

Council Meeting of
January 26, 2010

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

Members of the Council:

SUBJECT: Transit - Approve Proposition 1B Transit Security Bridge Funding
Memorandum of Understanding.

Expenditure: N/A

RECOMMENDATION:

Recommendation of the Transit Director that City Council approve a Memorandum of Understanding (MOU) with the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the allocation of Proposition 1B Security Bridge funds for the period from July 1, 2009 to June 30, 2018.

FUNDING:

None required for this action.

BACKGROUND:

State Proposition 1B - the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 - authorizes the state to sell approximately \$20 billion of general obligation bonds to fund transportation projects "to relieve congestion, improve the movement of goods, improve air quality, and enhance the safety and security of the transportation system."

Under the last requirement of this bond, city and county transportation agencies are eligible for funding to "enhance protection against a security threat or improve disaster response capabilities on transit systems." This portion of the Proposition 1B Grant is administered by the Office of Homeland Security (OHS).

BACKGROUND:

As the regional transit operator, the Los Angeles County Metropolitan Transportation Authority (LACMTA) agreed to provide bridge funding to municipal transit agencies to make up for the shortfall in the State Transit Assistance fund as originally distributed under the Formula Allocation Procedure (FAP). Under this, Torrance Transit is eligible to receive \$36,118 in Bridge funds for Fiscal Year 2009/10.

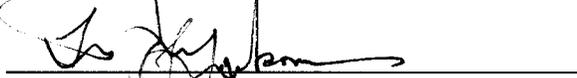
As specified in the agreement, the funds must be used for security purposes. Transit is in the process of enhancing and upgrading the security camera system on all of our buses that serve our fixed routes and rapid lines. The Bridge funding will be used to compliment this project as well as for other security related projects for the Transit Facility at the City Yard.

Respectfully submitted,



Kim Turner
Transit Director

CONCUR:



LeRoy J. Jackson
City Manager

Attachments: A) MOU for Proposition 1B Security Bridge Funds

**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, 2009, 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 Formula Allocation Procedure (“FAP”) distribution levels; and

WHEREAS, on September 24, 2009, the LACMTA Board approved \$1.5 million in bridge funding as part of the FY 2009 State Proposition 1B Transit Security Program for Los Angeles County transit operators to receive Prop1B funds derived from either available Proposition C 40% Discretionary/ Proposition A 40% Discretionary Growth Over Inflation or other available local funds from LACMTA’s FY 10 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 funds equal to the difference between such amounts (the “Prop 1B Bridge Funds”); and

WHEREAS, at the September 24, 2009, meeting the LACMTA Board authorized the Chief Executive Officer to execute new Memoranda of Understanding between eligible Los Angeles

MOU # MOU.PC09TOR8

County municipal operators and LACMTA to include FY 2009 and future Prop 1B local bridge funding for the life of the state bond programs, subject to allocation of State Proposition 1B bond funds and availability of local bridge funding; and

WHEREAS, LACMTA and Grantee desire to agree to the terms and conditions of the grant of Prop 1B Bridge 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, 2009 through June 30, 2018 unless terminated earlier as provided herein.

ARTICLE 2 - ALLOCATION OF THE FUNDS AND INVOICE PROCEDURE

- 2.1 For FY 2009 to the extent the Prop 1B Bridge Funds are available, LACMTA staff, in conjunction with the Eligible/Included Operators developed thirty six thousand one hundred and eighteen dollars (\$36,118) ("Bridge Funds") as Grantee's share of the Prop 1B Bridge Funds to be used for Eligible Projects, as defined in Section 3.2 below. The allocation for Prop 1B Bridge Funds were developed according to the formula allocation procedure. Prop 1B Bridge Funding for remaining years of the Prop 1B Bond program is subject to annual approval by the LACMTA Board and allocation of State Prop 1B Bond funds.
- 2.2 Subject to allocation of State Prop 1B Bond funds and availability of local bridge funding, LACMTA will disburse the Prop 1B Bridge Funds 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 Prop 1B 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 Prop 1B Bridge Funds specified in Section 2.1 above 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 Prop 1B 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 demonstrate timely use of the Prop 1B Bridge Funds by expending the Prop 1B

Bridge Funds granted under this MOU for allowable costs within 36 months from July 1 of the Fiscal Year in which the Prop 1B Bridge Funds are programmed, unless otherwise stated in this MOU. For example, all Prop 1B Bridge Funds programmed for FY 2008 - 09 are subject to lapse by June 30, 2012, and Prop 1B Bridge Funds programmed for FY 2009 - 10 are subject to lapse by June 30, 2013. Prop 1B Bridge Funds remaining unexpended after the lapse date 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 If the funds identified in the Funding Plan which Grantee submits as part of its allocation request are insufficient to complete the State or LACMTA approved Eligible Project, Grantee shall secure and provide its own funding necessary to complete the Eligible Project.

3.4 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 Prop 1B Bridge Funds for three (3) years after the end of the fiscal year in which the Prop 1B 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 Prop 1B Bridge Funds were expended.

Upon completion of the Eligible Projects funded from Prop 1B Funds and/or the Prop 1B Bridge Funds, Grantee shall submit a report to LACMTA showing full and final costs of each Eligible Project. To the extent excess Prop 1B Bridge Funds remain, such excess Prop 1B Bridge Funds shall be returned to LACMTA, up to the amount of the Prop 1B Bridge Funds unless LACMTA agrees such Prop 1B 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 Prop 1B Bridge Funds and all interest and other income earned by the Prop 1B Bridge Funds will be returned to LACMTA unless LACMTA agrees such Prop 1B 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 Prop 1B 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 Prop 1B 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) use of the Prop 1B 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 Prop 1B Bridge Funds and the implementation of the Eligible Projects.

- 5.4 LACMTA reserves the right to terminate this MOU and withhold the Prop 1B 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: _____

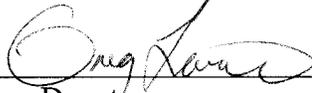
ATTEST:

APPROVED AS TO FORM:

By: _____

Robert E. Kalunian
ACTING COUNTY COUNSEL

Date: _____

By:  _____
Deputy

APPROVED AS TO FORM:

Date: 11/23/2009

JOHN L. FELLOWS III
City Attorney

By: _____
Patrick Q. Sullivan
Assistant City Attorney

Date: _____