ("the District") will be set at **\$0.218 per assessable square foot**.

BACKGROUND

The District generated \$123.7 million for Metro Rail Red Line Segment 1 construction costs through the issuance of Benefit Assessment District A1 bonds (the "Bonds") which were issued in 1992. The District includes 1,400 assessable properties of approximately 63 million square feet. Based upon certain assumptions about the District and the debt service requirements, levies were projected through maturity of the Bonds in 2009.

For last year, FY 1998-99, the District assessment rate was \$0.215 per assessable square foot. The gross adjusted assessment was estimated at \$12,949,450 (assuming a 5% delinquency rate). The total collected to date is \$11,614,777. The final payments from the Assessor Office are due in July and August. These collections when combined with the \$3,000,000 debt service offset will cover the total debt service obligations of \$14,966,840.

Board Actions on Rate Adjustment

Two years ago, the newly created downtown Business Improvement District requested that the MTA Board consider lowering the assessment for a five-year period. The Board approved a resolution on February 26, 1997 authorizing MTA staff to set the assessment rates and directing staff to negotiate with the Bond's insurer (Ambac) to substitute a surety policy for the \$15 million cash-funded reserve.

On January 29, 1998, the Board authorized the Chief Executive Officer to execute documents required by Ambac which permitted the substitution of the cash reserve fund with a surety policy. The resolution also directed staff to use

those moneys from the cash reserve fund when they become available to provide annual offsets to the required assessment, thereby reducing the assessment rate for a given year. The annual release of the funds depends upon a minimum debt service coverage of 1.05x. Assuming this coverage is sufficient, up to \$3 million may be drawn down each year over a five-year period to reduce the assessment rate.

As required by Ambac, staff has reviewed the District's prior year performance and estimates the following sources and uses of funds for FY 1999-2000:

Sources:

Net collection	\$13,068,010
Debt service offset	<u>\$ 3,000,000</u>
Total Sources of Funds	\$16,068,010

Uses:

Debt service	\$15,101,090
Administration	\$ 500,000
Transfers to surplus fund	<u>\$ 466,920</u>
Total Uses of Funds	\$16,068,010

FOLLOW-UP

The following are the next steps that the Benefit Assessment District Program (the "Program") is implementing:

- June 1999 The Program staff prepares the direct assessments for the FY 1999-2000 tax roll; completes the Agency Information Sheet; and signs the Billing Agreement with the Auditor Controller.

- July 1999 The Program staff will submit a test tape to the Auditor Controller.

- August 1999 The Program staff will submit the final assessment tape. The Auditor-Controller will prepare a new Tax Roll with the direct assessments. The Auditor-Controller will return a signed copy of the Billing Agreement to the MTA.

- Sept. 1999 The Secured Tax Roll and bills are printed and mailed out to property owners for payments due in December 1999 and April 2000.

- Nov. 1999 The MTA will receive the LS09 Report "Agency Lien List," which provides the direct assessments billed for the current tax year.

Collections received in FY 1999-2000 and combined with the debt service offset will be used for bond payments in March and September 2000.

Prepared by: David Sikes, Manager, Benefit Assessment Districts Program
Mike Smith, Debt Manager, Treasury