



April 22, 1998

Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2932

(213) 922-2000

**TO: JULIAN BURKE, CHIEF EXECUTIVE OFFICER
BOARD OF DIRECTORS**

FROM: SHARON L. LANDERS, DEPUTY CHIEF EXECUTIVE OFFICER *SL*

**SUBJECT: UPDATE ON STATE LEGISLATION: AMENDMENTS
TO SB 1886 (HAYDEN) AND SB 1847 (SCHIFF)**

Attached is a memo detailing recent amendments to two bills of concern to the MTA. (Attachment A) These measures were amended after the posting of the agenda for the April 23, 1998 Board of Directors meeting. Staff recommends, however, that the Board review the amended bills and provide further direction for MTA legislative activities at this meeting.

The amended version of SB 1847 is also attached for your review. (Attachment B) The amended version of SB 1886 will most likely be available within the next few days.

Please feel free to contact me with any questions on these bills or staff's recommendations.

Attachments



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2932

(213) 922-2000

April 22, 1998

TO: SHARON L. LANDERS
FROM: CLAUDETTE A. MOODY *cm*
SUBJECT: RECENT AMENDMENTS TO SB 1886 (HAYDEN) AND
SB 1847 (SCHIFF)

ISSUE

As we have discussed, two bills of interest to the MTA have recently been amended. These amendments occurred after the posting of the MTA agenda for the April 23, 1998 Board meeting. I believe, however, that the Board should consider these bills at that meeting. The following is a review of the amended versions of SB 1886 and SB 1847.

SB 1886 (HAYDEN)

SB 1886, originally a measure to create a new comprehensive transportation authority for the San Fernando Valley, has been amended in the Senate Committee on Transportation to establish a San Fernando Valley Transportation Board which would be responsible for transportation planning and programming for projects in that region. The amendments, which were verbally discussed in the Senate Committee on Transportation on Tuesday, April 21, have been sent to the Legislative Counsel for drafting into the bill, so the amended measure is not yet "in print." As expressed in the committee, however, the new board created by SB 1886 would develop and determine transportation projects in the San Fernando Valley and submit these plans to the MTA. The MTA could not make any changes to the Valley board's recommendations, but could identify that funding was unavailable for the particular projects chosen in the area. Funding responsibilities would, therefore, continue to be in the purview of the MTA. It was unclear from the author's testimony exactly how the process would be further implemented.

It should be noted that SB 1886, as amended, differs from AB 1759, Assembly Member Runner's bill on the allocation of state transportation funds. AB 1759 provides a framework for the development of an inclusive allocation process which acknowledges the importance of regional planning and priorities. SB 1886 establishes a planning and programming process for one area of the county which is solely defined in geographic terms. As described in committee, SB 1886 significantly alters the SB 45 process with limited local input into the development of that process. It also sets up an additional bureaucracy for planning and programming, the third in the county after SCAG and the MTA. Additionally, the

bill still provides that seven of the fifteen members are selected by state officials and not locally determined.

Staff recommends continued opposition to SB 1886, as amended.

SB 1847 (SCHIFF)

Amendments to SB 1847 were incorporated into the measure late last week. SB 1847, which would create a joint powers authority for the construction of the Pasadena Metro Blue Line, has been amended as follows:

- Identifies the voting joint powers authority (JPA) members as one representative each selected by the Cities of Los Angeles, South Pasadena, Pasadena, the MTA and the San Gabriel Valley Council of Governments and one non-voting member selected by the Governor and provides for compensation for the voting members (capped at \$600 per month);
- Provides the JPA with the authority necessary for the construction of the rail line, including acceptance of grants, fees and allocations from governmental and private entities and contracting with public and private entities for that design and construction;
- Provides for the appointment of an executive director and the hiring of staff or consultants;
- Directs the MTA to transfer to the new authority all real and personal property and other assets accumulated in the planning and construction of the projects, including the rights-of-way and necessary documents;
- Directs the MTA to transfer all unencumbered state and local funds programmed for the completion of the project to the Controller for allocation to the new authority for the completion of the project.
- Identifies in statutory language that the project could be extended to the City of Claremont.

Staff has identified several concerns with the amendments to the bill as currently written. These concerns are as follows:

1. Although the MTA has historically participated in JPA's for the construction of certain projects or the provision of services, it has never been the case that real property, including rights-of-way, have been turned over to the new entity. The author's office has indicated that the intent of SB 1847 is to create a temporary agency specifically for the purpose of construction, not a permanent bureaucracy for rail in that region. It is recommended that this language be deleted from the measure or that the provision relate to a temporary transfer of the property throughout the construction period.
2. Historically, the MTA has strongly opposed statutory direction relating to the expenditure or allocation of locally generated revenues. As written, SB 1847

specifically mentions these local revenues. It is recommended that references to the allocation of local revenues be stricken from SB 1847.

3. The identified Pasadena Metro Blue Line does not involve extension beyond the City of Pasadena. Statutorily mentioning an extension of the line to Claremont is beyond that project boundaries currently adopted by the MTA and what is understood to be the project by the CTC and other state officials. It is recommended that if there is need to mention extending the project beyond the adopted boundaries, it be done in "intent" language rather than in the body of the bill.
4. Providing for an executive director and staff seems to be establishing a separate, and unnecessary, bureaucracy for this single purpose temporary entity. When the SCRRA was formed, for a much more extensive "system" of rail, existing LACTC staff was utilized for the project. It is recommended that the JPA be directed in the legislation to utilize existing staff from the participating agencies.

It is recommended that the above noted suggestions be transmitted to Senator Schiff as amendments to SB 1847.

AMENDED IN SENATE APRIL 14, 1998

SENATE BILL

No. 1847

Introduced by Senator Schiff
(Principal coauthor: Assembly Member Scott)

February 19, 1998

An act to add ~~Section 130051.32~~ to Chapter 3 (commencing with Section 132400) to Division 12.7 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1847, as amended, Schiff. Transportation: Los Angeles County Metropolitan Transportation Authority: Pasadena Metro Blue Line Construction Authority.

(1) Existing law establishes the Los Angeles County Metropolitan Transportation Authority as the single successor agency to the Southern California Rapid Transit District and the Los Angeles County Transportation Commission. The authority is responsible for most transit guideway projects in Los Angeles County, and has specified duties and responsibilities with regard to transportation.

This bill would establish the Pasadena Metro Blue Line Construction Authority for the purpose of awarding and overseeing all design and construction contracts for completion of the Los Angeles-Pasadena Metro Blue Line light rail project from Union Station in the City of Los Angeles to Sierra Madre Villa Boulevard in the City of Pasadena. The bill would also provide for the construction of any mass transit guideway that may be planned east of Sierra Madre Villa Boulevard along the rail right-of-ways extending to the City of Claremont.

The bill would require the construction authority to (a) conduct the financial studies and the planning and engineering necessary for completion of the project, (b) adopt an administrative code, not later than 60 days after establishment of the construction authority, for administration of the construction authority in accordance with laws relating to open meetings of public entities, contracting and procurement, contracting goals for minority and women business participation, and political reform, and (c) complete a detailed management, implementation, safety, and financial plan for the project and submit the plan to the Governor and the Legislature not later than 90 days after establishment of the construction authority.

The bill would require that the construction authority be governed by a board consisting of 5 voting members and one nonvoting member, appointed to terms of 4 years. Three members would be appointed by the City Councils of the Cities of Los Angeles, Pasadena, and South Pasadena, with each city council appointing one member by a majority vote of the membership of that city council. One member would be appointed by the President of the Governing Board of the San Gabriel Valley Council of Governments, subject to confirmation by that board. One member would be appointed by the Los Angeles County Metropolitan Transportation Authority. The nonvoting member would be appointed by the Governor.

The bill would require the governing board to appoint an executive director to serve at the pleasure of the construction authority. The executive director would be authorized to appoint staff or retain consultants as necessary to carry out the duties of the construction authority. The bill would require that all contracts approved and awarded by the executive director be awarded in accordance with state law relating to procurement. The bill would require that the awards be based on price or competitive negotiation, or on both of those things.

The bill would require the Los Angeles County Metropolitan Transportation Authority to identify and expeditiously transfer to the construction authority all real and personal property, and any other assets, accumulated in the planning, design, and construction of the project,

including, but not limited to, rights-of-way, documents, third-party agreements, contracts, and design documents, as necessary for completion of the project.

The bill would require the Los Angeles County Metropolitan Transportation Authority to return the unencumbered balance of all state and local funds programmed for completion of that the project to the Controller. The amount returned would, upon appropriation by the Legislature, be allocated by the Controller to the Pasadena Metro Blue Line Construction Authority for the purposes specified above. The bill would require that the Pasadena Metro Blue Line Construction Authority be dissolved upon completion of construction of the light rail project and that the Los Angeles County Metropolitan Transportation Authority assume responsibility for operating construction authority for completion of the project.

The bill would create a state-mandated local program by imposing these additional duties upon local governmental entities.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 130051.32 is added to the Public
- 2 SECTION 1. Chapter 3 (commencing with Section
- 3 132400) is added to Division 12.7 of the Public Utilities
- 4 Code, to read:
- 5

1 CHAPTER 5. PASADENA METRO BLUE LINE
2 CONSTRUCTION AUTHORITY
3

4 132400. For purposes of this chapter, the following
5 terms have the following meanings:

6 (a) The "authority" is the Pasadena Metro Blue Line
7 Construction Authority created under this chapter.

8 (b) The "board" is the governing board of the
9 authority.

10 (c) The "project" is the Los Angeles-Pasadena Metro
11 Blue Line light rail project extending from Union Station
12 in the City of Los Angeles to Sierra Madre Villa Boulevard
13 in the City of Pasadena and any mass transit guideway
14 that may be planned east of Sierra Madre Villa Boulevard
15 along the rail right-of-way extending to the City of
16 Claremont.

17 132405. The authority is hereby created for the
18 purpose of awarding and overseeing all design and
19 construction contracts for completion of the project.

20 132410. (a) The authority has all of the powers
21 necessary for planning, acquiring, leasing, developing,
22 jointly developing, owning, controlling, using, jointly
23 using, disposing of, designing, procuring, and building the
24 project, including, but not limited to, all of the following:

25 (1) Acceptance of grants, fees, and allocations from
26 the state, local agencies, and private entities.

27 (2) Acquiring, through purchase or through eminent
28 domain proceedings, any property necessary for,
29 incidental to, or convenient for, the exercise of the
30 powers of the authority.

31 (3) Incurring indebtedness, secured by pledges of
32 revenue available for project completion.

33 (4) Contracting with public and private entities for
34 the planning, design, and construction of the project.
35 These contracts may be assigned separately or may be
36 combined to include any or all tasks necessary for
37 completion of the project.

38 (5) Entering into cooperative or joint development
39 agreements with local governments or private entities.
40 These agreements may be entered into for the purpose

1 of sharing costs, selling or leasing land, air, or
2 development rights, providing for the transferring of
3 passengers, making pooling arrangements, or for any
4 other purpose that is necessary for, incidental to, or
5 convenient for the full exercise of the powers granted the
6 authority. For purposes of this paragraph, "joint
7 development" includes, but is not limited to, an
8 agreement with any person, firm, corporation,
9 association, or organization for the operation of facilities
10 or development of projects adjacent to, or physically or
11 functionally related to, the project.

12 (6) Relocation of utilities, as necessary for completion
13 of the project.

14 (b) The duties of the authority include, but are not
15 limited to, all of the following:

16 (1) Conducting the financial studies and the planning
17 and engineering necessary for completion of the project.

18 (2) Adoption of an administrative code, not later than
19 60 days after establishment of the authority, for
20 administration of the authority in accordance with any
21 applicable laws, including, but not limited to, the Ralph
22 M. Brown Act (Chapter 9 (commencing with Section
23 54950) of Part 1 of Division 2 of Title 5 of the Government
24 Code), contracting and procurement laws, laws relating
25 to contracting goals for minority and women business
26 participation, and the Political Reform Act of 1974 (Title
27 9 (commencing with Section 81000) of the Government
28 Code).

29 (3) Completion of a detailed management,
30 implementation, safety, and financial plan for the project
31 and submission of the plan to the Governor and the
32 Legislature not later than 90 days after establishment of
33 the authority.

34 132415. (a) The authority shall be governed by a
35 board consisting of five voting members and one
36 nonvoting member who shall be appointed as follows:

37 (1) Three members shall be appointed by the City
38 Councils of the Cities of Los Angeles, Pasadena, and South
39 Pasadena, with each city council appointing one member
40 by a majority vote of the membership of that city council.

1 (2) One member shall be appointed by the President
2 of the Governing Board of the San Gabriel Valley Council
3 of Governments, subject to confirmation by that board.

4 (3) One member shall be appointed by the Los
5 Angeles County Metropolitan Transportation Authority.

6 (4) The nonvoting member shall be appointed by the
7 Governor.

8 (b) All members shall serve a term of not more than
9 four years, with no limit on the number of terms that may
10 be served by any person.

11 (c) If the position of a voting member becomes vacant,
12 an alternate voting member may be appointed by a
13 majority vote of the board to serve until the position is
14 filled as required under subdivision (a).

15 (d) Members of the board are subject to the Political
16 Reform Act of 1974 (Title 9 (commencing with Section
17 81000) of the Government Code).

18 (e) Three members of the board shall constitute a
19 quorum.

20 (f) The board shall elect a chairperson and vice
21 chairperson from among the membership of the board.

22 (g) Each member of the board shall be compensated
23 at a rate of not more than one hundred fifty dollars (\$150)
24 per day spent attending to the business of the authority.
25 Compensation shall not exceed six hundred dollars (\$600)
26 per month, plus expenses directly related to the
27 performance of duties imposed by the authority,
28 including, but not limited to, travel and personal
29 expenses.

30 132420. (a) The board shall appoint an executive
31 director to serve at the pleasure of the authority.

32 (b) The executive director is exempt from all civil
33 service provisions and shall be paid a salary established by
34 the board.

35 (c) The executive director may appoint staff or retain
36 consultants as necessary to carry out the duties of the
37 authority.

38 (d) All contracts approved and awarded by the
39 executive director shall be awarded in accordance with
40 state law relating to procurement. Awards shall be based

1 on price or competitive negotiation, or on both of those
2 things.

3 132425. The Los Angeles County Metropolitan
4 Transportation Authority shall identify and expeditiously
5 transfer to the authority all real and personal property,
6 and any other assets accumulated in the planning, design,
7 and construction of the project, including, but not limited
8 to, rights-of-way, documents, third-party agreements,
9 contracts, and design documents, as necessary for
10 completion of the project.

11 132430. (a) The Los Angeles County Metropolitan
12 Transportation Authority shall transfer the
13 unencumbered balance of all state and local funds
14 programmed for completion of the project to the
15 Controller for allocation as required under subdivision
16 (b).

17 (b) The amount transferred under subdivision (b)
18 shall, upon appropriation by the Legislature, be allocated
19 by the Controller to the authority for completion of the
20 project.

21 Utilities Code, to read:

22 130051-32. (a) The Pasadena Metro Blue Line
23 Construction Authority is hereby created for the purpose
24 of awarding and overseeing all design and construction
25 contracts for completion of the Los Angeles/Pasadena
26 Metro Blue Line light rail project from Union Station in
27 the City of Los Angeles to Sierra Madre Boulevard in the
28 City of Pasadena. The authority consists of LLLL.

29 (b) The Los Angeles County Metropolitan
30 Transportation Authority shall return the unencumbered
31 balance of all state funds programmed for completion of
32 the light rail project to the Controller for allocation
33 pursuant to subdivision (c).

34 (c) The amount returned pursuant to subdivision (b)
35 shall, upon appropriation, be allocated by the Controller
36 to the Pasadena Metro Blue Line Construction Authority
37 for the purposes specified in subdivision (a).

38 (d) The Pasadena Metro Blue Line Construction
39 Authority shall be dissolved upon completion of
40 construction of the light rail project and the Los Angeles

1 ~~County Metropolitan Transportation Authority shall~~
2 ~~assume responsibility for operating the project.~~

3 SEC. 2. Notwithstanding Section 17610 of the
4 Government Code, if the Commission on State Mandates
5 determines that this act contains costs mandated by the
6 state, reimbursement to local agencies and school
7 districts for those costs shall be made pursuant to Part 7
8 (commencing with Section 17500) of Division 4 of Title
9 2 of the Government Code. If the statewide cost of the
10 claim for reimbursement does not exceed one million
11 dollars (\$1,000,000), reimbursement shall be made from
12 the State Mandates Claims Fund.

13 Notwithstanding Section 17580 of the Government
14 Code, unless otherwise specified, the provisions of this act
15 shall become operative on the same date that the act
16 takes effect pursuant to the California Constitution.