



**PLANNING AND PROGRAMMING COMMITTEE  
JUNE 14, 2006**

**SUBJECT:      RECERTIFICATION OF PROPOSITION A AND PROPOSITION C LOCAL  
                  RETURN CAPITAL RESERVE ACCOUNTS FOR CITIES OF ARCADIA,  
                  MONTEBELLO, PICO RIVERA, POMONA AND SAN GABRIEL**

**ACTION:       APPROVE TERM LIMIT EXTENSIONS TO AGREEMENTS FOR  
                  LOCAL RETURN CAPITAL RESERVE ACCOUNTS**

**RECOMMENDATION**

- A. Approve three-year extensions to the term limits of the Memoranda of Understanding (MOUs) that established the Local Return Capital Reserve Accounts for the Cities of Arcadia, Montebello, Pico Rivera, Pomona and San Gabriel for capital projects and amounts of Proposition A and Proposition C Local Return funds, as detailed in Attachment A; and
- B. Authorize the Chief Executive Officer, or his designee, to negotiate and execute all necessary amendments that would extend the term limits of the MOUs between Metro and the cities for their Local Return Capital Reserve Accounts as approved.

**ISSUE**

The Cities of Arcadia, Montebello, Pico Rivera, Pomona and San Gabriel have requested that Metro extend the term limits of their established Proposition A and Proposition C Local Return Capital Reserve Accounts that will be used for transit and street/road improvement projects.

**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. The aforementioned five local jurisdictions retained Board approval for their Capital Reserve Accounts in FY 2003. Metro executed MOUs shortly thereafter with a specified term limit.

After a Capital Reserve Account has been established, a local jurisdiction also may request to further extend the term limit of the MOU that established the account, as needed to complete its project. Attachment A shows a summary of the accounts for the five local jurisdictions with their three-year extensions as proposed.

### **OPTIONS**

The Board of Directors may choose not to extend the term limits for the accounts as proposed and allow the Proposition A and Proposition C Local Return funds to lapse. According to Proposition A and Proposition C Guidelines, the lapsed funds then would be returned to Metro, so that the Board may redistribute the funds to each Los Angeles County local jurisdiction by formula on a per capita basis.

If the Board does not approve the MOU term limit extensions, which we do not recommend, the Cities of Arcadia, Montebello, Pico Rivera, Pomona and San Gabriel cannot complete their large capital projects as described in Attachment A.

### **FINANCIAL IMPACT**

With our recommendation, there would be no impact on the Metro Budget, or on Metro's Financial Statements. The Capital Reserve Account funds originate 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.

### **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. 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.

The City of Arcadia has \$2,000,000 in Proposition A and \$3,000,000 in Proposition C Capital Reserves for the Pasadena Gold Line Mass Transit Station. The City of Montebello has three street projects using Proposition C Capital Reserves for Wilcox Avenue Widening, Beverly/Rio Hondo Bridge Reconstruction and Whittier Boulevard reconstruction in the

amounts of \$448,000, \$1,200,000 and \$267,000, respectively. The City of Pico Rivera has two Proposition C Capital Reserve projects, Widening at Rio Hondo for \$1,499,000 and Washington Boulevard Bridge for \$2,600,000. The City of Pomona has a Proposition C Capital Reserve project for \$6,008,000 for their Mission Boulevard Grade Separation project. The City of San Gabriel has a Proposition C Capital Reserve for San Gabriel Boulevard Street Improvements in the amount of \$2,860,000.

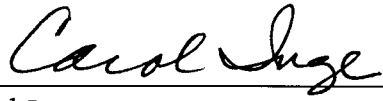
### **NEXT STEPS**

With Board approval of the recommendation, we will negotiate and execute all necessary amendments that would extend the term limits of the MOUs between Metro and the Cities of Arcadia, Montebello, Pico Rivera, Pomona and San Gabriel for their Local Return 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 their agreements.

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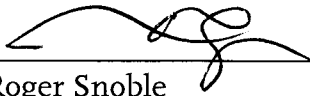
### **ATTACHMENTS**

A. Summary of Capital Reserve Accounts with Proposed Term Limit Extensions



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Carol Inge  
Chief Planning Officer  
Countywide Planning & Development



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Roger Snoble  
Chief Executive Officer

**ATTACHMENT A**

Los Angeles County Metropolitan Transportation Authority  
 Proposition A and Proposition C Local Return Program  
 Summary of Capital Reserve Accounts with Proposed Term Limit Extensions (expiration June, July or September 2006)  
 As of May 1, 2006

CITY	PROJECT TITLE	CURRENT MOU TERMINATION/ REVIEW DATES	PROPOSED NEW MOU TERMINATION/ REVIEW DATES*	PROPOSITION A	PROPOSITION C	TOTAL	STATUS
Arcadia	Capital Reserves - Pasadena Gold Line Mass Transit Station	6/30/2006	6/30/2009	\$ 2,000,000	\$ 3,000,000	\$ 5,000,000	City is currently in the planning stage. This project is long term, awaiting construction of Gold Line extension.
Montebello	Wilcox Avenue Widening	9/1/2006	9/1/2009	\$ -	\$ 448,000	\$ 448,000	Soliciting bids and will award contract in June 2006. Expect construction to start in August 2006.
Montebello	Beverly/Rio Hondo Bridge Reconstruction	9/1/2006	9/1/2009	\$ -	\$ 1,200,000	\$ 1,200,000	Plans and specs completed. Awaiting allocation of FHWA funding to start construction.
Montebello	Reconstructions Project Phase III	6/30/2006	6/30/2009	\$ -	\$ 267,000	\$ 267,000	Project is in the bid phase. Anticipate start of construction in July 2006.
Pico Rivera	Capital Reserve Account - Widening at Rio Hondo	9/1/2006	9/1/2009	\$ -	\$ 1,499,000	\$ 1,499,000	Project in design phase.
Pico Rivera	Capital Reserve - Washington Blvd. Bridge	9/1/2006	9/1/2009	\$ -	\$ 2,600,000	\$ 2,600,000	Project in design phase.
Pomona	Mission Blvd. Grade Separation at State Route 71	6/1/2006	6/1/2009	\$ -	\$ 6,008,000	\$ 6,008,000	Project is at 95% design completion. City is acquiring the right of way this Summer 2006. Construction is expected to begin in early 2007 with an 18 to 24-month construction duration.
San Gabriel	San Gabriel Blvd Street Improvements	7/1/2006	7/1/2009	\$ -	\$ 2,860,000	\$ 2,860,000	Project in multiple phases and is in middle of the work. LR funds provide match to STPL funds.

\*Proposed new termination dates are extended three years beyond the original term limit as written in their MOU.

NOTE: This is the first extension of the term limit of the MOUs for all listed projects, with the exception of Arcadia and Pico Rivera. They received Board approval in FY 2000.

