

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the City Council:

**SUBJECT: Transit – Approve Fiscal Year 2008-2009 Proposition 1B
Transit Security Bridge Funds Memorandum of
Understanding (MOU)**

RECOMMENDATION

Recommendation of the Transit Director that City Council approve a Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (Metro) for FY 2008-2009 Proposition 1B Transit Security Bridge Funds.

FUNDING

This MOU will provide Torrance Transit System (TTS) with an additional \$40,837 in Bridge Funds for Proposition 1B Transit Security projects.

BACKGROUND/ ANALYSIS

All Los Angeles County municipal transit operators qualify for a level of Prop 1B funding determined by the State Transit Assistance (STA) Fund formula. However, as an included municipal operator, TTS has received additional Prop A and Prop C revenue according to the Los Angeles County Formula Allocation Program (FAP) levels. This MOU authorizes Metro to *bridge* the difference between the lower level of Proposition 1B funding calculated by use of the STA formula and the higher level calculated by the FAP formula through the use of Local Funds. TTS has identified these Transit Security funds for an upgraded camera security system for the system's bus fleet.

All of the conditions of this MOU are considered to be routine in nature and do not contain any new or onerous restrictions to access or expend the proposed

funding. This is a one-year agreement, and any grievances can be negotiated and resolved before future MOUs are affected.

Approving and signing this MOU will provide TTS with additional revenues to complete current and anticipated Transit Security projects.

Respectfully submitted,



Kim Turner
Transit Director

Concur:



LeRoy J. Jackson
City Manager

Attachments: A) Prop 1B Transit Security Bridge Funds Memorandum of Understanding (#MOU.PC08TOR8)

MOU # MOU.PC08TOR8**MEMORANDUM OF UNDERSTANDING
FOR PROPOSITION 1B TRANSIT SECURITY BRIDGE FUNDING**

This Memorandum of Understanding for Proposition 1B Transit Security Bridge Funding (“MOU”) is entered into as of July 1, 2008, by and between the Los Angeles County Metropolitan Transportation Authority (“LACMTA”) and City of Torrance (“Grantee”).

WHEREAS, on November 4, 1980, the voters of the County of Los Angeles approved Proposition A, an ordinance establishing a one-half percent sales tax for public transit purposes; and

WHEREAS, on November 6, 1990, the voters of the County of Los Angeles approved Proposition C, an ordinance establishing a one-half percent sales tax for public transit purposes; and

WHEREAS, LACMTA is the agency responsible for administering the Proposition A and Proposition C taxes; and

WHEREAS, California voters approved Proposition 1B (“Prop 1B”) in the November 2006 general election; and

WHEREAS, Prop 1B enacts the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 to authorize \$19.925 billion in state general obligation bonds for specified purposes, including state transportation improvement program augmentation and transit improvements; and

WHEREAS, the State of California has Proposition 1B Transit Security Program funds which will be allocated to Los Angeles County municipal operators according to the State Transit Assistance Fund (STA) formula. The amount operators would receive under the STA formula may be less than the amount such operator would have received using the current FAP distribution levels; and

WHEREAS, on April 24, 2008, the LACMTA Board approved \$1.5 million in bridge funding as part of the FY 2008 State Proposition 1B Transit Security Program for Los Angeles County transit operators to receive Prop1B funds derived from either available Proposition C 40% Discretionary or Proposition A 40% Discretionary Growth Over Inflation from LACMTA’s FY 09 Budget . Therefore, for those transit operators whose State allocation of Prop 1B funds is less than the amount such operator would have received using the current FAP distribution Levels, LACMTA will bridge that gap and pay eligible transit operators the difference between such amounts; and

WHEREAS, at the June 26, 2008, meeting the LACMTA Board authorized a grant of funds as provided herein; and

WHEREAS, LACMTA and Grantee desire to agree to the terms and conditions of the grant of funds described herein.

NOW THEREFORE, in consideration of the mutual term and conditions contained herein, LACMTA and Grantee hereby agree as follows:

ARTICLE 1 - TERM

- 1.1. This MOU will be in effect from July 1, 2008 and shall terminate on June 30, 2009.

ARTICLE 2 - ALLOCATION OF THE FUNDS AND INVOICE PROCEDURE

- 2.1. To the extent the Funds are available, LACMTA shall grant Grantee forty thousand, eight hundred thirty-seven dollars (\$40,837) (the "Bridge Funds") to be used for Eligible Projects, as defined in Section 3.2 below.
- 2.2. The Bridge Funds will be disbursed after this MOU has been fully executed and Grantee has submitted to LACMTA all of the following: (i) a copy of Grantee's project application/allocation request submitted to the Governor's Office of Homeland Security (OHS); (ii) documentation that Bridge Funds are being used on Eligible Projects; and (iii) evidence of OHS's formal notice of project approval.
- 2.3 LACMTA will disburse the Bridge Funds after it receives an invoice from Grantee and all required documentation as provided herein. Invoices shall be consistent with the Funding Plan which Grantee submits as part of its allocation request to OHS for the Prop 1B funds

ARTICLE 3 - USE OF FUNDS

- 3.1 Grantee shall utilize the Bridge Funds on Eligible Projects in accordance with the terms and conditions contained herein and in a manner consistent with the State's Prop 1B Guidelines including timely use of funds. Grantee must expend Bridge Fund on Eligible Capital Project no later than March 31, 2011. Bridge Funds remaining unexpended thereafter will revert to LACMTA for reallocation at LACMTA's sole discretion.
- 3.2 "Eligible Projects" shall mean a ready-to-go, fully funded capital project approved by OHS that will address areas of transit system safety, security and/or disaster response. More specifically, Eligible Projects may include the following:

A. A capital project that provides increased protection against a security or safety threat, included but not limited to the following:

- (i) Construction or renovation projects that are designed to enhance the security of public transit stations, tunnels, guideways, elevated structures or other transit facilities and equipment.
- (ii) Explosive device mitigation and remediation equipment.
- (iii) Chemical, biological, radiological and nuclear explosives search, rescue or response equipment.
- (iv) Interoperable communications equipment.
- (v) Physical security enhancement equipment.
- (vi) The installation of fencing, barriers, gates or related security enhancements that are designed to improve the physical security of transit stations, tunnels, guideways, elevated structures or other transit facilities and equipment.
- (vii) Other security-related projects approved by OHS.

B. A capital project that increases the capacity of transit operators to prepare for disaster-response transportation systems that can move people, goods, emergency personnel and equipment in the aftermath of a disaster.

3.3 Grantee shall be responsible for any and all cost overruns for any Eligible Project.

ARTICLE 4 - AUDIT AND REPORTING REQUIREMENTS

4.1 Grantee agrees to establish and maintain proper accounting procedures and cash management records and documents in accordance with conditions defined by this MOU. Grantee shall maintain all documents and records related to the Eligible Projects, this MOU and the use of the Bridge Funds for three (3) years after the end of the fiscal year in which the Bridge Funds were expended. LACMTA may audit, as provided, herein, up to three (3) years after the end of the fiscal year in which the Bridge Funds were expended.

Upon completion of the Eligible Projects funded from FY07-08 Prop 1B Funds and/or the Bridge Funds, Grantee shall submit a report to LACMTA showing full and final costs of each Eligible Project. To the extent excess Bridge Funds remain, such excess Bridge Funds shall be returned to LACMTA, up to the amount of the Bridge Funds unless LACMTA agrees such Bridge Funds may be allocated to another Eligible Project.

- 4.2 In the event a State or LACMTA approved Eligible Project is cancelled or terminated, the Bridge Funds and all interest and other income earned by the Bridge Funds will be returned to LACMTA unless LACMTA agrees such Bridge Funds may be allocated to another Eligible Project.

ARTICLE 5 – MISCELLANEOUS

- 5.1 This grant shall be a one-time grant subject to the terms and conditions agreed to herein and in the Prop 1B Guidelines. Except as otherwise provided in this MOU, the grant does not imply nor obligate any future funding commitment on the part of LACMTA.
- 5.2 Grantee understands and agrees that in programming the Bridge Funds and entering into this MOU, LACMTA is acting pursuant to its statutory authority and shall have no liability in connection with the use of the Bridge Funds on Eligible Projects. Grantee shall fully indemnify, defend and hold LACMTA, its directors, officers, employee and agents harmless from and against any liability and expenses, including without limitation, defense costs, any costs or liability on account of bodily injury, death or personal injury of any person or for damage to or loss of risk of property, any environmental obligation, legal fees and any claims for damages of any nature whatsoever arising out of each Eligible Project including, without limitation, (i) any breach of Grantee's obligations under this MOU; (ii) misuse of the Bridge Funds by Grantee or its officers, agents, employees or subcontractors; (iii) any act or omission of Grantee or its officers, agents, employees, contractors or subcontractors in the performance and/or provision of the Eligible Project(s).
- 5.3 Grantee shall comply with all applicable local, state and federal laws and regulations and the Prop 1B Guidelines in the use of the Bridge Funds and the implementation of the Eligible Projects.
- 5.4 LACMTA reserves the right to terminate this MOU and withhold the Bridge Funds if it is determined that Grantee has not complied with all the terms and conditions contained herein or in the Guidelines.
- 5.5 No amendment or modification to this MOU shall be binding upon either party unless such amendment or modification is in writing duly executed by both parties. This MOU shall not be amended or modified by any acts or conduct of the parties.
- 5.6 Grantee is not a contractor, agent or employee of LACMTA. Grantee shall not represent itself as a contractor, agent or employee of LACMTA and shall have no power to bind LACMTA in contract or otherwise.

5.7 This MOU and the Prop 1B Guidelines constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements and understandings.

IN WITNESS WHEREOF, the parties hereto have caused this MOU to be duly executed as of the dates below with all the formalities required by law.

CITY OF TORRANCE

LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION
AUTHORITY

By: _____

By: _____

Name: _____

Arthur T. Leahy
Chief Executive Officer

Title: _____

Date: _____

Date: _____

ATTEST:

APPROVED AS TO FORM:

By: _____

Robert E. Kalunian
ACTING COUNTY COUNSEL

Date: _____

By: _____
Deputy

Date: _____

APPROVED AS TO FORM:

JOHN L. FELLOW III
City Attorney

By: _____

Date: _____