

Council Meeting of
February 2, 2010

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

Members of the Council:

SUBJECT: Transit- Approve Measure R Municipal Operators Regional
Clean Fuel Bus Capital Facilities and Rolling Stock 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 (Metro) for the allocation of Measure R Funds to Municipal Operators Regional Clean Fuel Bus Capital Facilities and Rolling Stock Program for the period July 1, 2009 to June 30, 2020.

FUNDING

None required for this action.

BACKGROUND

The Los Angeles County Measure R establishes a one-half percent sales tax for better public transportation purposes and quality of life improvements. Metro is the agency responsible for administering the tax and the dispersing of funds. The allocation of Measure R Funds to Municipal Operators for Regional Clean Fuel Bus Capital Facilities and Rolling Stock Program will allow for Program Funds to be utilized in accordance with Metro's Guidelines adopted on October 22, 2009.

ANALYSIS

On November 4, 2008, the voters of the County of Los Angeles approved Measure R. Each fiscal year, Metro staff, in coordination with the Eligible/Included operators, will develop funding marks for the program allocating each participants share of the funds. The Metro Board approved funding of \$10 million beginning FY2010 and thereafter \$10 million every other year not to exceed the amount of \$150 million for the Program. The Torrance Transit System

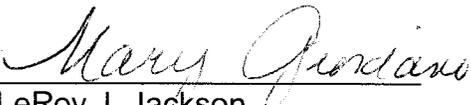
(TTS) allocation for fiscal year 2010 is \$151,581, and will utilize the Program funds in accordance with Metro's Municipal Operators for Regional Clean Fuel Bus Capital Facilities and Rolling Stock Program Guidelines. TTS will submit an invoice for the applicable fiscal year and expenditure plan. Funds may be carried over to the next fiscal year; however the funds will retain their original year of allocation. TTS has five years, which is the year of allocation plus four years to spend the program funds. Metro may grant extensions on a case-by-case basis. TTS will provide an annual financial audit report to Metro describing how the uses of the funds are contributing to accomplishing the program objectives.

The Transit Director recommends allocating these funds to improve public transportation operations and improve quality of life for our riders.

Respectfully submitted,


 Kim Turner
 Transit Director

CONCUR:

for

 LeRoy J. Jackson
 City Manager

Attachment:

- A) MOU Measure R Funds to Municipal Operators for Regional Clean Fuel Bus Capital Facilities and Rolling Stock Program.

City Manager's Note –

The Transit Department met the deadlines listed in the MOU and complied with all procedures and requirements. The MOU arrived in early January 2010 from the Metropolitan Transportation Authority (Metro) and was processed immediately upon arrival.

MOU # MOU.PR10TOR2

**MEMORANDUM OF UNDERSTANDING
TO ALLOCATE MEASURE R FUNDS
TO
MUNICIPAL OPERATORS FOR REGIONAL CLEAN FUEL BUS CAPITAL
FACILITIES AND ROLLING STOCK PROGRAM**

This Memorandum of Understanding (“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, 2008, the voters of the County of Los Angeles approved Measure R, an ordinance establishing a one-half percent sales tax (the “FUNDS”) for better public transportation and quality of life purposes; and

WHEREAS, on November 4, 2008, the voters of the County of Los Angeles approved Measure R’s Expenditure Plan which outlines how the FUNDS are to be spent;

WHEREAS, the Measure R term is for a thirty (30) year period and is estimated to generate a total of approximately \$40 billion over the 30 year term;

WHEREAS, the voter approved Expenditure Plan includes an estimated \$150 million for the LACMTA and Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock Program (the “Program”);

WHEREAS, LACMTA, is the agency responsible for administering the tax; and

WHEREAS, on October 22, 2009, the LACMTA Board approved funding of \$10 million beginning in FY 2010 and thereafter \$10 million every other year for a not to exceed amount of \$150 million for the Program;

WHEREAS, allocations to eligible recipients of Program FUNDS will be authorized by the LACMTA Board using the Formula Allocation Procedures;

WHEREAS, on October 22, 2009, the LACMTA Board approved the Measure R Program Guidelines for LACMTA and Municipal Operators’ Regional Clean Fuel Bus Capital (Transit Facilities and Rolling Stock) (the “GUIDELINES”);

WHEREAS, LACMTA and GRANTEE desire to agree to the terms and conditions of the grant of Program 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, 2020, unless terminated earlier as provided herein.

ARTICLE 2 – PAYMENT OF MEASURE R FUNDS AND INVOICE PROCEDURE

- 2.1. To the extent the FUNDS are available, LACMTA staff, in coordination with the Eligible/Included Operators will develop funding marks for the Program to be funded in the applicable fiscal year (the “Annual Funding Marks”). The Annual Funding Marks will describe GRANTEE’s share of FUNDS from the Program that fiscal year. GRANTEE shall have the opportunity to review and comment on the applicable Annual Funding Marks prior to LACMTA staff submitting the Annual Funding Marks to the LACMTA Board for approval. Attached as Exhibit A are the FY 2010 Annual Funding Marks which includes GRANTEE’s share of the Program, which have been approved by the LACMTA Board.
- 2.2. For each fiscal year covered by this MOU, GRANTEE hereby directs LACMTA to allocate to GRANTEE its share of the Program FUNDS pursuant to the applicable Annual Funding Marks for that fiscal year as approved by the LACMTA Board. If LACMTA staff, in coordination with the Eligible/Included Operators, develops a mid-year reallocation of any Annual Funding Marks for the Program that is approved by the LACMTA Board, GRANTEE hereby directs and authorizes LACMTA to make such mid-year adjustments to its Annual Funding Marks, as approved by the LACMTA Board.
- 2.3. For the applicable fiscal year, GRANTEE shall send LACMTA an invoice for eligible expense under the Program as set forth in the GUIDELINES. LACMTA shall not be obligated to disburse the Program FUNDS to the GRANTEE until (i) this MOU has been executed, (ii) an Expenditure Plan as described in the GUIDELINES has been submitted, and (iii) GRANTEE has submitted to LACMTA an invoice for the applicable fiscal year funding mark. The Expenditure Plan and invoice must demonstrate that the Program FUNDS are being used to purchase clean fuels buses and for facilities in accordance with the GUIDELINES. LACMTA shall disburse Program FUNDS within 30 days of receipt of invoices with adequate backup documentation.

ARTICLE 3 - USE OF FUNDS

- 3.1 GRANTEE must submit an Expenditure Plan, which describes each project’s cost, schedule, milestones and benefits.
- 3.2 GRANTEE shall utilize the Program FUNDS in accordance with Program

GUIDELINES and GRANTEE's Expenditure Plan.

- 3.3 GRANTEE may reserve or carry-over its allocation to the next fiscal year; However the Program FUNDS will retain their original year of allocation for the purpose of applying the lapsing requirement.
- 3.4 GRANTEE has five years, which is the year of allocation plus four years, to spend the Program FUNDS. LACMTA staff may grant extensions on a case-by-case basis, accompanied by adequate documentation of justification of the need for extension request.

ARTICLE 4 - AUDIT AND REPORTING REQUIREMENTS

- 4.1 GRANTEE shall meet its audit obligations set forth in the GUIDELINES. For each fiscal year GRANTEE receives Program FUNDS, LACMTA or its designee shall have the right to conduct its own financial and compliance audit of the Program. 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 Program and the use of the Program FUNDS for three (3) years after the end of the fiscal year in which the Program FUNDS were expended. LACMTA may audit, as provided, herein, up to three (3) years after the end of the fiscal year in which the Program FUNDS were expended.
- 4.2 By December 30 of each year, GRANTEE shall submit to LACMTA an annual financial audit report which identifies the use of the Program FUNDS for Regional Clean Fuel Bus Capital purposes, GRANTEE's progress and the project's estimated completion date.
- 4.3 GRANTEE will provide an annual report to LACMTA describing how uses of The Program FUNDS are contributing to accomplishing the Program objectives. The annual report should include the GRANTEE Expenditure Plan describing each project's progress and estimated completion date. LACMTA will compile the GRANTEE's annual report into a regional annual Measure R Program update for the LACMTA Board.

ARTICLE 5 – MISCELLANEOUS

- 5.1 Each grant given pursuant to an Annual Funding Mark shall be subject to the terms and conditions agreed to herein and in the GUIDELINES. Notwithstanding the term of this MOU, each grant does not imply nor obligate any future funding commitment on the part of the LACMTA.
- 5.2 GRANTEE understands and agrees that in programming and granting the Program 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 these Program FUNDS for public transit purposes or the projects or services funded with the Program FUNDS. 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 GRANTEE's use of the Program FUNDS including without limitation (i) breach of GRANTEE's obligations under this MOU; (ii) use of the Program 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 any service or capital improvement.

- 5.3 GRANTEE shall comply with all applicable local, state and federal laws and regulations in the use of the Program FUNDS. GRANTEE shall comply with the GUIDELINES.
- 5.4 LACMTA reserves the right to terminate this MOU and withhold the Program FUNDS if it is determined that GRANTEE has not complied with all the terms and conditions contained herein. Any withholding of Program FUNDS or termination of the MOU is subject to the 2/3 vote of LACMTA Board.
- 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 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: _____

Arthur T. Leahy
Chief Executive Officer

Name: _____

Title: _____

Date: _____

Date: _____

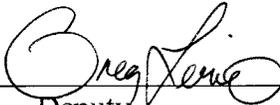
ATTEST:

APPROVED AS TO FORM:

By: _____

Robert E. Kalunian
ACTING COUNTY COUNSEL

Date: _____

By:  _____
Deputy

Date: 11/23/2009

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____

Patrick Q. Sullivan
Assistant City Attorney

Date: _____

LACMTA**Measure R Clean Fuel Bus Capital Facilities and Rolling Stock Fund
FISCAL YEAR 2010**

OPERATOR	Federal Section 5307 Capital Allocation	Allocation Amount
	FORMULA SHARE	
ANTELOPE VALLEY	1.4440%	\$ 144,399
ARCADIA	0.1241%	12,411
CLAREMONT	0.0495%	4,947
COMMERCE	0.1909%	19,092
CULVER CITY	1.0879%	108,793
FOOTHILL	6.7186%	671,856
GARDENA	1.1282%	112,822
LADOT	2.8937%	289,368
LA MIRADA	0.0797%	7,974
LONG BEACH	5.4113%	541,130
MONTEBELLO	1.9536%	195,355
METRO OPERATIONS	70.6502%	7,065,017
NORWALK	0.7456%	74,555
REDONDO BEACH	0.2185%	21,846
SANTA CLARITA	1.5881%	158,807
SANTA MONICA	4.2005%	420,046
TORRANCE	1.5158%	151,581
TOTAL	100.0000%	\$ 10,000,000