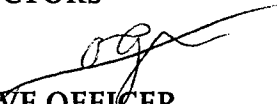





# Metro

February 2, 2005

**TO:** BOARD OF DIRECTORS

**THROUGH:** ROGER SNOBLE   
CHIEF EXECUTIVE OFFICER

**FROM:** DON OTT   
EXECUTIVE OFFICER, ADMINISTRATION

**SUBJECT:** TERMINATION OF LEASED SPACE FOR  
TRANSPORTATION FOUNDATION OF LOS ANGELES

## ISSUE

Metro will discontinue providing leased office space for the Transportation Foundation of Angeles (TFLA).

## BACKGROUND

The TFLA was incorporated as a 501(C)(3) not for profit, tax-exempt organization in 1991 under the Los Angeles County Transportation Commission, a predecessor agency of the Los Angeles County Metropolitan Transportation Authority (Metro). The TFLA was created to provide real-time internships to students as a means of fostering educational interest and careers in transportation in Los Angeles County.

A 1995 audit by the firm Simpson and Simpson recommended that the TFLA be separate and independent of Metro for the TFLA to remain within the legal mandates of applicable tax codes. The Board approved the separation of TFLA from Metro effective July 1996, when Metro entered into a memorandum of understanding (MOU) with the TFLA for program activities. The MOU also included provisions for office space, which Metro has provided since entering into the MOU.

The TFLA currently occupies office space leased by Metro in a building at 707 Wilshire Blvd. The last MOU between Metro and the TFLA for an internship program ended in 2002 and the TFLA's project that had been funded by Metro through the TIP Call for Projects ended in December 2004. Since there are no longer any programmatic relationships with the TFLA, and in light of current budget constraints, Metro staff informed the TFLA that Metro would no longer pay for the leased space that the TFLA currently occupies. Staff asked the TFLA to either fund or vacate the leased space by April 30, 2005.

## NEXT STEPS

Metro will not include funds for the TFLA lease expense in the FY06 Budget.