

# MINUTES



LOS ANGELES COUNTY TRANSPORTATION COMMISSION 403 West 8th St., Suite 500, Los Angeles, CA 90014 (213) 626-0370

## LOS ANGELES COUNTY TRANSPORTATION COMMISSION

DECEMBER 14, 1988

The regular Commission meeting was called to order by Chairman Schabarum at 1:55 p.m. in the Board of Supervisors' Hearing Room at the Hall of Administration.

Mr. Taylor was in receipt of a letter from Supervisor Edelman designating Richard Callahan as his alternate for this meeting.

Members in attendance were:

Supervisor Peter Schabarum  
Councilmember Christine E. Reed  
Mayor Jacki Bacharach  
Councilman Michael Woo  
Councilman Ray Grabinski  
Marcia Mednick  
Walter King, alternate to Supervisor Hahn  
Richard Callahan, alternate to Supervisor Edelman  
Barna Szabo, alternate to Supervisor Dana  
John La Follette, alternate to Supervisor Antonovich  
Ray Remy, alternate to Mayor Bradley  
Jerry Baxter, Ex-Officio for State of California

Staff members present:

Paul Taylor, Acting Executive Director  
David Kelsey, Assistant County Counsel  
Kathy Torigoe, Executive Secretary  
Elyse Kusunoki, Administrative Secretary

### SIGNING CEREMONY

The members of the Board of Directors of the Foothill Transit Zone were introduced by Chairman Schabarum. They were present to sign an agreement between the LACTC and Joint Powers Authority representing the 20 cities and the County of Los Angeles to provide a transit service that is cost-effective, reliable and responsive to local needs. He indicated that after years of planning and hard work, commitment and vision, the fruits of labor and coordinated team effort involving officials and citizens of 20 cities in the San Gabriel and Pomona Valleys have finally been accomplished. Chairman Schabarum praised the efforts of all those who have been instrumental in the formation of the Zone and gave recognition to what is today the largest single effort of its kind to provide reliable public transportation through competitive contracting.

### PUBLIC HEARINGS

Public Hearing re. Necessity for the Acquisition of Parcel No. R01-R21-AS303: This hearing was continued from the last meeting. The proposed taking is the permanent fee to a small triangular area of the corner of real property which is located at 1801 Long Beach Boulevard, in the City of Long Beach, California, owned by Steven Skuljan and Catherine Skuljan.

Mr. Kelsey reminded the participants that those who were sworn in at the last meeting are still under oath and any additional persons will be sworn in as the time comes.

Mr. James Wiley, Manager of Real Estate for LACTC, indicated that at the last meeting, when the session was adjourned, the Commission was talking to Mr. Skuljan and his attorney and to representatives of the carwash, Sovereign, that operates the business at the site. In the interim period since the last meeting, the owners and the representatives have met with the representatives of the City of Long Beach and Caltrans. The City of Long Beach has agreed to a change but this change is still a violation of the zoning ordinance that exists. The owner has been notified that it would be his responsibility to seek that change in the zoning ordinance because the Commission cannot grant any variance to that zoning ordinance. In addition, Caltrans has agreed to a change in the design which would permit the driveway to be placed into the curb return radius by 5-1/2 feet. A drawing was shown to the Commission and explained by Mr. Wiley.

Mr. Gil Seton, attorney for Skuljan's, indicated that they thought whoever was responsible for the design would reconsider possible alternatives in an effort to mitigate damages. They have been in contact with Caltrans and the City of Long Beach and they have given their best thoughts to what they can do in an effort to mitigate damages. Whether this is a solution is not known yet. They are grateful to have had the opportunity to see the powers involved and have them mitigate the damages and hope that they are mitigated.

Mr. Skuljan agreed with Mr. Seton's statements.

Mr. Gerald Hirneise, representing the leasehold interest, indicated that they believe there will be a major impact on the site by taking that corner as stated at the last meeting.

Mr. Taylor indicated that if the evidence warrants the necessary findings, it is recommended that the Commission make such findings and adopt the proposed Resolution of Necessity authorizing the commencement of an eminent domain action to acquire the subject property interests.

Mrs. Bacharach moved approval of the staff's recommendation and close the hearing, seconded by Mr. King.

Roll call vote was taken:

Yes: King, Szabo, La Follette, Remy, Woo, Grabinski,  
Bacharach, Reed, Mednick, Schabarum

No: None

Absent during roll call: Callahan

Motion was carried.

Public Hearing re. The LACTC's proposed grant application to fund design and construction of Phase Two of the Locally Preferred Alternative for the Metro Rail Project.

Mr. Taylor indicated that the public hearing is on the Commission's grant application to the Urban Mass Transportation Administration for funding Phase 2 of the Locally Preferred Alternative for the Metro Rail Project. The purpose of this public hearing is to receive comments from concerned individuals, organizations and community groups on the Commission's proposed grant application for funding, design and construction of Phase 2.

Mr. Bryan Allen and Greg Roberts appeared before the Commission on this item.

Mrs. Bacharach moved to close the public hearing, seconded by Mr. Grabinski. Hearing no objection, the motion was carried.

Public Hearing re. The LACTC's proposed grant application to fund Alternatives Analysis/Draft Environmental Impact Report Statement for Metro Rail Extensions, both east and west of Downtown Los Angeles.

Mr. Taylor indicated that the public hearing is on the Commission's grant application to the Urban Mass Transportation Administration for funding of the above-mentioned project.

Mr. Bryan Allen commented on this item.

It was moved and seconded to close this public hearing. Hearing no objection, the motion was carried.

**CONSENT CALENDAR (Items 1 to 9)**

Mr. Taylor read the following: Parties of interest, who had made a contribution of \$250 or more in the past twelve months to any member of the Commission, are asked to come forward and state for the record the Commissioner to whom such contribution was made and to identify the item involved. (None)

Mr. Woo advised Commission Counsel that he must be recorded as an official abstention from Item Nos. 3 and 10 because he had received campaign contributions in excess of \$250 from potential contractors involved in these two items.

Mrs. Bacharach asked to hold Item Nos. 6 and 9. Mr. Szabo indicated that Mr. Callahan had to leave the room for a few minutes and had asked to hold Item No. 8 on behalf of Supervisor Edelman with a request that the matter be discussed; his recommendation would be to delete point 3 in the recommendation in light of the approval of the eight-point plan.

Mrs. Reed moved approval of Items 1-5 and 7, seconded by Mr. Grabinski, with Mr. Woo not voting on Item 3. Hearing no objection, motion carried.

1. Approval of Minutes of November 9 and 30, 1988 as submitted.
2. Government Relations & Finance Committee recommended adoption of the updated policy statement and revised Disadvantaged Business Enterprise Program that includes CON 20, Section 1.0 of the Affirmative Action/Labor Compliance Manual, and specific DBE language for bid documents. That the Commission establish a DBE participation goal of 18% for FY 1988-89 for the following UMTA grant applications:
  - a) Safety and Security Enhancement Program
  - b) Metro Rail Project Phase 2
  - c) Metro Rail Project Phase 3
  - d) Commuter Transportation Implementation Plan
3. Rail Construction Committee recommended authorization for the Acting Executive Director to execute Amendment No. 1 to the contract for DKS Associates providing CPUC/Railroad Coordination under Contract No. R01-S11-E0006, for a not-to-exceed amount of \$77,891. This will increase the total contract amount from \$77,891 to \$155,782.
4. Rail Construction Committee recommended approval of Change Order #10 for Contract C-415 (Firestone Bridge) in the amount of \$441,322 and also increase the current amount authorized for expenditure (A.F.E.) by \$600,000 to a revised total A.F.E. of \$10,445,000. This increase in A.F.E. will enable staff to process pending and anticipated changes.
5. Streets & Highways Committee recommended certain actions re. TDA Article 3 Bicycle and Pedestrian Facilities fund recall, extension and allocation.
7. Transit Committee recommended readoption of the current Formula Allocation Procedure for transit operators' subsidies for FY 1990 and FY 1991.

#### DISCUSSION ON CONSENT ITEMS

6. Streets & Highways and Transit Committees recommended approval of the SR 46 Report to the State Senate re. transportation project needs in Los Angeles County. Streets & Highways Committee recommended that staff be authorized to add additional projects that come to their attention prior to submittal to the state.

Mrs. Bacharach asked staff for a clarification. She had hoped to see a revised list because at the S&HC meeting, changes were made to some of these items. She was concerned about the electrification of vehicles and the fact that the Commission is on record saying it wants self-contained electrified vehicles. Since the list has not been revised, she asked if she can assume that a motion today would be a motion to adopt a list revised by the S&HC. Mr. Taylor agreed that it would be the case and that the S&HC recommended that staff be authorized to add additional projects that come to the attention of staff before the date for submittal or thereafter if the Legislature is still receiving input.

With that understanding, Mrs. Bacharach moved approval of the list of Los Angeles County transportation needs with the revisions made by the S&HC, seconded by Mrs. Mednick. Hearing no objection, motion was carried.

9. Transit Committee recommended authorization of \$2,946,400 of Proposition A rail funds to allow the SCRTD to exercise an option with the Lord Corporation to purchase 58,000 fixation rail fasteners for Phase 2 of Metro Rail.

Mrs. Bacharach indicated that she wants to add a clause to the recommendation to say that the Commission approves this money for Phase 2 of Metro Rail and that it should be credited to the Commission's local share.

Mrs. Reed moved approval of the TC's recommendation with the addition of Mrs. Bacharach's language recognizing the credit to the local share of the Commission, seconded by Mrs. Bacharach. Hearing no objection, motion was carried.

#### STAFF/COMMITTEE REPORTS

10. Mr. Szabo reported that in July, 1986, the Commission sold \$707 million of sales tax revenue bonds with varying maturities grouped in five Series A through E. In subsequent years, the Commission first sold the Series A bonds at fixed rates for 30-year term and Series B and C also at fixed rates. While interest rates are climbing, they are still below the fixed rates at which Series A, B, and C were sold. Therefore, the Government Relations & Finance Committee recommended the approvals necessary for advance refunding of the \$100,000,000 Series D and \$78,500,000 Series E sales tax revenue bonds as follows:

- (1) That the Commission authorize an advance refunding bond issue by approving the following bond documentation:
  - o Resolution of the Los Angeles County Transportation Commission authorizing the issuance and sale of its sales tax revenue refunding bonds Series 1989-A and approving other related matters.
  - o Fourth Supplemental Trust Agreement
  - o Escrow Agreement
  - o Bond Purchase Agreement
  
- (2) That the Commission approve contract services for the following fees with those firms that performed identical services for the refunding bond sold in May of this year:
  - FINANCIAL ADVISORY - Public Financial Management, Inc.  
\$60,000
  
  - CO-BOND COUNSEL - Kutak, Rock and Campbell, Johnnie L.  
Cochran, Jr., and Wilson, Beck & Pyfrom  
\$84,000
  
  - INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS - Deloitte  
Haskins & Sells \$15,000
  
  - TRUSTEE - First Interstate Bank of California  
\$12,700 Annually
  
- (3) That the Commission appoint the following underwriters who were selected earlier this year through competitive bidding to market the refunding bonds in May, 1988.
  - SENIOR UNDERWRITER - First Boston
  - CO-MANAGERS - Morgan Stanley
  - Dean Witter
  - Paine Webber
  - Smith Barney
  - Ehrlich Bober
  - Grigsby Brandford
  - WR Lazard
  
- (4) That the Commission authorize the Acting Executive Director to execute the Bond Purchase Agreement before the Commission meeting of January 25, 1989, in the event the underwriters are able to market fixed-rate bonds at a True Interest Cost (TIC) at or below 7.80%.

Mr. Szabo moved approval of the above recommendations, seconded by Mrs. Reed. For the same reason as referenced by Mr. Woo, Chairman Schabarum also asked to be reflected as not voting on this item. Hearing no objection, the motion was carried with Mr. Woo and Mr. Schabarum abstaining from voting.

11. Mr. Szabo reported that in New York, the Metropolitan Transportation Authority approved and executed a cross-border lease agreement with Orient Aircraft Co., Ltd. Essentially, the transaction is similar to "safe harbor" leasing transactions that were permitted in the United States until they were abolished in the 1986 Tax Reform Act. Such transactions are still permitted in other countries including Japan.

The GR&FC recommended authorization to issue Requests for Proposals to investment banking firms that have arranged cross-border leasing transactions to arrange such a financing for the Commission's purchase of 54 Sumitomo rail cars and related equipment. Cross-border leases with Japanese lessors can reportedly produce an effective cost savings of 5% to 7%. Hence, the Sumitomo contract for 54 rail cars totaling \$69,607,000 could produce a saving to the Commission ranging from \$3.5 million to \$4.9 million. In addition, the Commission is purchasing \$62.5 million in rail-related equipment and a cross-border leasing of this equipment could produce a saving of another \$3.1 million to \$4.4 million.

The concern of the GR&FC is that this is a new approach which has been tried once in this country. For this reason, the Committee recommended that the staff seek a second opinion by talking to either a consultant or individual that has had similar experiences to the investment banking firms from whom the Commission will issue RFPs.

Upon soliciting proposals, staff will evaluate proposals and submit finalists to the GR&FC for selection of a investment banking firm.

Mr. Szabo moved approval of the recommendation to issue the RFP and to retain a back-up lease advisor to assist staff, seconded by Mrs. Reed. Hearing no objection, the motion was carried.

12. Mrs. Reed reported that the Transit Committee recommended Commission authorize release of the Draft Environmental Impact Report for the southern portion of the Pasadena-Los Angeles corridor. Once the release of the DEIR is authorized, staff will mail the Notice of Completion and Availability. The 45-day review period is initiated on the date that the State Office of Planning and Research acknowledges receipt of the DEIR. Staff expects this review period will end in mid-February, 1989. Staff was directed to keep the City of South Pasadena informed of the process. Mrs. Reed moved approval of the recommendation, seconded by Mr. King. Hearing no objection, the motion was carried.
13. Actions Needed to Complete Pending UMTA Grant Applications:  
  
Mr. Taylor indicated that staff has withdrawn the item at this time; no action is required.

CONTINUATION OF CONSENT CALENDAR

8. Transit Committee recommended approval of procedures for initial property acquisitions for Metro Rail Phase 2, as follows:
  - 1) That the Commission authorize an agreement for contract with SCRTD to provide funding of up to \$35,945,000 for the early acquisition of real property for Metro Rail Phase 2;
  - 2) That the acquisitions by SCRTD be carried out in conformance with UMTA and SCRTD procedures and, specifically, that no acquisition be made prior to approval of the Final Supplemental Environmental Impact Statement;
  - 3) That the terms of the agreement or contract provide for the potential transfer of the title to the property acquired to the Commission at no cost should the Commission so request.

In Mr. Callahan's absence, Mr. Szabo indicated that Mr. Callahan had expressed concern about the eight-point agreement that deals with the grantee status and the relationship between the LACTC and SCRTD and would like to delete Recommendation #3 because the property ownership should rest with the SCRTD.

Mrs. Reed explained that the Transit Committee changed the staff's recommendation and indicated that the final recommendation of the Transit Committee is that the terms of the agreement between the LACTC and SCRTD provide for the potential transfer of title to any property acquired to the Commission at no cost if the Commission requests.

Mrs. Reed moved approval of the Transit Committee's recommendations 1, 2 and 3, seconded by Mr. Grabinski. Hearing no objection, motion was carried.

**INFORMATION ITEMS (Items 14-21)**

14. Update on County ballot initiatives for transportation funding
15. ASSHTO and APTA proposals for 1991 Federal authorization legislation
16. Norwalk-El Segundo rail transit project Compton Boulevard station design
17. Review "Testing and Pre-Revenue Operations" Schedule
18. Review October Monthly Progress Reports (LB/LA & N/ES)
19. Development of Rail Construction Corporation functional organization
20. Status of Regional Bikeway Program
21. Status of UMTA Full Funding Agreement on Metro Rail Phase 2

With reference to Items 19 and 21, Mr. Taylor referred to a memo, that was distributed to the Commissioners, titled, "Follow-up on Eight-Point Agreement with SCRTD" and summarized Parts 1 through 8 (attached).

With regard to Part 1, Mrs. Bacharach asked if the Transit Committee could meet in advance of the joint meeting to discuss agenda items and critical issues concerning the Commission.

**EXECUTIVE DIRECTOR'S REPORT**

- A. Revised Notice of Meetings
- B. January 11 Commission Meeting: Issues to be discussed will be improving integration of the countywide transportation system (streets, highways and public transportation) and our rail development plans.

- C. On Monday, December 19, Chairman Schabarum has arranged for a briefing concerning the route decision for Phase 2 of the Metro Rail project, from 2:00 to 3:00 p.m., in his office. Interested Commissioners are invited to attend.
- D. Introduced Paula Willins, who recently joined the Commission staff and will be working with Steve Lantz in Community Relations.

#### REPORTS FROM CHAIRMAN AND COMMISSIONERS

Chairman Schabarum asked about the status of the Rail Construction Corporation. Mr. Taylor reported that County Counsel has filed the Articles of Incorporation with the Secretary of State and Item No. 19 (under Information Items) indicates the report that was made to the Rail Construction Committee.

Mr. Taylor announced that Sharon Neely, LACTC staff, has been appointed to chair APTA's Policy and Planning Committee. The Commissioners congratulated Sharon on her appointment.

#### NEW BUSINESS

None

#### PUBLIC COMMENT

Mr. Greg Roberts appeared before the Commission.

#### CONTINUATION OF CONSENT CALENDAR

Mr. Callahan rejoined the Commission and asked that he be recorded as a "no" vote under Item No. 8.

#### CLOSED SESSION

At 3:08 p.m., the Commission recessed into a closed session pursuant to Government Code Section 54956.8/54956.9, to authorize an offer of just compensation for property located in the City of Long Beach (Parcel No. R01-R21-AS304, J. R. Herley Trust, et al.); to discuss real estate matters; and to discuss personnel matters.

At 3:55 p.m., the Commission reconvened. With regard to the purchase of real estate (Parcel AS304), Mrs. Reed moved to offer just compensation, seconded by Mr. Grabinski. Hearing no objection, motion was carried.

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**ADJOURNMENT**

Meeting was adjourned at 3:58 p.m.



PAUL C. TAYLOR  
Acting Executive Director

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Attachment