

San Gabriel Valley Council of Governments

REVISED AGENDA AND NOTICE OF THE REGULAR MEETING OF THE TRANSPORTATION COMMITTEE - JUNE 15, 2017 – 4:00 PM

Upper San Gabriel Valley Municipal Water District Office
(602 E. Huntington Drive, Suite B, Monrovia, California, 91016)

The Transportation Committee encourages public participation and invites you to share your views on agenda items.

Chair

John Fasana, Duarte

Vice-Chair

Sam Pedroza, Claremont

Members

Alhambra
Claremont
Diamond Bar
Duarte
El Monte
Glendora
La Cañada Flintridge
Monterey Park
Rosemead
San Gabriel
South El Monte
South Pasadena
Temple City
Walnut
First District, LA County
Unincorporated
Communities
Fifth District, LA County
Unincorporated
Communities

MEETINGS: *Regular Meetings of the Transportation Committee are held on the third Thursday of each month at 4:00 PM at the Upper San Gabriel Valley Municipal Water District Office (602 E. Huntington Drive, Suite B, Monrovia, California, 91016).* The Transportation Committee agenda packet is available at the San Gabriel Valley Council of Government's (SGVCOG) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, www.sgvkog.org. Copies are available via email upon request (sgv@sgvcog.org). Documents distributed to a majority of the Committee after the posting will be available for review in the SGVCOG office and on the SGVCOG website. Your attendance at this public meeting may result in the recording of your voice.

CITIZEN PARTICIPATION: Your participation is welcomed and invited at all Transportation Committee meetings. Time is reserved at each regular meeting for those who wish to address the Committee. SGVCOG requests that persons addressing the Committee refrain from making personal, slanderous, profane or disruptive remarks.

TO ADDRESS THE TRANSPORTATION COMMITTEE: At a regular meeting, the public may comment on any matter within the jurisdiction of the Committee during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. If several persons wish to address the Committee on a single item, the Chair may impose a time limit on individual remarks at the beginning of discussion. **The Transportation Committee may not discuss or vote on items not on the agenda.**

AGENDA ITEMS: The Agenda contains the regular order of business of the Transportation Committee. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Transportation Committee can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Committee member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Committee.



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



PRELIMINARY BUSINESS

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*If necessary, the Chair may place reasonable time limits on all comments*)
5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

CONSENT CALENDAR (*It is anticipated that the Transportation Committee may take action on the following matters*)

6. Transportation Meeting Minutes - Page 1
Recommended Action: Approve Transportation Committee minutes.

PRESENTATIONS (*It is anticipated that the Transportation Committee may take action on the following matters*)

7. SGV Greenway Network Feasibility Study – Page 3
Recommended Action: Form Greenway Network Technical Advisory Committee to provide input on Greenway Network Feasibility Study and related efforts.

DISCUSSION ITEMS (*It is anticipated that the Transportation Committee may take action on the following matters*)

8. SB 268 (Mendoza) – Page 15
Recommended Action: For information.
9. Measure M Draft Guidelines – Page 27
Recommended Action: Discuss and provide direction to staff.
10. Request for Letter of No Prejudice (LONP) for Subregional Planning Funds – Page 155
Recommended Action: Pending Metro Board adoption of the Measure M Guidelines, direct the Executive Director to submit a request to Metro for a LONP to allow expenditures related subregional planning and programming activities to be eligible for reimbursement.
11. Draft Ad Hoc ACE / Large Capital Projects Committee Report – Page 159
Recommended Action: For information.

METROPOLITAN TRANSPORTATION AUTHORITY (MTA) REPORT (*It is anticipated that the Transportation Committee may take action on the following matters*)

12. Oral Report
Recommended Action: For information only.
13. Foothill Gold Line Phase 2B Life of Project Budget and Funding Agreement
Recommended Action: For information only.

UPDATE ITEMS

14. Metrolink Update
Recommended Action: For information only.
15. Update on Active Transportation Planning Efforts
Recommended Action: For information only.

EXECUTIVE DIRECTOR'S REPORT (*It is anticipated that the Transportation Committee may take action on the following matters*)

16. Oral Report
Recommended Action: For information only.

COMMITTEE MEMBER ITEMS

ANNOUNCEMENTS

ADJOURN



SGVCOG Transportation Committee Unapproved Minutes

Date: May 18, 2017

Time: 4:00 PM

Location: USGVMWD

PRELIMINARY BUSINESS

1. Call to Order
The meeting was called to order at 4:09 p.m.

2. Pledge of Allegiance

3. Roll Call

Members Present

- Alhambra
- Claremont
- Diamond Bar
- Duarte
- Glendora
- La Canada Flintridge
- Rosemead
- San Gabriel
- South El Monte
- South Pasadena
- Temple City
- Walnut
- LA County District 1
- LA County District 5

Members Absent

- El Monte

Staff

- P. Hawkey
- M. Creter
- M. Christoffels
- C. Cruz
- E. Wolf

4. Public Comment
5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

CONSENT CALENDAR

6. Transportation Meeting Minutes
There was a motion to approve the consent calendar (M/S: J. Gonzales/ S. Pedroza).

[MOTION PASSED]

AYES:	Alhambra, Claremont, Diamond Bar, Duarte, Glendora, La Canada Flintridge, Rosemead, San Gabriel, South El Monte, South Pasadena, Walnut, LA County 1 st District, LA County 5 th District
NOES:	
ABSTAIN:	
ABSENT:	El Monte

PRESENTATIONS

- 7. Los Angeles-San Bernardino Inter-County Transit and Rail Study
S. Fox, Senior Regional Planner from SCAG, presented on this item.
- 8. Emerald Necklace Programmatic Environmental Impact Report
J. Perisho, WCA, presented on this item.

DISCUSSION ITEMS

- 9. SB 268 (Mendoza)
J. Fasana reported on this bill.

There was a motion to oppose SB 268 (Mendoza) (M/S: D. Mahmud/ T. Walker).

[MOTION PASSED]

AYES:	Alhambra, Claremont, Diamond Bar, Duarte, Glendora, La Canada Flintridge, Rosemead, San Gabriel, South El Monte, South Pasadena, Walnut, LA County 1 st District, LA County 5 th District
NOES:	
ABSTAIN:	
ABSENT:	El Monte

METROPOLITAN TRANSPORTATION AUTHORITY (MTA) REPORT

- 10. Transit Oriented Development (TOD) Grant Program – Round 5
D. Portillo Rabinov (Metro) presented on this item.
- 11. Oral Report
The Chair reported on this item. He reported on the status of the 710 EIR/EIS and locally preferred alternative.

UPDATE ITEMS

- 12. Update on Measure M Draft Guidelines
M. Christoffels provided an update on this item.
- 13. SB 1
J. Fasana provided an update on this item.
- 14. Metrolink Update
D. Perry reported on this item.
- 15. Update on Active Transportation Planning Efforts
M. Creter provided an update on this item.
 - 15.1 Greenway Network
J. Hernandez reported on this item.

EXECUTIVE DIRECTOR’S REPORT

- 16. Oral Report
There was no report on this item.

COMMITTEE MEMBER ITEMS

ANNOUNCEMENTS

ADJOURN

The meeting was adjourned at 5:39 PM.

REPORT

DATE: June 15, 2017

TO: Transportation Committee

FROM: Phil Hawkey, Executive Director

RE: GREENWAY NETWORK TECHNICAL ADVISORY COMMITTEE

RECOMMENDED ACTION

Form Greenway Network Technical Advisory Committee to provide input on Greenway Network Feasibility Study and related efforts.

BACKGROUND

The SGVCOG has identified the development of a San Gabriel Valley Greenway Network as high priority transportation project for the region. This Network would develop approximately 200 miles of protected bicycle, pedestrian, and equestrian trails across the San Gabriel Valley along the rivers, washes, flood control channels, utility corridors and rail corridors. Attachment A provides for more information and a map of the potential corridors. This project has \$231 Million in funding under Measure M, and has the potential to secure additional funding under Measure A.

Recently, the Los Angeles County Board of Supervisors recently approved a motion directing the Los Angeles County Department of Public Works to take a lead role in developing the components of the project along flood control channel right of way and work with partner agencies to develop a strategic implementation plan (Attachment B). In addition, in June, the SGVCOG will initiate work on an Active Transportation Program (ATP) Cycle 1 grant. One of the tasks is to undertake a greenway network feasibility study to inventory and prioritize segments of the greenway network for funding and construction.

In order to coordinate with all cities, staff is recommending that the SGVCOG Transportation Committee consider the formation of a technical advisory committee (TAC). A call to participate was sent out to all member agencies. To date, the following agencies have expressed interest:

- County of Los Angeles
- Arcadia
- Azusa
- Baldwin Park
- Covina
- Duarte
- El Monte
- Glendora
- La Canada Flintridge
- La Verne

- Monrovia
- Pomona
- Rosemead
- San Dimas
- San Gabriel
- Temple City
- West Covina

If additional cities are interested in participating, please contact SGVCOG staff.

The first meeting is scheduled as follows:

- Date: Thursday, July 20, 2017
- Time: 2:00 PM
- Location: USGVMWD (602 E. Huntington Drive, Monrovia, CA)

Prepared by: 
Marisa Creter
Assistant Executive Director

Approved by: 
Phil Hawkey
Executive Director

ATTACHMENTS

- Attachment A – Greenway Network Presentation
- Attachment B – LACBOS Greenway Motion

SAN GABRIEL VALLEY

GREENWAY NETWORK



WHAT ARE GREENWAYS?

HYBRID FACILITIES

Utilizes rivers, waterways, utility and railroad corridors.

Multi-benefit facility that provides active transportation corridors (Class I & IV bikeways); linear parks; urban trails; and water reclamation.

BENEFITS OF GREENWAYS

TRANSPORTATION

Provides first/ last mile access to transit as well as a transportation alternative for short/medium trips.

SAFETY

Off-road facilities eliminate potential conflicts with motor vehicles and increase safety for most vulnerable users.

ECONOMIC DEVELOPMENT

Provides access to schools and major employers and creates public works jobs.

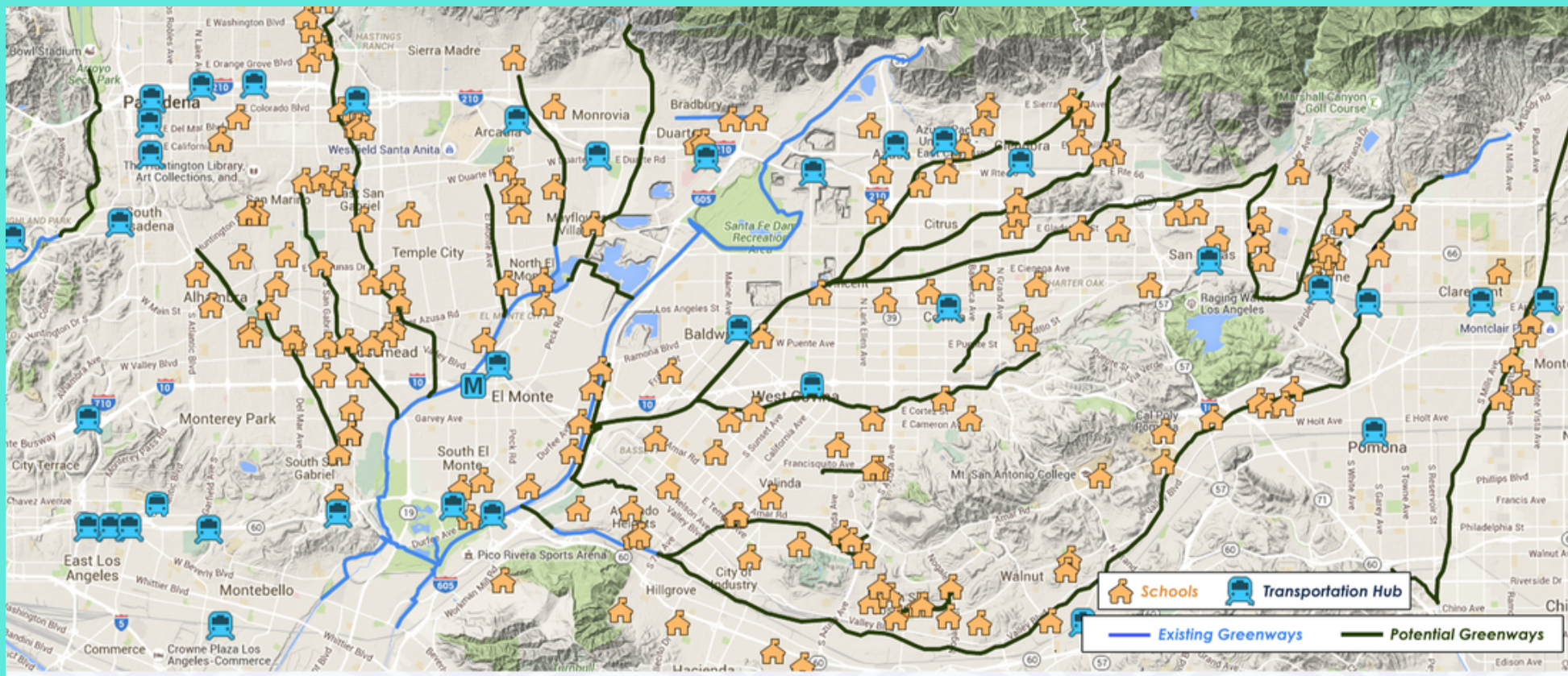
PUBLIC HEALTH

Increases active transportation and recreational opportunities to promote active, healthy lifestyles

OPEN SPACE & ENVIROMENT

Creates new linear parks and incorporates stormwater capture and infiltration features.

REGIONAL CONNECTIONS



40+
Miles Existing

150+
Additional Miles

130+
Schools potentially
connected

COORDINATION

- **Los Angeles County Flood Control District:** Right of way, permits, integration of stormwater capture features.
- **Army Corps of Engineers:** Permits.
- **Cities:** At-grade crossings, connections to existing bike paths.
- **Railroads:** Right-of-way.
- **Caltrans:** Freeway undercrossings.
- **Metro:** Funding, integration of first/last mile connections.
- **LA County Department of Parks and Recreation:** Integration of linear park features, wayfinding/signage.
- **Transit Providers (Foothill Transit/Metro/Local):** Coordination and possible relocation of transit stops.
- **Community Groups:** Community outreach and education.





FUNDING OPPORTUNITIES

STATE

Statewide Active Transportation Program

- Planning/ feasibility study funded under Cycle 1
- Application submitted for design/engineering of segments in Baldwin Park and West Covina submitted under Cycle 3

LOCAL

Measure M

- Up to \$231M included for Greenway Network

ExpressLanes Net Toll Revenue Grant Program

- \$2.7M Eaton Wash segment funded in Temple City

Call for Projects / Local Return

- Glendora currently constructing segment along San Dimas Wash

Measure A (Park Measure)

- Potential funding for trails, stormwater infiltration features, and park amenities

WHAT ARE THE GAPS

DESIGN & ENGINEERING

Developing cohesive design across network (e.g. 1 side vs. 2 side, materials) and addressing at-grade crossings and underpasses.

FUNDING & SEQUENCING

Securing additional state and regional funding from multiple sources (e.g. transportation, water/stormwater, and park/open space).

CONSTRUCTION MANAGEMENT

Overseeing construction and coordinating with regulatory and partner agencies (e.g. cities, Caltrans, Flood Control, Army Corps of Engineers).

MAINTENANCE & OPERATIONS

Developing a long-term plan to fund and oversee maintenance, operations, programming, and safety.



**STATEMENT OF PROCEEDINGS FOR THE
REGULAR MEETING OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES HELD IN ROOM 381B
OF THE KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012**

Tuesday, May 16, 2017

9:30 AM

7. Recommendation as submitted by Supervisors Solis and Barger: Instruct the Directors of Public Works and Parks and Recreation, in consultation with the Healthy Design Workgroup, the Watershed Conservation Authority, and the San Gabriel Valley Council of Governments (SGVCOG), to work with the regional planning agencies, such as the Los Angeles County Metropolitan Transportation Authority (LACMTA), the California Department of Transportation, the Southern California Association of Government, etc., to develop a strategic implementation plan for the San Gabriel Valley Greenway Network, with the planning efforts to include, but not be limited to the recommendations below; and instruct the Director of Public Works to report back to the Board within 90 days with a preliminary timeline, necessary staffing levels, budget considerations, and funding strategy required to complete the following:

Engage LACMTA and SGVCOG and its member cities to determine the roles of each respective agency in the planning and implementation process for connectivity of local city and County streets and roads with the greenway network, and explore the need for a cooperative agreement to expedite project delivery, as it relates to LACMTA's Operation Shovel Ready - San Gabriel Valley Regional Greenway Network Feasibility Study;

Engage stakeholders to update the 2006 San Gabriel River Corridor Master Plan, to incorporate more recent planning efforts and elements consistent with the San Gabriel Valley Greenway Network;

Apply the National Association of City Transportation Official's Urban Bikeway and Urban Street Design Guides to ensure safety, access for all, and robust community benefit;

Evaluate all eligible funding sources to develop a comprehensive funding strategy that includes Measure M, Measure A, water

infrastructure funding, local contributions, State and Federal grants, private-public partnerships, and other nonconventional funding sources;

Develop a strong community engagement and education outreach plan that informs, empowers, and builds capacity among local and regional community-based organizations and stakeholders to increase awareness, cultural competency and inclusion of community needs along the greenways; and

In coordination with the Chief Executive Officer, work with the Los Angeles County Legislative and Congressional Delegations to ensure greenway funding is eligible in any, and all future funding proposals related to transportation, parks, water conservation, and other related funding sources. (17-2268)

Amy Wong, Andrew Yip, Catalina Gonzalez, Bryn Lindblad, Joseph Gonzalez, Claudia Goytia, Marisa Creter and Elizabeth Alcantar addressed the Board.

After discussion, on motion of Supervisor Solis, seconded by Supervisor Barger, this item was approved.

Ayes: 4 - Supervisor Solis, Supervisor Kuehl, Supervisor Hahn and Supervisor Barger

Absent: 1 - Supervisor Ridley-Thomas

Attachments: [Motion by Supervisors Solis and Barger Report](#)
[Video](#)

The foregoing is a fair statement of the proceedings of the regular meeting, May 16, 2017, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

Lori Glasgow, Executive Officer
Executive Officer-Clerk
of the Board of Supervisors

By



Lori Glasgow
Executive Officer

DATE: June 15, 2017

TO: Transportation Committee
Governing Board

FROM: Phil Hawkey, Executive Director

RE: **SB 268 (Mendoza)**

RECOMMENDED ACTION

Adopt Resolution 17-22 opposing SB 268 (Mendoza).

BACKGROUND

Under existing law, the Metro Board of Directors is comprised of 14 members as follows:

- Five members of the Los Angeles Board of Supervisors
- The Mayor of Los Angeles
- Two public members and one Los Angeles City Council Member, appointed by the Mayor of Los Angeles
- Four members selected by the Los Angeles County City Selection Committee
- One non-voting member appointed by the Governor

SB 268 (Mendoza) would modify the Metro Board as follows:

- Adds the Los Angeles County Auditor-Controller as a non-voting member to the METRO Board.
- Reduces the number of County Supervisors on the METRO Board from five to two Supervisors with one Supervisor representing the largest population of the unincorporated area within Los Angeles County.
- Removes the appointment of two public members to the METRO Board.
- Increases Los Angeles Councilmember appointments by the Los Angeles Mayor from two to five. Further specifies that each Councilmember must represent three contiguous groups of council districts. Additionally specifies the Los Angeles City Council is to determine the grouped council districts.
- Increases from four to seven the number of Board appointments by the Los Angeles City Selection Committee
- Requires all appointed members to the METRO board to serve four-year terms, as specified.

This would increase the total number of Board members from 14 to 16.

In 2016, Senator Mendoza proposed similar legislation (SB 1472). The SGVCOG Governing Board opposed that legislation, and it was ultimately pulled by the author.

SUPPORT AND OPPOSITON (AS OF 5/30/2017)

The City of Torrance is in support of this legislation.

This bill is opposed by the following city, groups and individuals:

- City of Glendora
- Councilmember Mike Bonin, City of Los Angeles
- County of Los Angeles
- Los Angeles Area Chamber of Commerce
- Los Angeles County Metropolitan Transportation Authority
- Los Angeles/Orange Counties Building and Construction Trades Council
- Mayor Eric Garcetti, City of Los Angeles
- San Bernardino County Transportation Authority
- State Building and Construction Trades Council
- WSP Parsons Brinckerhoff

The SGVCOG Transportation Committee reviewed an earlier version of this bill in May and recommended that the Governing Board oppose it.

Prepared by: Marisa Creter
Marisa Creter
Assistant Executive Director

Approved by: Phil Hawkey
Phil Hawkey
Executive Director

ATTACHMENTS

- Attachment A – SB 268 (Mendoza)
- Attachment B – SB 268 Bill Analysis
- Attachment C – Resolution 17-22

AMENDED IN SENATE MAY 26, 2017

AMENDED IN SENATE MAY 1, 2017

AMENDED IN SENATE MARCH 28, 2017

SENATE BILL

No. 268

Introduced by Senator Mendoza

February 8, 2017

An act to amend Section 130051 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 268, as amended, Mendoza. Los Angeles County Metropolitan Transportation Authority.

Existing law creates the Los Angeles County Metropolitan Transportation Authority with specified powers and duties relative to transportation planning, programming, and operations in the County of Los Angeles. The authority is governed by a 14-member board of directors that consists of the Mayor of the City of Los Angeles, 2 public members and one Los Angeles City Council member appointed by the mayor, 4 members appointed from the other cities in the county, the 5 members of the Los Angeles County Board of Supervisors, and a nonvoting member appointed by the Governor.

Existing law requires the authority to submit a plan to the Legislature for revising the composition of the authority, if the number of members of the board of supervisors is increased, within 60 days of the increase.

This bill would delete this ~~requirement and would add the county auditor as a nonvoting member of the board of directors.~~ *requirement*. The bill would also reduce the *number of* members of the board of supervisors *on the board of directors of the authority* from 5 to 2

members and would require that one supervisor represent the largest population in the unincorporated area of the County of Los Angeles. The bill would delete the appointment of 2 public members and require the Mayor of the City of Los Angeles to appoint 5 members of the City Council of the City of Los Angeles who represent contiguous clusters of 3 council districts. The bill would require the city council to determine contiguity. *The bill would provide for 7 members to be appointed by the Los Angeles County City Selection Committee to represent the other cities in the County of Los Angeles from 4 specified sectors.* The bill would require every appointee to serve a 4-year term without limitation or until the expiration of the term of his or her elected office.

By imposing new duties on local government within the County of Los Angeles, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 130051 of the Public Utilities Code is
2 amended to read:
3 130051. The Los Angeles County Metropolitan Transportation
4 Authority consists of ~~14~~ 16 members, as follows:
5 (a) Two members of the Los Angeles County Board of
6 Supervisors. One supervisor shall represent the largest population
7 in the unincorporated area of the County of Los Angeles.
8 (b) The Mayor of the City of Los Angeles.
9 (c) Five members of the City Council of the City of Los Angeles,
10 appointed by the Mayor of the City of Los Angeles, who represent
11 contiguous clusters of three council districts. The city council shall
12 determine contiguity.
13 (d) (1) ~~Four~~ Seven members, each of whom shall be a mayor
14 or a member of a city council, appointed by the Los Angeles
15 County City Selection Committee. For purposes of the selection

1 of these ~~four~~ *seven* members, the County of Los Angeles,
 2 excluding the City of Los Angeles, shall be divided into the
 3 following four sectors:

4 (A) The North County/San Fernando Valley sector.

5 (B) The Southwest Corridor sector.

6 (C) The San Gabriel Valley sector.

7 (D) The Southeast Long Beach sector.

8 (2) The League of California Cities, Los Angeles County
 9 Division, shall define the sectors. Every city within a sector shall
 10 be entitled to vote to nominate one or more candidates from that
 11 sector for consideration for appointment by the Los Angeles
 12 County City Selection Committee. A city's vote shall be weighted
 13 in the same proportion that its population bears to the total
 14 population of all cities within the sector.

15 (3) The members appointed pursuant to this subdivision shall
 16 be appointed by the Los Angeles County City Selection Committee
 17 upon an affirmative vote of its members who represent a majority
 18 of the population of all cities within the county, excluding the City
 19 of Los Angeles.

20 (e) *One nonvoting member appointed by the Governor.*

21 ~~(4)~~

22 (f) All members appointed pursuant to this section shall serve
 23 four-year terms, with no limitation on the number of terms that
 24 may be served by any individual, or until the expiration of the term
 25 of the elected office.

26 ~~(e) One nonvoting member appointed by the Governor.~~

27 ~~(f) The county auditor shall serve as a nonvoting member.~~

28 SEC. 2. If the Commission on State Mandates determines that
 29 this act contains costs mandated by the state, reimbursement to
 30 local agencies and school districts for those costs shall be made
 31 pursuant to Part 7 (commencing with Section 17500) of Division
 32 4 of Title 2 of the Government Code.

O

THIRD READING

Bill No: SB 268
Author: Mendoza (D)
Amended: 5/26/17
Vote: 21

SENATE TRANS. & HOUSING COMMITTEE: 7-3, 5/9/17
AYES: Beall, Cannella, Atkins, McGuire, Mendoza, Skinner, Wiener
NOES: Allen, Gaines, Morrell
NO VOTE RECORDED: Bates, Roth, Wieckowski

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/25/17
AYES: Lara, Beall, Bradford, Hill, Wiener
NOES: Bates, Nielsen

SUBJECT: Los Angeles County Metropolitan Transportation Authority

SOURCE: Author

DIGEST: This bill makes various changes to the governing board of the Los Angeles County Metropolitan Transportation Authority (METRO), as specified.

ANALYSIS:

Existing law:

- 1) Establishes the County Transportation Commissions Act, which provides for the creation of county transportation commissions in the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura, with various powers and duties relative to transportation planning and funding, as specified.
- 2) Establishes METRO, which is the successor agency to the Southern California Rapid Transit District and the Los Angeles County Transportation Commission.

- 3) Provides METRO with specified powers and duties relative to transportation planning, programming, and operations in the County of Los Angeles.
- 4) Requires METRO to submit a plan within 60 days to the Legislature relative to revising the composition of METRO's governing board if the membership on the County Board of Supervisors is increased.
- 5) Specifies the METRO Board of Directors is comprised of 14 members consisting of:
 - a) Five members of the Los Angeles Board of Supervisors.
 - b) The Mayor of Los Angeles.
 - c) Two public members and one Los Angeles City Council Member, appointed by the Mayor of Los Angeles.
 - d) Four members selected by the Los Angeles County City Selection Committee.
 - e) One non-voting member appointed by the Governor.

This bill:

- 1) Deletes METRO's requirement to draft a plan and submit it to the Legislature within 60 days relative to Board composition if the Los Angeles County Board of Supervisor's membership increases.
- 2) Reduces the number of County Supervisors on the METRO Board from five to two Supervisors with one Supervisor representing the largest population of the unincorporated area within Los Angeles County.
- 3) Removes the appointment of two public members to the METRO Board.
- 4) Increases Los Angeles Councilmember appointments by the Los Angeles Mayor from two to five. Further specifies that each Councilmember must represent three contiguous groups of council districts. Additionally specifies the Los Angeles City Council is to determine the grouped council districts.
- 5) Increases from four to seven the number of Board appointments by the Los Angeles City Selection Committee, as specified.
- 6) Requires all appointed members to the METRO board to serve four-year terms, as specified.

Comments

- 1) *Author's statement.* According to the author, "SB 268 will provide proportional representation, improved access, and accountability within the Los Angeles County Metropolitan Authority Transportation Board of Directors (MTA Board) and ensure that all areas of LA County are represented fairly during the allocation of local, state, and federal funds.

The Los Angeles County Metropolitan Transportation Authority serves more than 9.6 million people. Nearly one-third of California's residents live and work within its 1,433 square-mile service area. The Metropolitan Authority Transportation develops and oversees transportation plans, policies, and funding programs. The agency proposes both short-term and long-range solutions that address the County's increasing mobility, accessibility, and environmental needs. Unfortunately, under the current distribution of MTA Board members, the 87 cities outside of the City of Los Angeles, which represent 51% of the county's total population, only account for 31% of the MTA Board. The current distribution of the MTA Board is unrepresentative of LA County and has resulted in uneven allocation of resources and services. SB 268 will realign and expand the MTA Board to provide better representation for the entire County of Los Angeles, including the unincorporated areas."

- 2) *Other local transportation boards.* The governing boards of local transportation agencies vary across the state. For example, the Orange County Transportation Authority is comprised of 18 board members that include members from the County Board of Supervisors; members selected by the city selection committee, with several board members selected based on population and several others based on city representation; two public members appointed by the board; and the State Department of Transportation (Caltrans) district director (nonvoting member). Whereas the Bay Area Metropolitan Transportation Commission is comprised of 21 commissioners that include members from various Bay Area counties and cities, Mayor's appointees from the cities of Oakland, San Francisco, and San Jose, a member representing the Council of Governments, and the Caltrans district director for the region (non-voting member). Thus, the board composition of these respective agencies is reflective of the regional needs and functions they carry out and is typical of other local transportation agencies throughout the state.
- 3) *State's existing role.* Governing boards for local county transportation commissions (CTC) and regional transportation planning agencies (RTPA) are

identified in statute and primarily consist of locally elected officials and public members who are either appointed by an elected official, selected by a county/city selection committee, or who have a designated seat specified in statute (e.g., Mayor of Los Angeles). While the Governor does have a designated appointment on most CTCs and RTPAs throughout the state, those appointments are non-voting (ex officio) board members and are typically the Caltrans district director for that specific region/county.

- 4) *Second time around.* SB 1472 was introduced last session by the author which similarly attempted to change METRO's governing board structure. At that time, METRO was pursuing an increase of an existing sales tax measure to fund a contentious transit expansion program. The point of contention surrounded the program's geographic balance of projects when some regions within the county argued their projects were not adequately prioritized in the transit program. In response, the author introduced SB 1472 to expand METRO's governing board to ensure geographic representation. SB 1472 remained in the Senate and did not move through the legislative process. Over the past year, the author has engaged with local stakeholders and introduced SB 268 aimed at ensuring the entire county is reasonably represented on METRO's governing board.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

- Unknown reimbursable mandate costs, potentially in excess of \$50,000 (General Fund), to the extent the City of Los Angeles submits a successful reimbursement claim with the Commission on State Mandates related to four new members of the City Council serving on the METRO board. Costs associated with duties and responsibilities of serving on the METRO board, and participating in the work of its Committees, are unknown.
- Unknown local costs for MTA to add two new members to the governing board, some of which may be reimbursable by the state General Fund. Potentially reimbursable costs are likely to be minor.

SUPPORT: (Verified 5/30/17)

City of Torrance

OPPOSITION: (Verified 5/30/17)

City of Glendora

Councilmember Mike Bonin, City of Los Angeles

County of Los Angeles

Los Angeles Area Chamber of Commerce

Los Angeles County Metropolitan Transportation Authority

Los Angeles/Orange Counties Building and Construction Trades Council

Mayor Eric Garcetti, City of Los Angeles

San Bernardino County Transportation Authority

State Building and Construction Trades Council

WSP Parsons Brinckerhoff

Prepared by: Manny Leon / T. & H. / (916) 651-4121

5/30/17 17:39:01

**** **END** ****

RESOLUTION 17-22

**A RESOLUTION OF THE GOVERNING BOARD OF THE SAN GABRIEL
VALLEY COUNCIL OF GOVERNMENTS (“SGVCOG”)
OPPOSING SB 268 (MENDOZA)**

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (Metro) Board of Directors is currently comprised of 14 members from across Los Angeles County;

WHEREAS, the current composition of the Metro Board includes all five members of the Los Angeles County Board of Supervisors (LACBOS);

WHEREAS, the LACBOS members represent both the unincorporated and unincorporated communities within their respective jurisdictions; and

WHEREAS, SB 268 would reduce the number of Los Angeles County Board of Supervisors on the Metro Board from five to two.

**NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BOARD OF THE
SGVCOG OPPOSES SB 268 (MENDOZA)**

PASSED, APPROVED, and ADOPTED this 15th day of June 2017.

SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS

By: _____

Cynthia Sternquist, President

Attest:

I, Philip A. Hawkey, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Council of Governments, do hereby certify that Resolution 17-22 was adopted at a regular meeting of the Governing Board held on the 15th day of June, 2017, by the following roll call vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Philip A. Hawkey, Secretary

DATE: June 15, 2017

TO: Transportation Committee

FROM: Phil Hawkey, Executive Director

VIA: Mark Christoffels, CEO, ACE Construction Authority

RE: Draft Measure M Guidelines

RECOMMENDED ACTION

Staff recommends the Board receive and file this report on the status of the draft Measure M Guidelines.

BACKGROUND:

On April 24, 2017, the Governing Board authorized staff to send the attached letter to Metro with the San Gabriel Valley Council of Government's (SGVCOG) on the proposed Measure M Guidelines (Attachment A). In addition, staff has been representing the interests and concerns expressed in that letter at the Measure M Policy Advisory Council (PAC) meetings. In response to comments received as well as input from the Measure M PAC, Metro staff have modified the draft as Measure M Guidelines. Attachment B provides a summary of the PAC's major concerns and Metro's response and attachment C provides a "redlined" version of the Measure M guidelines.

Metro has addressed the SGVCOG's numbered comments as follows:

- **Comment No 1:** stated that Measure M multiyear subregional funds should be programmed through the COG, not Metro and recommended that the COG be allowed to put together 5-year programming plan that would provide Metro with direction on the projects to be funded under each multiyear subregional funds.
 - Metro concurred with this approach and has included this in the re-drafted guidelines
- **Comment No 2:** requested that the language concerning borrowing from multiyear subregional funds only be authorized with the COG's concurrence.
 - Metro has included language to address this.
- **Comment No 3:** requested a portion of the multiyear subregional funding be allowed to offset the COG's expenses for preparation of the 5-year programming efforts.
 - Metro has added language that up to .5% of the funds may be used for this purpose.
- **Comment No 4:** requested that Metro receive COG's concurrence before utilizing alternative funding sources (funds other than Measure M) to meet this funding obligation Metro added language requiring this concurrence. The SGVCOG also asked that these equity funds be eligible for bonding capacity.
 - Metro is still reviewing this possibility, but did clarify that only Metro can bond out future multiyear subregional funds.

- **Comment No. 5:** requested that park and ride facilities be included as an eligible project expense.
 - This project category has been added to the “Multi-Modal” project definition as an eligible expense.
- **Comment No 6:** requested eligibility of costs associated with “betterment work” towards meeting the required 3% local contribution for light rail projects.
 - Metro responded with a clear definition on “betterment work” as currently set forth by Metro Board policy.
- **Comment No. 7:** stated that “in kind” local contributions to meet the required 3% local contribution for light rail projects should the cost of staff time.
 - Metro has added language that will allow staff time costs provided that these costs are identified in the 30% final plan approval.
- **Comment No. 8:** requested clarification on how the required 3% local contribution for light rail projects that had gone beyond the 30% final design would be calculated.
 - Metro indicated they work be working directly with the Foothill Gold Line Authority on this matter.
- **Comment No 9:** stated that no more than \$100,000 should be used to establish a minimum local return amount.
 - Metro staff is currently recommending that no minimum amount be established.
- **Comment No 9:** requested that the COG be included in communications between Metro and Project Sponsors for projects being funded under the multiyear subregional programs.
 - Metro has added language in the guidelines to require such communication.

In general, all of the comments that the COG submitted have been addressed. It is anticipated that the Metro Board will adopt these revised guidelines at their June 22, 2017 meeting.

ATTACHMENTS:

- Attachment A – SGVCOG Comment Letter
- Attachment B – Metro PAC Comments and Metro Responses
- Attachment C – Redline Update of Measure M Guidelines



April 24, 2017

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Cynthia Sternquist

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Margaret Clark

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Vacant

3rd Vice President
Vacant

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Temple City
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Unincorporated Communities
SGV Water Districts

Honorable John Fasana, Chairman
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012

RE: DRAFT MEASURE M GUIDELINES

Dear Chairman Fasana:

The San Gabriel Valley Council of Governments (SGVCOG) has reviewed the draft Measure M Guidelines and provides the following comments and recommended changes:

Comment No. 1:

Throughout the document, Metro refers to the term “Project Sponsor” when discussing the programming and use of subregional funds. This term is not defined and opens the door for individual cities or other entities within a sub-region to take the lead in programming specific projects and seeking approval directly from Metro. The SGVCOG feels strongly that sub-regional programmatic funds¹ were established and defined by the sub-regions and any project to be funded under these programs must come to Metro through a programming effort by the sub-regions.

To insure this is accomplished, the Measure M Guidelines should include a provision requiring Project Sponsors to have the concurrence of the sub-region (essentially, the COG’s² and joint powers authorities officially identified by Metro as regional planning agencies) prior to being included by Metro in their annual funding plan even if already included in the various adopted Mobility Matrices. To provide this concurrence, each COG should be required to adopt a five-year programming plan for each sub-regional program within their respective sub-region. The five-year programming plan would have to identify specific projects and phasing, allocated funding amounts, and project timing and be submitted to Metro. These programming plans would be required to be updated or amended on an annual basis reflecting executed funding MOU’s and project additions or deletions. Unless prohibited by the adopted guidelines, revenue constraints, or the Measure M ordinance, Metro would be required to adhere to these COG adopted sub-regional programming plans when executing funding MOU’s for specific projects. Should a project included in a COG adopted sub-regional programming plan be denied by Metro, each COG shall have the right to appeal the denial to the Measure M Oversight Board. Attachment A provides a flowchart of the proposed process.

¹ This does not apply to “Major Projects” identified in Measure M, for which Metro serves as the project sponsor.

² Throughout this letter the term “COG” is intended to reference both Councils of Governments and joint powers authorities that are identified by Metro as regional planning agencies.

Comment No. 2:

The guidelines allow for “Project Sponsors” to borrow from one Sub-Regional Program to accelerate the funding of a project in another Sub-Regional Program with the consent of the Metro Board and the “affected sub-region(s)”. The SGVCOG appreciates this flexibility, but would like to see language that requires the affected sub-regions to approve the proposed borrowing, by amending their affected adopted sub-regional programming plans as defined in our comment No. 1, to reflect the transfer of funds and acknowledging the associated timing impact for projects included in those sub-regional programs.

Comment No. 3:

The guidelines state that Measure M funds may be used for pre-construction as well as construction activities. Pre-construction activities are defined in the guideline and include “planning studies”. The SGVCOG recommends that this term be expanded to “planning and programming studies”. Adding the term “programming studies” will allow the sub-regions through their respective COGs to develop sub-regional project lists for corridor planning and coordination, and for subsequent project development and delivery. This will ensure that proposed projects complement each other and maximize mobility and/or sustainability.

Comment No. 4:

The Measure M Guidelines regarding Sub-Regional Equity funds state that Metro may meet these obligations using “any combination of federal, state or Metro controlled funds including, but not limited to, Measure M.” SGVCOG appreciates the need for this flexibility, however this flexibility being sought by Metro potentially places significant grant compliance requirements on sub-regions that may conflict with proposed projects or uses of those funds. The guidelines should be revised to not allow Metro the ability to unilaterally determine that a sub-region’s funding requirement under the “Sub-Regional Equity Fund” be met with something other than Measure M. Such a funding substitution should only be allowed with the affected COG (sub-region’s) concurrence. In addition, the SGVCOG requests that uses of the “Sub-Regional Equity Fund” be expanded to include the use of these funds for bonding capacity to accelerate proposed projects within the other sub-regional programs.

Comment No. 5:

The definition for eligible uses for the “Highway Demand Based Program” should include park and ride facilities, as well as other ridesharing related facilities.

Comment No. 6:

Under the section “3% Local Contribution to Major Transit Projects”, the guidelines state that “betterment work” funded by the local agency and as defined as “a change that will improve the level of service and/or capacity, capability, appearance, efficiency or function over that which is required by the Metro Design”, shall not be counted towards the 3% required local contribution. The SGVCOG disagrees with this exclusion and would like to see the guidelines amended to allow such betterment work to be counted towards the 3% local contribution. Any capital investment that enhances and improves the operation of the transit system and funded by a local agency should be desirable to Metro and should not

be discouraged by not allowing this type of betterment work to be counted towards the required 3% contribution.

Comment No. 7:

Under the section “3% Local Contribution to Major Transit Projects”, “in kind” local contributions as defined should include the cost of staff time from the commencement of the environmental phase through the end of the warranty period.

Comment No. 8:

Under the section “3% Local Contribution to Major Transit Projects”, local contribution limits are determined at the conclusion of preliminary engineering (30% plans). The guidelines need to have language to address projects that have already exceeded this point such as the Gold Line Foothill Extension. How will local contribution be determined for that project? SGVCOG suggests that language be added that states for projects that have exceeded preliminary engineering as of the initial adoption of the these Measure M guidelines, Metro shall consult with the local affected agencies to determine the appropriate project scope and cost estimate to determine the local contribution limits.

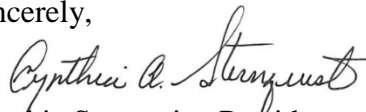
Comment No. 9:

Under local return, Metro is currently recommending a \$100,000 annual minimum allocation for small population cities that would normally receive less than this amount. The SGVCOG does not object to this proposal, however is not in favor of increasing this amount beyond the current recommended \$100,000 minimum.

Comment 10:

Upon the approval of the Measure M Guidelines and the initiation of project funding MUO's, the SGVCOG requests that they be included in all communications from Metro to Project Sponsors related to the allocation and use of sub-regional funds assigned to the SGVCOG's sub-region.

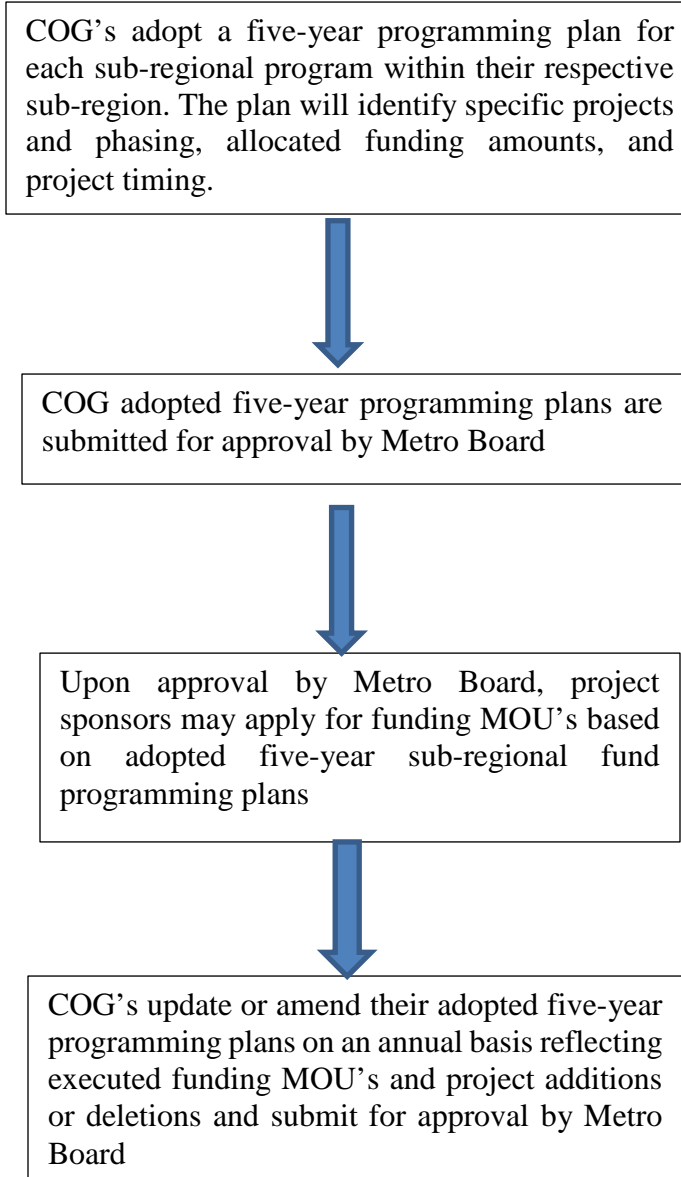
Sincerely,



Cynthia Sternquist, President
San Gabriel Valley Council of Governments

cc: SGVCOG Board of Directors
Metro Board of Directors
Phillip Washington, CEO, Metro

SGVCOG proposed project funding approval process for sub-regional funds



RESPONSES TO POLICY ADVISORY COUNCIL MAY COMMENTS FOR DRAFT MEASURE M MASTER GUIDELINES

Summary of Policy Advisory Council Initial Comments

The Policy Advisory Council (PAC) brings together 27 committee members, each with an alternate, spread across 3 groups of stakeholders (Jurisdictions/Councils of Governments, Providers, and Consumers) to provide input and recommendations on Measure M's draft guidelines and the upcoming Long Range Transportation Plan (LRTP).

PAC Engagement Process

At the first meeting on April 5th, Metro staff provided an overview of the roles and responsibilities of the PAC, followed by a presentation on the Measure M ordinance and draft guidelines. Committee members then discussed the challenges of the short timeline and mapped out a strategy on how to provide input to the Board on the draft guidelines by May. The committee broke out into the 3 categories (Jurisdictions/COGs, Providers, and Consumers) and each nominated an officer (Cecilia Estolano, Roderick Diaz, and Jessica Meaney). Each officer is responsible for coordinating with their respective members to gather their input.

In the weeks following the first PAC meeting, committee members were provided a survey to fill out with their key issues regarding the Measure M guidelines. Over 80 comments on various parts of the draft guidelines were recorded through this survey. The PAC committee then held a conference call at the end of April to begin to distill these responses into potential discussion topics for the May 2nd meeting. Comments were grouped into clusters of topics so that small "breakout" groups of PAC members could have a discussion and potentially come to consensus recommendations. Five general categories emerged:

- 3% Local Contribution for Transit
- ADA/Paratransit, Transit for Elder Adults and Students, Discounts
- Local Return: Local Return Floor, Other Allocation and Eligibility Issues
- Shovel-Readiness/Project Readiness, Program Eligibility
- Multi-Year Subregional Programs, COG/Metro Roles/Responsibilities, Fund Administration

There were also a few comments that could not fit into these five general categories that were reserved for discussion at a later date.

Comments by Category – Consensus Comments and Points needing Greater Clarification / Discussion

Based on notes from the breakout discussions at the May 2nd meeting, the PAC officers have summarized the range of perspectives expressed by members and identified areas where there is broad consensus.

3% Local Contribution for Transit

Consensus Ideas

- How 3% funding commitment is made should be flexible and be done either by individual jurisdictions (not just those within ½ mile of a station), on a corridor approach funded by the jurisdictions or through applicable subregional programs, or by state or federal grants.
A corridor or subregion can agree to redistribute the 3% amount, and may use their MSP funds if available. However, the Local Return default can only be imposed on the agencies formally listed at the time of 30% final design, and the funding agreement must be prior to start of construction.
- Any costs that would normally be considered a project cost that can be offset should be considered as eligible for the 3% local match. This may include staff time for plan checking, inspection, or permit issuance that would normally be paid for by the project.
In-kind services, such as staff time are allowed, if included in project cost at 30% completion of final design, when 3% contribution is calculated per Measure M Ordinance.
- If the local agency is working with a developer that results in the construction of improvements that would otherwise have been included in as a component of the light rail project as defined at the 30% design stage, those cost offsets shall be counted towards the 3% local match.
Funding agreement must be entered with the local agency prior to start of construction. This option can be included in the funding agreement, but as noted above, the timing of the calculation of the contribution is per Ordinance language.
- For local match requirements imposed on unincorporated county, those costs shall be assigned to the supervisorial district in which the improvements are located.
Fund source for payment of the contribution is within the jurisdiction of the agency; the County would need to make the suggested assignment distinction, not Metro.

Points needing Greater Clarification / Discussion

- Clarify “Betterments” and what improvements would be eligible to satisfy the local contribution requirement.

Metro Response: Metro will clarify “Betterments”. Guidelines draft revision: *A betterment is defined as an upgrade of an existing city or utility’s facility or the property of a Third Party, be it a public or private entity, that will upgrade the service capacity, capability, appearance, efficiency or function of such a facility or property of a third party. This definition was previously adopted by the Metro Board in the policy on Supplemental Modifications to Transit Projects.*

ADA/Paratransit, Transit for Elder Adults and Students, Discounts

Consensus Ideas

- There needs to be a way to quantify and publicize the delivery of programs and services that result from Measure M monies.
Marketing of New low income program provides the right opportunity to show the public their Measure M monies at work.
- Overall, the group agreed that there wasn't enough funding in this category to sufficiently fund these worthy initiatives. **There is limited funding in this category. Metro has creatively leveraged these funds for maximum impact.**
- Understanding of student needs is at a very nascent stage
- A regional Travel Training/Mobility Management program would be beneficial to seniors and people with disabilities and could solve the issues raised above by providing resources to these groups about transportation options and also directing them to programs that could assist them in utilizing these options.
Guidelines revised to allow for Travel Training/Mobility Management programs as eligible uses.

Points needing Greater Clarification / Discussion

- The 75/25 Allocation of the 2% ADA Paratransit for the Disabled; Metro Discounts for Seniors and Students (See response below)
- The need to educate affected groups about programs available to them.
Guidelines revised to include language on eligible use for travel training programs on pages 71-72.
A marketing plan on all available programs and new low income program will be developed and launched educating the public.
- Provisions to expand accommodation for wheelchair passengers on regular fixed-route transit
- The possibility of using local return monies to provide local senior and disabled transportation services and suggestion that the Metro Board could incentivize local cities to provide additional services to their citizens. **Local Return is already eligible for this.**

Metro Response: 75/25 Allocation split

The Ordinance language states: ADA Paratransit for the disabled and Metro discounts for seniors and students. Measure M provides for 2% annually or \$16M for three large rider groups.

ADA Paratransit is federally mandated with no dedicated funding source. The needs and resources for this group is expected to grow significantly, currently estimated at \$90M annually.

Seniors and Students are another category of riders of which Metro already provides significant reduced fares, estimated at \$100M annually.

The guidelines provide for a split of a maximum of 75% for ADA paratransit and a minimum of 25% for Metro discounts. This split allows for flexibility in funding each of these programs.

The split is based on our ability to leverage funds and budgetary needs.

- The need to fund ADA Paratransit is federally mandated. Measure M provided a dedicated funding source for this.
- Metro saw an opportunity to leverage the Measure M dollars by expanding the low income programs currently in place.
- With over \$100M dollars already provided in Metro senior and student reduced passes, the Measure M dollars could be used to really help those who need it the most, low income riders. The Measure M dollars will be used to provide an even bigger discount to these riders.

By combining the program with Measure M dollars, we took \$16M from Measure M and turned it into \$26M, from the other subsidy programs and are helping not only seniors and students, but all low income riders.

The split, which is still flexible, provides for an almost even split between the 2 categories, when adding the other subsidy programs.

- ADA Paratransit – Measure M (\$12M)
- Metro Discounts – Measure M (\$4M) + Other Subsidy (\$10M) = \$14M

Local Return: Local Return Floor, Other Allocation and Eligibility Issues

Consensus Ideas

- Local Return Floor – The allocation of \$100,000 or more to every city should be eliminated. There is not support for this proposal and there is strong opposition to redirecting funds from other cities, particularly low income cities, to the few cities that would benefit from this proposal.
Metro is recommending: 1) No minimum be established by Metro; 2) Any reallocation of funds be done at the subregional level; 3) Measure M Multi-year Subregional funds can be used to supplement Local Return allocations (subject eligibility, process and availability described in Measure M MSP guidelines).
- TOCs (Transit Oriented Communities) – The guidelines should provide more details on Metro’s own TOC policies, potentially reference the Metro manual,

Metro's own affordable housing goal for TOC, the MATCH program, etc., with specific details subject to future discussion.

Guidelines revised to reference Metro TOC manual on p. 86.

- Expand "Subsidized Taxi" to include similar services. **Guidelines revised on p. 83.**

Points needing Greater Clarification / Discussion

- Allocation Formula – daytime employment v. residential population
A variety of allocation formulas was provided at Metro's May Board meeting. Metro is recommending residential population for method of allocation, as this is the most reliable data and is updated annually.
- DBE/SBE/DVBE requirements for Local Return – requirements for some SBE/DBE/DVBE requirements or guidance; management and technical expertise

Metro Response:

- **Language encouraging SBE/DBE participation will be included in the Assurances and Understandings agreement between Metro and each local jurisdiction.**
- **SBE/DBE will be encouraged for Multi-year Subregional Program or Local Return projects under the provisions of the supplemental funds requirement, wherein any application of resources under Metro's direct control triggers application of any and all pertinent Metro policies, including those related to procurement.**

Shovel-Readiness/Project Readiness, Program Eligibility

Consensus Ideas

- Project Readiness – There is a need for a more consistent definition of “project readiness” applied throughout the guidelines. "Project readiness" should be expanded to include the ability to fund all phases of work including planning, environmental, design, right of way and construction, as well as expanding eligibility for funding both programs and projects.
- Metro agrees that the distinct phases specifically listed above in this bullet are eligible, depending on the fund category, but not “all” possible phases of work (e.g., pre-planning development is generally excluded and highway eligibility will begin with PIDs – using Caltrans definition).
- Bus Rapid Transit – Bus Rapid Transit Program should be expanded to include projects where operators other than Metro can receive funds and a process should be defined to define how projects can be added.
Metro agrees that eligibility should be expanded, to be determined as part of the revision of the Countywide BRT plan.
- Mobility Matrices – Additional flexibility is warranted to allow additional projects beyond those identified on the Mobility Matrices. The review process could be consistent with the 5 and 10 year allocation period assessment reviews, where new projects could be added. Messaging regarding the Mobility Matrices was not clear in the guidelines.
Metro agrees that there should be additional flexibility to reconsider the relevance and performance of existing Mobility Matrix projects, and similarly the addition of new projects.

Points needing Greater Clarification / Discussion

- Potential expansion of eligibility for "green streets" beyond that of just stormwater improvements to climate technology. Staff is reviewing policy for possible expansion.
- Funding cap on the earlier planning and EIR phases, to ensure that too much money is not being spent on a project that may not be feasible and likely moving forward to delivery. Additional controls will be considered in follow up administrative guidance to address project viability.
- Eligibility for 2% Highway Connectivity Program The Guidelines reference a competitive process that will be developed. It will include eligibility.
- Eligibility for 2% Transit Connectivity Program The Guidelines reference a competitive process that will be developed. It will include eligibility.
- Flexibility in Performance Measures for 1% Regional Rail Program Guidelines have been revised to reflect change from specific attainment of criteria to an

evaluative judgment that the Board would consider. These Guidelines have been developed collaboratively with Metrolink.

Multi-Year Subregional Programs

Consensus Ideas

- The subregions should be empowered to create five year plans for their programs and need a funding set aside to accomplish this task. These plans should be based on, but not limited to, the projects and programs included in the Mobility Matrices. **Agreed. Metro will recommend a 5 year plan in the Guidelines, with subsequent development of administrative requirements and procedures.**
- There should be specific metrics around community involvement and that the subregional plans should not be constraining. In other words, subregions should be able to work within the framework of the subregional plan but not be bound by it, particularly if adjustments arise during the planning process. **Metro agrees that meaningful community engagement is essential to the success of the Multi-year Subregional Program, and will include this requirement in the Guidelines. Parameters for effective community engagement will be developed as part of the subregional administrative procedures.**
- The guidelines should lay out a process for project and program development that clearly articulates Metro's role relative to other stakeholders as well as the eligibility of certain tasks related to project development in the pre-environmental phase (outreach, conceptual design, etc.). **As discussed above, a new process is being included in the Guidelines for the role of Metro relative to subregional agencies. It includes project development discussion, but eligibility of "pre-environmental" phase is to be determined.**

Points needing Greater Clarification / Discussion

- Connectivity to Airports other than LAX. **Other airports are eligible for System Connectivity and Multi-year Subregional Program funds.**
- The need for a process for projects related to:
 - Roles and responsibilities
 - Funding**As discussed above, a new process is being included in the Guidelines for the role of Metro relative to subregional agencies.**
- The need for a mechanism to sort out when cities need to go through the COGs. **This mechanism will be evaluated during the administrative process development.**
- Mechanisms for borrowing from one sub-region to another. **To be determined.**
- The need for funding for COGs to plan and prioritize projects. **Staff has proposed use of Multi-year Subregional Program funds to be used for**

subregional program development and planning, with a cap of 0.5% per year per MSP pot.

- Use of Equity Funds for bonding capacity and the need for two-way concurrence from COGs and Cities and guidance related to applicability by size of projects
Metro retains all capital fund bonding authority to manage financial constraints.
- Active Transportation Programs and professional capacity of city staff to administer federal grants and whether the guidelines should allow Metro to serve as an administrator. **Metro will consider agency concurrence for federal fund assignments.**



Board Report

File #:2017-0280, File Type:Policy

Agenda Number:38.

PLANNING AND PROGRAMMING COMMITTEE

JUNE 14, 2017

EXECUTIVE MANAGEMENT COMMITTEE

JUNE 15, 2017

SUBJECT: MEASURE M MASTER GUIDELINES

ACTION: ADOPT MEASURE M MASTER GUIDELINES

RECOMMENDATION

CONSIDER:

- A. RECEIVE AND FILE report from the Policy Advisory Council (PAC) on the Draft Measure M Master Guidelines (Attachment A);
- B. ADOPT the **Measure M Master Guidelines**; and
- C. AUTHORIZE the Chief Executive Officer to enter into Memorandums of Understanding (MOUs) and Assurances and Understandings with Included and Eligible Municipal Operators, Metrolink, Access Services and Los Angeles County jurisdictions for Measure M funding allocations and distribution, consistent with applicable Measure M Guideline provisions.

ISSUE

The Measure M Ordinance requires guidelines to be developed. On March 23, 2017, the Metro Board of Directors approved the release of the draft Measure M Master Guidelines for public review for a period of 60 days during April and May, concluding May 26, 2017. The revised Measure M Master Guidelines (Attachment B) are presented for adoption in anticipation of the initiation of the Measure M sales tax collection on July 1, 2017. Adoption of the Measure M Guidelines will enable recipients (i.e. Included and Eligible municipal operators, Metro, Metrolink, Access Services, the 88 cities and Los Angeles County) of the sales tax revenues to move forward with expenditure of funds to support planning and development of their programs.

BACKGROUND

At the December 1, 2016 Board Meeting, Chief Executive Officer Phillip A. Washington presented an overview on development of the Measure M Ordinance Guidelines, where he indicated that draft Master Guidelines would be developed internally by Metro staff, for subsequent review and comment by the public, with a target date for Board adoption of final Measure M Guidelines at the June 2017

Board meeting, in advance of the initiation of the additional sales tax revenue collection on July 1, 2017.

To support the public review of the draft Guidelines, the CEO also announced the formation of the Metro Policy Advisory Council (PAC), comprised of 27 members representing three major areas: Consumers, Providers, and Jurisdictions. Metro has held 3 meetings with the PAC and PAC leadership. The PAC has submitted a report (Attachment A) to the Board summarizing their views on the draft Guidelines.

DISCUSSION

Responsible and accountable administration and oversight of Measure M is essential to respect the trust of LA County taxpayers, and provide the necessary framework to support the requirements established in the Ordinance for the Independent Measure M Taxpayer Oversight Committee. In response, staff has prepared a Master Guidance document to provide direction for all elements of Measure M. Primary elements include: Administration and Oversight; Audits; Assessments and Amendments; Cashflow; Transit Operations; Metro Rail; Regional Rail; ADA Paratransit/Metro Discounts for Seniors and Students; Multi-year Subregional Programs; Active Transportation; Local Return; and State of Good Repair.

A. OUTREACH PROCESS

All comments received by the public were submitted to Metro through a web portal located at ThePlan.Metro.net or via email to ThePlan@Metro.net <<mailto:ThePlan@Metro.net>> (the Portal). All comments received were documented as an official record. Staff attended more than 20 public meetings with key stakeholders to provide additional information, and received more than 60 submissions, encompassing over 300 comments on various topics.

This outreach and public comment coordination is distinct from, and complementary to, the outreach facilitated through the newly implemented PAC. The PAC had its first meeting on April 5, 2017, which started its review and outreach process. On May 2, 2017, the PAC had its second meeting, and as a result, the PAC officers presented to the Metro Board on May 26, 2017 initial comments reflecting the three represented constituencies of transportation consumers, transportation providers, and jurisdictions. That report grouped comments and related findings into five major subject areas:

- Local Return Distribution
- ADA/Paratransit and Senior/Student Discounts;
- 3% Local Contribution for Transit Projects;
- Project Readiness; and
- Multi-year Subregional Programs Administration.

These subjects are also the primary topic areas for the majority of comments received through the Portal.

The PAC held its third meeting on June 6, 2017, and presents its subsequent comments and findings directly to the Board as a Receive and File report (included as Attachment A).

B. COMMENTS AND RESPONSES

Staff summarized the written comments submitted to Metro into primary topics that generally align with the PAC categories from its May report. The comments are also indexed by source. The summary table, which includes policy considerations and resulting decisions, is included as Attachment C.

As a result of comments received, grammatical corrections and technical clarifications have been made throughout the document. More substantive comments, as noted above, are aligned with five major topics of Local Return, ADA Paratransit/Senior and Student Discounts, 3% Local Contribution, Project Readiness, and Multi-year Subregional Programs. Staff responses to those themed comments are also summarized in Attachment C; and are flagged as red line changes in the revised Guidelines (Attachment B). High profile responses and revisions in these areas have been selected for further discussion below, for the Board's particular attention.

Local Return Distribution

The draft Guidelines approved for release at the March Board meeting included a staff recommendation of a Local Return distribution with a minimum allocation of \$100,000 per jurisdiction. At the same meeting, Directors Garcia, Hahn, and Garcetti introduced a motion directing staff to evaluate an array of distribution alternatives with the intent of providing an increased level of Local Return for smaller cities. The Board received the evaluation report at its May 26th meeting and the PAC reported that its consensus position was that no minimum floor be established.

Considering the totality of public comments received on this topic since the release of the draft Guidelines, including comments from local agencies, staff is recommending that Measure M Local Return distribution to cities and the county be consistent with the other sales tax measures, based on population and in compliance with the Measure M Ordinance and be implemented as follows:

- No minimum allocations to be established by Metro;
- Reallocation of Local Return distributions can be subsequently pursued at the subregional level among the cities and county areas within subregional boundaries, to support smaller cities, at the discretion of those parties;
- Measure M Multi-year Subregional funds can be used to supplement Local Return allocations to support smaller cities subject to the eligibility, process, and availability as described in the Multi-year Subregional Measure M guidelines.

ADA Paratransit for the Disabled/Metro Discounts for Seniors and Students

Within this fund category, clarification was requested on the eligible uses for this fund. In May, the Board adopted the New Low Income Program, which combined current fare subsidy programs to create an enhanced program that serves low-income riders. The program creatively leverages the limited Measure M 2% funds to help more riders. This program provides low income seniors and students deep discounts (70%-88%) on their monthly passes, showing their Measure M dollars at

work.

In addition, regional Travel Training/Mobility management programs and/or similar programs/technology improvements geared towards bridging the mobility gap for seniors and people with disability will be eligible uses for these funds.

3% Local Contribution to Major Transit Projects

Within this fund category, clarification was requested as to what could constitute the local contribution (i.e. in-kind contributions and betterments). Staff has provided clarity regarding the Ordinance provision, which is specific as to the timing of the calculation for the 3% local contribution.

- 3% contributions must be calculated on a project scope determined at a 30% design level.
- “In kind” contributions are allowed from the local agency provided that they are included as eligible expenses in the project scope and cost at the time 30% of the final design is completed.
- Once individual calculations for all affected jurisdictions are completed based on the Ordinance’s stated distribution formula, the aggregate of those contributions can be redistributed among the affected agencies, at their discretion. This is consistent with the practice under Measure R.
- Contributions for calculations assigned to the County of Los Angeles are to be determined by the County; this may include assignment of this obligation to the Supervisorial District in which the project is located.
- Clarity is also provided that the 3% provision only applies to rail projects.

As well, commentary sought clarity on the definition of betterments, and their application under the 3% policy. The definition as presented in the Draft Guidelines has been slightly revised, to be consistent with existing policy adopted by the Metro Board on Supplemental Modifications to Transit Projects (October 2013). A “betterment” is defined “as an upgrade of an existing city or utility’s facility or the property of a Third Party, be it a public or private entity, that will upgrade the service capacity, capability, appearance, efficiency or function of such a facility or property of a third party.” Once the 30% design project scope and cost have been determined as the basis of the 3% contribution calculation, subsequent betterments cannot be included in that calculation, nor counted toward a jurisdiction’s eligible contribution. However, they may be included in the project scope if carried at the jurisdiction’s expense.

Multi-year Subregional Programs

Within the Multi-year Subregional Program (MSP) category, several key comment areas were noted and addressed, as listed in Attachment C. Two of major note are:

- **MSP funds should have an equal funding priority to other capital items.**
 - Consistent with the Ordinance’s assignment of funding purposes to capital subfund accounts, the availability of funds for MSP investment is prioritized equal to other Highway and Transit Capital subfunds. Actual disbursements of capital funding irrespective of subfund is subject to Cash Flow policies established in the Guidelines.

- NOTE: Capital subfunds are sourced **after** the Transit Operating Maintenance Subfund, and the Local Return Subfund. By Ordinance, revenues to these two subfunds are directly proportional to the percentage of net sales tax collected from Measure M. Therefore, they are “taken off the top” of Measure M sales tax revenue generated in a year. The balance of sales tax revenue is then assigned to the Capital subfunds. At any point in time, Capital subfunds amounts, including those for MSP, can vary based on proceeds from bonds issued to manage actual capital resource needs. Any issuance of debt for Measure M purposes, however, remains at the exclusive discretion and authority of Metro, and will be conducted consistent with Board debt policy.
- **MSP projects should derive from a specific subregional planning process.**

In response to comments received by the PAC and local agencies, a new process has been inserted into the Guidelines to coordinate projects within the framework of five-year plans. Plans will be developed for each MSP listed in the Expenditure Plan to ensure accountable and responsive subregional project identification, selection and delivery. The plans will:

 - Build on prior Mobility Matrix projects as a foundation; with provisions to reconsider the relevance and performance of existing Matrix projects, and the addition of new ones;
 - Include meaningful public outreach, which is essential to the success of Multi-year Subregional program development; Metro will develop baseline parameters for effective community engagement;
 - Be adopted by the Metro Board, with provisions for periodic updates/modifications; and
 - Up to 0.5% of MSP funding per year, per individual MSP program, is eligible for program development by the subregion.

Project Readiness

There were many comments regarding clarification of project readiness and eligibility of funds at various phases of project development. This definition is specific to each MSP program type; that is, project readiness thresholds will be designated for capital project phases leading up to and including construction, separately designated for specific programs (Highway, Transit, Active Transportation, etc.). Additional clarifications will be made as part of the administration procedures to be developed according to the schedule in Attachment D.

Other Topics

Regional Rail

Establishing a consensus for key performance metrics was the focus for this fund category. The metrics developed will establish the evaluation basis allowing the Regional Rail allocation to increase from 1% to 2% in FY 2039.

The draft guidelines have been revised to reflect a change from a specific attainment of criteria to an evaluative judgment that the Board would consider in its determination of whether to increase the Regional Rail allocation from 1% to 2%. Metro acknowledges the significant time frame over which the performance of the system will be judged and the related inherent uncertainty. However,

specifically because of that uncertainty, Metro's Board retains the authority to evaluate the performance of any commuter rail system in place, and to determine the most appropriate investment strategy that will serve the overall county mobility objectives.

Countywide BRT

The draft guidelines have been revised to expand the eligibility to municipal operators.

DETERMINATION OF SAFETY IMPACT

The proposed approval will not have any adverse safety impacts on employees and patrons.

FINANCIAL IMPACT

Adoption of the Guidelines will provide Metro with an administrative framework for Measure M. This is required for the agency to proceed with Measure M funding distributions.

Impact to Budget

Approving the staff recommendations will have no impact on the FY 2017 Budget. This is required for the agency to proceed with Measure M subfund distributions, and delay in approval of the Guidelines could have an impact on availability of funds for the FY 2018 Budget, as approved by the Metro Board in May 2017.

ALTERNATIVES CONSIDERED

The Draft Guidelines released for public review in March 2017 could remain as is or additional outreach could be conducted. This is not recommended as substantial public outreach has occurred which generated substantive public comments that have been considered and incorporated into the recommended Guidelines.

If the Guidelines are not approved, or approval is delayed, FY 18 Measure M funding for operational purposes eligible under Transit Operations, Metro Rail, Metro State of Good Repair, ADA Paratransit for the disabled/Metro Discounts for Seniors and Disabled, Regional Rail and/or Local Return programs will be withheld from Metro, Included and Eligible Municipal Operators, Metrolink, and the 89 local jurisdictions that are eligible recipients of those resources.

NEXT STEPS

Measure M sales tax collection begins on July 1, 2017.

Attendant Technical/Administrative Procedures. As revised, the Master Guidelines embody a comprehensive, complete framework to be adopted and enforced by the Board. For some elements, administrative details are required to assist in actual implementation of the Guidelines, and will be addressed as procedures are developed. These elements and the timelines are noted in Attachment D. Appropriate stakeholder input with the PAC will be sought and considered in the development of these procedures, with final approval by the CEO.

ATTACHMENTS

Attachment A - Recommendations from Policy Advisory Council

Attachment B - Measure M Master Guidelines

Attachment C - Public Comments Summary

Attachment D - Timeline for Completion of Administrative Processes

Prepared by: Kalieh Honish, Executive Officer, (213) 922-7109

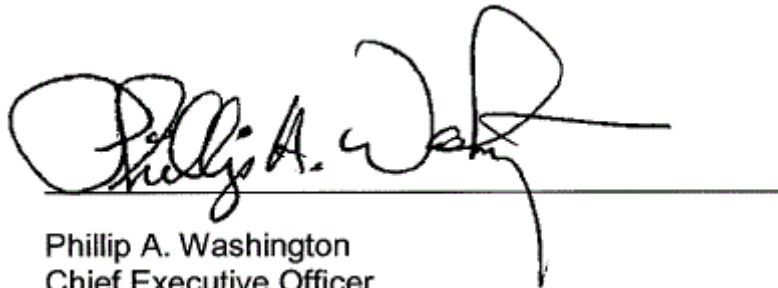
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Chief Executive Officer

**Recommendations from Policy Advisory Council
For Measure M Master Guidelines**

[TO BE INSERTED]



MEASURE M

~~**DRAFT**~~

FINAL

GUIDELINES

Introduction

On June 23, 2016, the Metro Board of Directors approved the Los Angeles County Traffic Improvement Plan Ordinance (#16-01, the “Ordinance”). This Ordinance, known as Measure M, was approved by more than 71% of voters at the November 8, 2016 general election. As a result, the projects and programs in the Expenditure Plan of the Ordinance have been approved and must now be implemented accordingly.

Measure M is far more comprehensive and ambitious than Measure R. The Guidelines must address all aspects of administering and overseeing Measure M. For this reason the oversight of Measure M is also more complex. The attached master guidance was prepared for a comprehensive and balanced approach for all elements of Measure M. Primary topics include: Administration and Oversight; Audits; Assessments and Amendments; Cashflow; Transit Operations and Other Designated Operational Funding; Multi-year Subregional Programs; Local Return; and State of Good Repair.

The success of Measure M will be built upon the diverse and committed coalition that supported its passage, and efficacy of the Measure M plan provisions as they impact our various constituencies. The Metro Board and its staff are ultimately accountable to the people of Los Angeles County. It is with this consideration, that we present these Measure M Guidelines.

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I. ADMINISTRATION & OVERSIGHT

Evolving framework

As master guidance, this document provides the overarching framework for the management and oversight of Measure M and its component elements. In several cases, more detailed processes and/or procedures will need to be developed for the actual administration of the program elements, and timelines for those details are noted throughout. Those detailed processes/procedures will be developed and revised ~~amended~~ separately, as required to adjust to changing circumstances over time.

The Guidelines recognize the potential cross benefits and synergies between the different funding programs and will encourage a comprehensive approach to project development and delivery to ensure maximum benefits.

Ordinance background

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance #16-01.

OVERSIGHT

Metro staff developed a Selection Process to address the Measure M Ordinance requirements for the Independent Taxpayer Oversight Committee, comprised of seven voting members representing the following areas of expertise:

- A. A retired federal or state judge.
- B. A professional from the field of municipal/public finance and/or budgeting with a minimum of ten (10) years of relevant experience.
- C. A transit professional with a minimum of ten (10) years of experience in senior-level decision making in transit operations and labor practices.
- D. A professional with a minimum of ten (10) years of experience in management and administration of financial policies, performance measurements, and reviews.
- E. A professional with demonstrated experience of ten (10) years or more in the management of large-scale construction projects.
- F. A licensed architect or engineer with appropriate credentials in the field of transportation project design or construction and a minimum of ten (10) years of relevant experience.
- G. A regional association of businesses representative with at least ten (10) years of senior-level decision making experience in the private sector.

Additional information is available on the Metro website.

TIMELY USE OF FUNDS

Given the objective of Measure M to improve transportation, transit service and ease traffic congestion in the region, the timely use of funds is a foundational principle throughout these Guidelines. It is the fiscal responsibility of Metro to ensure that Measure M sales tax revenues are spent according to the requirements of the Ordinance as quickly as possible to realize the benefits of the Measure M Expenditure Plan as promised for the people of Los Angeles County.

Project Readiness

Part of Metro's obligation to ensure timely use of Measure M funds is to define and encourage project readiness in order to move projects forward in a timely manner. Because sales tax revenues are accrued over time, the capacity to fund multiple projects and programs necessitates sequencing over multiple years. This sequencing is reflected in the project and programs lists that comprise the Measure M Expenditure Plan.

That said, individual projects will need to move forward within a managed cashflow process as outlined in the Cashflow Management section of these Guidelines. Part of that process is built on an assumption that projects or programs will obligate Measure M funds at the time they are ready to use them. As a result, "project readiness" criteria have been established for several Measure M programs, and are noted as such in the Guidelines.

~~The most direct way to incorporate **additional** acceleration to deliver projects more quickly relates to Metro's "Operation Shovel Ready," detailed in January 2016. As part of this program, Metro will aggressively move forward in bringing transit, highway and regional rail projects closer to the implementation stage. Bringing these projects to a "shovel ready" state allows Metro to take advantage of potential opportunities that may develop and allow the projects to advance into the design and construction stages sooner rather than later. As stated in the report to the Board:~~

~~*"Operation Shovel Ready" potential opportunities may include those related to funding, grants, private sector participation and local community support. If these projects are not advanced to a shovel-ready state, Metro may not be able to take advantage of future, unexpected opportunities. Moving these projects closer to a shovel-ready state does not necessarily mean that they will all move immediately into the construction stage. However, they will get done sooner when funding becomes available and are ready to start quickly."*~~

Lapsing Requirements

Once funds are obligated, they need to be expended for the purposes assigned. Recipients must comply with specific lapsing requirements, like those set forth in the Local Return Guidelines. When not specifically set forth in the Guidelines, fund-lapsing rules will be adopted by the Metro Board hereafter. Processes for lapsing will also include an option for extensions

on a case-by-case basis, accompanied by adequate documentation of justification of the need for the extension request. .

PROJECT ACCELERATION

The Ordinance allows for project acceleration. As compared to projects that are delayed due to unavailable funding, environmental clearance issues, litigation, or other considerations ~~Project acceleration can be considered by the Metro Board based upon~~ may consider project acceleration ~~considerations, as compared to projects that are delayed due to funding, environmental clearance issues, litigation, or other considerations which, include~~ based on, but not limited to the following:

- Available local funding such as supplemental local sales tax ballot measure, local toll/farebox revenues or special district tax increment financing;
- Available private investment when funding assumes such P3 investment;
- Elements that determine use of available federal/state discretionary funding;
- Opportunity to combine two or more projects to achieve economy of scale and minimize impacts of multiple back-to-back construction over a long period of time;
- ; and
- Ease of property acquisition or use due to available rights-of-way and/or municipal or Metro-owned properties.

Additional acceleration, discussed hereinafter, requires the approval by 2/3 vote of the Metro Board and cannot delay any other Expenditure Plan project or program beyond the dates contained in the Expenditure Plan.

The most direct way to incorporate **additional** acceleration to deliver projects more quickly than the schedules listed in the Ordinance Attachment A relates to Metro's "Operation Shovel Ready," detailed in January 2016. As part of this program, Metro will aggressively move forward in bringing major transit and highway projects closer to the implementation stage. Bringing these projects to a "shovel-ready" state allows Metro to take advantage of potential opportunities that may develop and allow the projects to advance into the design and construction stages sooner rather than later. As stated in the report to the Board:

"Operation Shovel Ready' potential opportunities may include those related to funding, grants, private sector participation and local community support. If these projects are not advanced to a shovel-ready state, Metro may not be able to take advantage of future, unexpected opportunities. Moving these projects closer to a shovel-ready state does not necessarily mean that they will all move immediately into the construction stage. However, they will get done sooner when funding becomes available and are ready to start quickly."

This concept will also be used as part of these Measure M Guidelines.

COST CONTAINMENT POLICY FOR EXPENDITURE PLAN MAJOR PROJECTS

It is essential that costs be managed and controlled to ensure delivery of Measure M Major Projects. It is expected that all Major Projects are managed to the approved budget and schedule within the Expenditure Plan.

The objective of the cost management policy and process is to ensure the prompt development and consideration of project cost alternatives that genuinely address the cost controls necessary to successfully deliver all Measure M transit and highway Major Projects. First and foremost is that no project will receive Measure M funds over and above the amount listed in the expenditure plan except under the following circumstances:

- A) The cost is related to inflationary pressures, and meets the requirements for the Inflation related Contingency Fund provisions provided under the Ordinance. These are addressed in the Contingency Fund Guidelines Section VII.
- B) Additional Measure M funds are provided for and consistent with amendments permitted in tandem with the Ten-Year Comprehensive Program Assessment permitted under the Ordinance. This process is addressed in the Comprehensive Program Assessment Process & Amendments Section III.
- C) Redirection of Measure M subregional funds aligned with the project's location, so long as the project satisfies all subregional program eligibilities and procedures consistent with these guidelines, and with the agreement of jurisdictions otherwise eligible for those subregional funds.

In all of these cases, a specific Metro Board action is required to address the shortfall prior to the project proceeding.

When the aforementioned processes are not appropriate or applicable, according to these Guidelines, the shortfall will then first be addressed at the project level prior to evaluation for any additional, non-Measure M resources using these methods in this order:

1. Value Engineering/Scope Reductions—these must be consistent with any prior related requirements or limitations attached to the project scope;
2. New Local Agency Funding Sources;
3. Shorter Segmentation—these must be consistent with any prior related requirements or limitations attached to the project scope;
4. Corridor Cost Reductions;
5. Subregional funding reductions; and then
6. Countywide Cost Reductions.

If recommended sources involve any funds that are not from locally controlled sources, the planned reduction must conform to the priorities of the Long Range Transportation Plan (LRTP).

AUDIT REQUIREMENTS

Use of Measure M funds will be subject to audit and oversight, and all other applicable state and local laws.

MEASURE M RECOGNITION

Projects and services funded by Measure M will publicly acknowledge the use of Measure M funds through websites, flyers, or other promotional and marketing materials. The form of recognition will be left to the discretion of Metro in consultation with the recipient agency.

SMALL BUSINESS ENTERPRISE PROGRAM

Measure M projects and programs are encouraged to comply with the Metro Board adopted Small Business Enterprise (SBE) Program and the Prohibition against Discrimination or Preferential Treatment by State and Other Public Entities.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

II. AUDITS

Annual Financial and Compliance Audit and Independent Audit Firm Solicitation

Per the Measure M Ordinance, Metro shall contract for an annual audit, to be completed within six (6) months after the end of the fiscal year being audited, for the purpose of determining compliance by Metro with the provisions of the Ordinance relating to the receipt and expenditure of Sales Tax Revenues during such fiscal year. The audit should include a determination as to whether recipients of Net Revenues allocated from these Subfunds have complied with the Ordinance and any additional guidelines developed by Metro for these Subfunds.

Annual Audit Workshop

Metro will facilitate an annual collaborative audit workshop that will be attended by the selected independent audit firms and fund recipients for the purpose of providing insight into the audit process, documentation requirements and important audit due dates. The workshop will give attendees a chance to meet representatives from the CPA Firms conducting the audits, who will provide an overview of the audit process and timelines. In addition, pertinent Metro staff will provide background information on the various funding programs included in the annual audit.

Review of Annual Audit Results and Public Hearing

Results of the annual financial and compliance audits will be presented to the Independent Taxpayer Oversight Committee which will make findings as to whether Metro is in compliance with the terms of the Ordinance. Such findings shall include a determination as to whether recipients of Net Revenues allocated and funds were expended for all the Subfunds (outlined in the Expenditure Plan) and have complied with this Ordinance and any additional guidelines developed by Metro. Audit results will also be available on the Independent Taxpayer Oversight Committee webpage which is linked to the Measure M website.

The Independent Taxpayer Oversight Committee will cause a summary of each audit to be available and accessible to the public (through various types of media) prior to the public hearing and upon request. The Independent Taxpayer Oversight Committee shall hold an annual public hearing to obtain the public's input on the audit results. All Independent Taxpayer Oversight Committee meetings shall be in accordance with the Ralph M. Brown Act.

III. COMPREHENSIVE PROGRAM ASSESSMENT PROCESS & AMENDMENTS

Five-Year Assessment

Commencing in calendar year 2022, and every five (5) years thereafter, the Metro Board of Directors shall adopt a Five-Year Comprehensive Program Assessment. These assessments shall be coordinated with Metro's Short Range Transportation Plan (SRTP) and/or the Long Range Transportation Plan (LRTP) and provide a comprehensive review of all projects and programs implemented under the Measure M Expenditure Plan to evaluate the performance of the overall program and make recommendations to include, but not be limited to:

- Improvements on current practices;
- Best practices; and
- Organizational changes to improve coordination.

Specific evaluation areas, performance metrics and criteria of the Five-Year Comprehensive Program Assessment will be approved by the Metro Board of Directors in consultation with the Measure M Independent Taxpayer Oversight Committee.

Prior to adoption, the Measure M Independent Taxpayer Oversight committee shall review the Five-Year Comprehensive Program Assessment and make findings and/or provide recommendations for improving the program. The results of the Committee's review shall be presented to the Metro Board of Directors as part of the adoption of the Comprehensive Program Assessment.

Ten-Year Assessment

Commencing in calendar year 2027, and every ten (10) years thereafter, the Metro Board of Directors shall adopt a Ten-Year Comprehensive Program Assessment. These assessments shall be coordinated with Metro's Long Range Transportation Plan (LRTP) updates, including LRTP performance metrics, and provide a comprehensive review of all projects and programs implemented under the Measure M Expenditure Plan to evaluate not only all areas of the Five-Year Comprehensive Program Assessment, but those impacting the ability to amend the Measure M Ordinance and Expenditure Plan. These evaluation areas include, but are not limited to:

- Projects/programs completed;
- Projects/programs anticipated for completion in the next ten years; and
- Changes in circumstances affecting the delivery of projects/programs within their schedules as identified in the Measure M Expenditure Plan.

Specific evaluation areas, performance indicators for project delivery, and criteria of the Ten-Year Comprehensive Program Assessment will be developed by the Metro Board of Directors

through the Long Range Transportation Plan in consultation with the Measure M Independent Taxpayer Oversight Committee.

Amendment Opportunities

As part of its approval of the Ten-Year Comprehensive Program Assessment the Metro Board of Directors may adopt amendments to the Measure M Ordinance and Expenditure Plan to: (1) add Major Projects and/or Multi-Year Subregional Programs; (2) transfer funds between capital project/program subfunds; and (3) change subregional boundaries (limited to no earlier than 2047 by the Measure M Ordinance). The Measure M Independent Taxpayer Oversight Committee shall review and provide comment on the assessment to the Metro Board of Directors. Prior to action on any amendment the Metro Board of Directors shall hold a public meeting on proposed amendments. Notice of the public meeting shall be provided at least 60 days in advance of the meeting to the Los Angeles County Board of Supervisors, the city council of each city in Los Angeles County, and the public, and shall include a copy of the proposed amendments. All amendments must be passed by a 2/3 vote of the Metro Board of Directors.

1. Add Major Projects and/or Multi-Year Subregional Programs – “Expenditure Plan Major Projects” and “Multi-Year Subregional Programs” may be added to the Expenditure Plan provided that such additions do not delay the “Groundbreaking Start Date,” “Expected Opening Date,” or amount of “Measure M Funding 2015\$” of any other “Expenditure Plan Major Projects” or “Multi-Year Subregional Program.” Changes in circumstances affecting the delivery of projects/programs will be evaluated through the Ten-Year Comprehensive Program Assessment to confirm and update actual project delivery schedules.
2. Transfer Funds Between Capital Project/Program Subfunds – The Metro Board of Directors may adopt an amendment transferring Net Revenues between the Transit, First/Last Mile (Capital) Subfund and the Highway, Active Transportation, Complete Streets (Capital) Subfund. The Metro Board of Directors shall not adopt any amendment to the Measure M Ordinance or Expenditure Plan that reduces total Net Revenues allocated to the sum of the Transit, First/Last Mile (Capital) Subfund and the Highway, Active Transportation, Complete Streets (Capital) Subfund.
3. Change Subregional Boundaries – Not sooner than 2047, the Metro Board of Directors may amend the boundaries of the subregional planning areas as identified in Attachment B of the Measure M Ordinance.

IV. MAJOR PROJECT ACCELERATION AMENDMENTS

The Metro Board of Directors may consider an amendment of the “Schedule of Funds Available” to accelerate an “Expenditure Plan Major Project” at any time over the Measure M program provided that such amendment shall not:

- Reduce the amount of funds assigned to any other project or program as shown in the “Measure M Funding 2015\$” column of the Measure M Expenditure Plan;
- Delay the “Schedule of Funds Available” for any other project or program; or
- Negatively impact Metro ability to meet FTA requirements for maintaining existing service levels.

Acceleration is defined as advancing major projects ahead of the identified “Groundbreaking Start Date” identified in the Measure M Expenditure Plan. Acceleration of projects may be triggered by events including, but not limited to:

- Unsolicited proposals from the private sector deemed to have technical or financial merit;
- Changes in technology that reduce project costs and improves project delivery;
- Unforeseen state and/or federal funding opportunities; and
- Unanticipated, unmitigated, and unavoidable delays in other project/program delivery schedules.

The Metro Board of Directors shall perform an assessment of any major project acceleration proposal, including financial feasibility and other performance metrics. Major projects proposed for acceleration can be considered “Shovel Ready” such that they:

- Have attained all required state and federal environmental clearances as applicable; and
- Have attained 30% design plans if to be delivered under design-build procurement; or
- Have attained 100% design plans, permits essential to begin construction, and all right-of-way clearances* if to be delivered under design-bid-build procurement; or
- Have a full funding plan, including an appropriate contingency, of committed/reasonably assumed funds consistent with the proposed acceleration schedule.

*Right-of-way clearance includes right-of-way work-arounds during construction as certified by the California Department of Transportation.

Changes in circumstances affecting the delivery of other projects/programs will be evaluated through the Ten-year Comprehensive Program Assessment to confirm and update actual project delivery schedules.

The Measure M Independent Taxpayer Oversight Committee shall review and provide comment on the Ten-year Comprehensive Program Assessment to the Metro Board of Directors. Prior to action on any amendment the Metro Board of Directors shall hold a public meeting on proposed amendments. Notice of the public meeting shall be provided at least 60 days in advance of the meeting to the Los Angeles County Board of Supervisors, the city council of each city in Los Angeles County, and the public, and shall include a copy of the proposed amendments. All amendments must be passed by a 2/3 vote of the Metro Board of Directors.

General Amendments

The Metro Board of Directors shall develop procedures for general amendments to the Measure M Ordinance and Expenditure Plan in consultation with the Measure M Independent Taxpayer Oversight Committee, and will be included as an addendum to these Guidelines within one year of adoption of these Guidelines. The procedures will cover all other areas of amendments beyond those identified in the 2017 Measure M Guidelines and be added to the 2017 Measure M Guidelines by adoption of the Metro Board of Directors. These areas include, but are not limited to:

- Timing of amendments;
- Exclusions – Ordinance provisions that cannot be amended without vote of the public;
- Exceptions – Ordinance provisions that change without amendment requirements; and
- Metro Board action requirements, including public outreach and Measure M Independent Taxpayer Oversight Committee involvement.

V. DEBT POLICY

INTRODUCTION

In April 2015, the Metro Board adopted Metro's Debt Policy, incorporating affordability policy limits, types of financing products, structural features and the debt issuance process at Metro. This policy covers local sales taxes and debt related to Proposition A, Proposition C, and Measure R.

PROGRAM OBJECTIVES

The guidelines for Measure M debt will be included in the next iteration of Metro's Debt Policy which is scheduled for 2017. Once completed, the 2017 Metro Debt Policy will provide formal guidance for debt issuance under Measure M.

PROGRAM AMOUNT AND ALLOCATION PERIOD

The debt guidelines and affordability targets for Measure M will be developed by Finance/Treasury with input from Planning as part of the 2017 update for the Metro Debt Policy and various guidelines related to Measure M. Debt issued will determine cashflow priorities according to bond covenant requirements. No language set forth in these Guidelines is meant to circumvent bond obligations related to these funds.

REPORTING REQUIREMENTS

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how funds associated with the Measure M debt are contributing to accomplishing the program objectives.

AUDIT REQUIREMENTS

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable federal, state and local laws. Metro will retain all documents and records related to this program and the use of funds according to Metro's records and disposition policies in force at the time of the debt issuance.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors, including by adoption of future revisions to Metro's Debt Policy.

VI. CASHFLOW MANAGEMENT

INTRODUCTION

The purpose of the Cashflow Management Guidelines is to identify the forecasted five-year cashflow availability and needs for operating and capital uses on an annual basis. ~~This will be done through the Transportation Finance Plan (TFP) Model, originally developed to support the LRTP and SRTP.~~ The annual needs for all operating and capital uses are determined in coordination with the Metro Office of Management and Budget, Metro Program Management and Construction, Caltrans, and other project sponsors and service providers as appropriate. The TFP model is Cashflow determinations will consider a comprehensive forecast for the duration of the Long Range Transportation Plan period. ~~This model forecasts all revenue sources available to Metro needed to finance the costs of operating and maintaining the transit system, as well as the capital program and project commitments made over that period, including all voter approved expenditure plans. The TFP directly supports and satisfies the analytical requirements imposed by the Federal Transit Administration for full funding grant agreements. It also supports the Southern California Association of Governments (SCAG) Regional Transportation Plan and similar requirements from the State of California.~~

PROGRAM OBJECTIVES

On an annual basis, Metro will develop a five-year forecast to identify how much revenue will be generated from Measure M tax receipts. Measure M receipts can be calculated for funding Transit Operating & Maintenance, and the Local Return/Regional Rail subfund as a percentage of this revenue number, net of administration (1.5%). Surplus or deficit amounts will be adjusted based on financial year actual receipts as reported in Metro's Comprehensive Annual Financial Report (CAFR). Cashflow needs for the project and program purposes included within the Transit and Highway Capital Subfunds defined in the Ordinance ~~programs will be identified in the Long Range Transportation Plan, Program Management Plan, Annual Budget, or other appropriate processes.~~ Cashflow in the TFP Model, and may include funding from other local, state, federal sources, including revenue from debt issuance instruments.

PROGRAM AMOUNT AND ALLOCATION PERIOD

~~The TFP Model outputs identify annual programmed funding for the LRTP period, as defined above.~~ Cashflow will be identified to fund these projects and programs within those capacities after allocations to the Transit Operating & Maintenance, and the Local Return/Regional Rail subfunds, per the Ordinance. All Highway and Transit Capital projects and programs will be funded based on the schedules established in the Measure M Expenditure Plan as supported by the Program Management Plan and Ten-Year Capital and annual Metro budget processes. If Measure M cash receipts for capital projects or programs are insufficient based on the annual receipts then bond proceeds may be used to maintain the schedule set forth in the Expenditure Plan. If bond proceeds are insufficient to maintain the Expenditure Plan schedule, then other local, state, and federal funding may be programmed for project completion ~~in the TFP Model.~~ The Expected Opening Date identified in the Expenditure Plan

represents the first year of a three-year window, so Measure M funding may extend beyond the Expected Opening Date.

ALLOCATION METHODOLOGY

Shortages in the cashflows will need to be addressed by borrowing (i.e., debt issuance) or delaying capital projects to later in their three-year opening date range permitted by the Ordinance. Other cashflow shortages will be addressed at the project level and will require Board approval as appropriate. Surpluses in the cashflow profile may be used to fund the Highway and Transit Contingency subfund or any other uses permitted by the Ordinance, and consistent with the TFP Model forecast developed for use with the LRTP and other long-term capital planning needs.

RESERVE/CARRYOVER REQUIREMENTS

Given the objective of the program to identify cashflow needs, Metro encourages capital projects to draw down these funds in a timely manner for transportation improvements and services for the traveling public. However, Metro may reserve or carryover any excess surplus to the next fiscal year, provided such carryover is coordinated and consistent ~~with the TFP Model,~~ with the purposes of achieving its Long Range Transportation Plan goals.

ADVANCING MULTI-YEAR SUBREGIONAL PROGRAM PROJECTS WITH LOCAL FUNDS

One of the major challenges in accessing the Multi-Year Subregional Measure M funding is that the Measure M Expenditure Plan identifies the availability of these funds (“Groundbreaking Start Date”) broadly over the first 40 years. Across all nine subregions, there are 45 Multi-Year Subregional Programs covering multiple categories/modes of transportation investments. In many cases the “Groundbreaking Start Date” and “Expected Opening Dates” stretch from 2018 to 2057; and the “Groundbreaking Start Date” can vary from as early as fiscal year 2018 to as late as fiscal year 2048.

Multi-Year Subregional projects will be identified in a five year plan, pursuant to Section IX. At the start of each year included in the 5 year plan, Metro will request notice from Multi-Year Subregional Program (MSP) project sponsors seeking funding to identify project readiness together with funding requests, no less than four months prior to the beginning of each Metro fiscal year. When notice is not provided, project sponsors will be “subject to a first-come, first-served” fund availability requirement within each fiscal year.

However, where funds may not yet be available, and to support the immediate delivery of high priority projects within the Multi-Year Subregional Programs, the Metro Board of Directors will consider various tools to promote delivery of these projects as quickly as possible, including, but not limited to subregional requests for a Letter of No Prejudice (LONP), allowing the local project sponsor to move forward with the delivery of the project using other local funds while requesting eligibility for future reimbursement of Measure M funds when such funding is available.

Another available tool will allow subregional project sponsors to elect to borrow from one MSP fund amount to accelerate a project in another MSP fund of a different type that may not be available until a later year. This type of inter-program borrowing within the MSP requires Metro Board approval and consent by the affected subregion(s). The process for this, as well as the process for requesting funds will be developed within ~~one year~~ six months of the adoption of these Guidelines. The process will include criteria for resolving conflicting requests for funding in any given fiscal year.

REPORTING REQUIREMENTS

Metro will provide as needed reports to the Measure M Independent Taxpayer Oversight Committee describing how cashflow management is contributing to accomplishing the overall program objectives. Measure M funds may be used to supplement existing state, federal and local transit funds in order to maintain the provision of the existing highway and transit services in the event of a current or projected funding shortfall.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

VII. CONTINGENCY SUBFUNDS

INTRODUCTION

The Measure M contingency subfunds are established to help identify resources necessary to accommodate the requirements of the Transit and Highway Contingency Subfunds as identified in the Measure M Ordinance. Specifically, the Ordinance states:

Section 7 (2) A:

Metro may expend funds from the Contingency Subfunds for inflation adjustments for any project identified in the "Expenditure Plan Major Projects" section of Attachment A if less than two-thirds (2/3) of the amount allocated in the "Measure M Funding 2015\$" column has been expended prior to the first day of Fiscal Year 2027. Such expenditures shall be deducted from the Highway Contingency Subfund if the project is coded "H" in the "modal code" column of Attachment A or from the Transit Contingency Subfund if the project is coded "T" in the "modal code" column of Attachment A. Such expenditures shall not exceed the actual amount of inflation since 2015 as determined by an index selected by the Metro Board of Directors.

PROGRAM OBJECTIVES

The contingency subfund is designed to allow greater funding flexibility for projects that are programmed later in the Expenditure Plan (i.e., after FY2026). Qualifying Major Projects have a super-majority (more than 2/3) of their funding programmed after FY2026 and Multi-Year Programs that extend past FY2026. The post FY2026 Projects and Programs can use contingency funds to help pay for cost increases due to inflation. The Cashflow Management guidance in Section VI provides additional details regarding the methodology for determining how much money should be set aside for the contingency subfund each year.

PROGRAM AMOUNT AND ALLOCATION PERIOD

~~Projects that occur in the first 10 years are to be identified in the Transportation Finance Plan (TFP) Model. The TFP Model with annual updates and five year forecasts will be used to make contingency fund eligibility determinations described herein.~~ The Expenditure Plan identifies the following Major Projects that may be eligible for contingency funding in the first 10 years, in so far as their projected Measure M funding needs in the first 10 years are equivalent to 1/3 or less of the amounts listed in the Expenditure Plan:

Major Projects

- SR-57/SR-60 Interchange Improvements
- Green Line Extension to Crenshaw Boulevard in Torrance

- I-710 South Corridor Project (Phase 1)
- I-105 Express Lane from I-405 to I-605
- Sepulveda Pass Transit Corridor (Phase 2)

For the first 10 years of Measure M, projects eligible for contingency will be reassessed with annual cashflow forecasts and as part of the five-year assessments~~updates of the TFP Model~~.

All other Major Projects are eligible for contingency funds based on the Schedule of Funds Available timeline identified in the Expenditure Plan. Major Projects that are accelerated for any reason may risk access to the contingency funds if more than 2/3 of the project funding is advanced prior to FY2027.

Multi-Year Programs

Projects funded from All Multi-Year Programs in the Expenditure Plan are eligible for contingency funds starting in FY2027. Exceptions include: (1) Street Car and Circulator Projects; (2) North San Fernando Valley Bus Rapid Transit Improvements; and (3) Countywide BRT Projects Phase 1, since their programming allocations end prior to FY2027 as identified in the Expenditure Plan. Within the Contingency Subfunds no money is available for inflation until after FY2026 at which time funds for inflation may be available. Metro Planning and Finance staff will identify the escalation amount associated with construction costs annually using an index which is to be approved by the Metro Board of Directors. The Expenditure Plan identifies the following Multi-Year Programs whose projects may be eligible for contingency funding in the first 10 years:

Multi-Year Programs

- Metro Active Transportation, Transit 1st/Last Mile Program
- Visionary Project Seed Funding
- Street Car and Circulator Projects
- Transportation System and Mobility Improvement Projects
- Active Transportation 1st/Last Mile Connections Program
- Active Transportation Program (nc)
- Active Transportation Program (Including Greenway Projects)
- Active Transportation, 1st/Last Mile, & Mobility Hubs
- Active Transportation, Transit, and Technology Program
- Highway Efficiency Program
- Bus System Improvement Program
- First/Last Mile and Complete Streets
- Highway Demand Based Program (HOV Extention & Connection)
- I-605 Corridor "Hot Spot" Interchange Improvements
- Modal Connectivity and Complete Streets Projects
- South Bay Highway Operational Improvements
- Transit Program (nc)

- Transit Projects (av)
- Transportation System and Mobility Improvement Program

~~Note: Additional projects funded from these multi-year programs that draw down funds in advance of 2027 will not be eligible to utilize contingency funds.~~

RESERVE/CARRYOVER REQUIREMENTS

Given the objective of the program to address capital needs, Metro intends to spend these funds in a timely manner. However, Metro may reserve or carryover its allocation to the next fiscal year or to pay down other debts related to Measure M project delivery.

REPORTING REQUIREMENTS

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of the Contingency Funds are contributing to accomplishing the program objectives.

AUDIT REQUIREMENTS

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors. Details about how these Contingency Subfund accounts will be created and accessed will be further developed and adopted within one year of the adoption of these Guidelines.

VIII. 3% LOCAL CONTRIBUTION TO MAJOR TRANSIT PROJECTS

INTRODUCTION

The Measure M Ordinance includes a provision for 3% local contribution to major rail transit capital projects. The rationale for the contribution is that local communities with a ~~fixed guideway~~ rail station receive a direct benefit due to the increased access to high-quality transit service that is above and beyond the project's benefit to the County as a whole. Countywide, the 3% local funding contribution represents approximately \$1 billion in funding to support the project delivery identified in the Expenditure Plan. The 3% local funding contribution is a critical element of a full funding plan for these rail transit projects. The Ordinance includes provisions that allow development of a mutual agreement between a jurisdiction and Metro, and a default penalty if such an agreement cannot be reached. The agreements shall be in accordance with these guidelines.

PROGRAM METHODOLOGY

The Ordinance calculates the local contribution based on the centerline track miles within a local jurisdiction with a new station in those jurisdictions. These guidelines reflect the nexus between mobility benefits provided to a jurisdiction based on the location and proximity of a new station. The local contribution will be calculated by dividing 3% of the project's total cost, estimated after the conclusion of ~~preliminary engineering (30% plans)~~ thirty percent (30%) of final design, by the number of new rail stations constructed on the line. For purposes of this section, determination of the local jurisdiction borders will be a new station located within one-half mile of the jurisdiction. Building on the Metro Board adopted First/Last Mile policy in 2016, which defines the "walk-shed" around each station as a half-mile radius, the 3% local contribution requirement will be proportionately shared by all local agencies based upon the local agency's land area within a one-half mile radius of a new station. Other arrangements agreed upon by every local jurisdiction in a project corridor with a local contribution obligation are also acceptable, provided that the total of all jurisdictions' contributions equals 3% of the estimated project cost. A list of jurisdictions that may be affected, subject to changes determined by the environmental process, is included as Appendix A.

An agreement approved by both Metro and the governing body of the jurisdiction shall specify the total project cost as determined at the conclusion of ~~preliminary engineering (30% plans)~~ thirty percent (30%) of final design, the amount to be paid by the local jurisdiction, and a schedule of payments. Once approved, the amount to be paid by the local jurisdiction shall not be subject to future cost increases. ~~The jurisdiction may request a betterment for a project. The jurisdiction, however, shall incur the full cost of any such betterment without credit towards the required 3% local contribution. A betterment is defined as a change that will improve the level of service and/or capacity, capability, appearance, efficiency or function over that which is required by the Metro Design Criteria and the environmental document at the time the project is advertised for any construction related bid. This definition can be revised by the Metro Board through revisions to these Guidelines.~~

Eligible Fund Contributions

Eligible fund sources to satisfy 3% local contribution include any funds controlled by the local agency or local agencies (e.g., General Fund, State Gas Tax Subventions, Prop. A, Prop. C and Measure R and M Local Return Funds, Measure M Subregional Program Funds), or any funds awarded from non-Metro competitive grant process funding. Measure M Subregional Program Fund contributions must be accompanied by documented agreement from all jurisdictions that would otherwise be eligible for those sub-regional funds. In-kind contributions eligible to satisfy 3% local contribution include, but not limited to, project specific right-of-way and waiver of permitting fees, local agency staff time (incurred and forecast) if, those costs are specifically included calculated in the project cost and contribution amount by the conclusion of thirty percent (30%) of final design.

Betterments

Betterments are defined consistent with existing policy adopted by the Metro Board on Supplemental Modifications to Transit Projects (October 2013). A “betterment” is defined “as an upgrade of an existing city or utility’s facility or the property of a Third Party, be it a public or private entity, that will upgrade the service capacity, capability, appearance, efficiency or function of such a facility or property of a third party.” Once the 30% design project scope and cost have been determined as the basis of the 3% contribution calculation, subsequent betterments cannot be included in that calculation, nor counted toward a jurisdiction’s eligible contribution. However, they may be included in the project scope if carried at the jurisdiction’s expense.

Active Transportation Capital Improvement Contributions

These guidelines reflect provisions adopted by the Board that allow for local jurisdictions to meet all or a portion of their 3% local contribution obligation through active transportation capital improvements and first/last mile investments that are included in the project scope and cost estimate at the conclusion of ~~preliminary engineering (30% plans)~~ thirty percent (30%) of final design. All local first/last improvements must be consistent with station area plans that will be developed by Metro in coordination with the affected jurisdiction(s). The criteria for local first/last mile investments for first/last mile contributions are being developed by Metro, specifically to carry out integration of first/last mile within transit capital projects. First/Last mile improvements consistent with this section and included in project scope at conclusion of 30% of final design will not be considered “betterments” for the purposes of these Guidelines, and are eligible for local contribution obligations.

Local Contribution Limits

The 3% local contribution will only be calculated against the overall project scope and cost determined at the conclusion of ~~preliminary engineering (30% plans)~~ thirty percent (30%) of

final design. Local agencies cannot count other transportation investments that are not included in the project scope and cost estimate after the conclusion of ~~preliminary engineering (30% plans)~~ thirty percent (30%) of final design. Metro staff will provide written notice to the affected jurisdiction(s) and a report to the Metro Board at the completion of thirty percent (30%) of final design ~~30% engineering~~.

Contributions for calculations assigned to the County of Los Angeles are to be determined by the County; this may include assignment of this obligation to the Supervisorial District in which the project is located.

Opt-Out Option

Metro will withhold up to 15 years of Measure M Local Return Funds for local agencies that fail to reach a timely agreement with Metro on their 3% contribution prior to the award of any contract authorizing construction of the project within the borders of that jurisdiction. Local return funds from Proposition A, Proposition C, and Measure R are not subject to withholding. In some cases, principally in smaller cities, the default withholding of 15 years of local return from only Measure M Local Return Funds will be less than a formal 3% contribution. In these cases, the cities which default on making their full 3% contribution will suffer no further impact.

IX. MULTI-YEAR SUBREGIONAL PROGRAMS

INTRODUCTION

Multi-Year Subregional Programs are included in Measure M on page 3 of Attachment A, known as the Expenditure Plan. Measure M requires Guidelines for the Multi-Year Subregional Programs (MSP), including definitions for specific types of these projects, pursuant to Section 7c of the Ordinance. Projects submitted for these programs are subject to these definitions, which are provided in these Guidelines. All of the Multi-Year Subregional Program funds are limited to capital projects.

READINESS

~~Given the objective of the Measure M to improve transportation, transit service and ease traffic congestion in the region, the timely use of funds is a foundational principle throughout these Guidelines. As previously stated, it is the fiscal responsibility of Metro to ensure that the taxpayer funds are spent according to the requirements of the Ordinance, but also as quickly as possible to realize the benefits of the Measure M Expenditure Plan as promised for the people of Los Angeles County.~~

~~The Timely Use of Funds principle also applies to the Multi-Year Subregional Programs, where amounts vary over a series of years, depending on sequencing in the Expenditure Plan. They are subject to Measure M Cashflow parameters, and require establishing project readiness to be able to access program funds. In general, project funds can be requested for pre-construction and construction phase of a project. Criteria that will indicate project readiness include:~~

~~For both the pre-construction and construction phase:~~

- ~~○ Project Location/Physical limits – enumeration of the exact intersections, street or other appropriate locations in which work will be performed. The pre-construction phase may include exploratory examinations of such, if applicable and appropriate.~~
- ~~○ Project description – description of deficiency or issue the project will address, including work to be performed, existing constraints to be addressed and identification of the relevant parties or jurisdictions involved in the project.~~
- ~~○ Funding plan – funds to complete the project including phases that will be funded by Measure M funds and those that will be funded by any other fund sources to complete the project.~~
- ~~○ Community/Council Support – Inclusion in a current local agency adopted CIP or equivalent. Documentation must be provided.~~

~~For the Construction Phase, the following additional criteria will also apply:~~

- ~~○ Have attained all required state and federal environmental clearances as applicable; and~~
- ~~○ Have attained 30% design plans if to be delivered under design-build procurement; or~~
- ~~○ Have attained 100% design plans, permits essential to begin construction, and all right-of-way clearances* if to be delivered under design-bid-build procurement; or~~
- ~~○ Schedule – list of phases completed, and proposed schedule for funded phases.~~

~~Procedures for determining project readiness will be established within one year of the adoption of these Guidelines. Procedures will include a requirement that project sponsors notify Metro by last day of February of each year of the amount of Measure M subregional funding they plan to use, by project, in the subsequent fiscal year, which for Metro begins July 1 each year. When notice is not provided, fund availability will be on a first-come, first-served basis in the subsequent fiscal year.~~

USE OF MEASURE M FUNDS

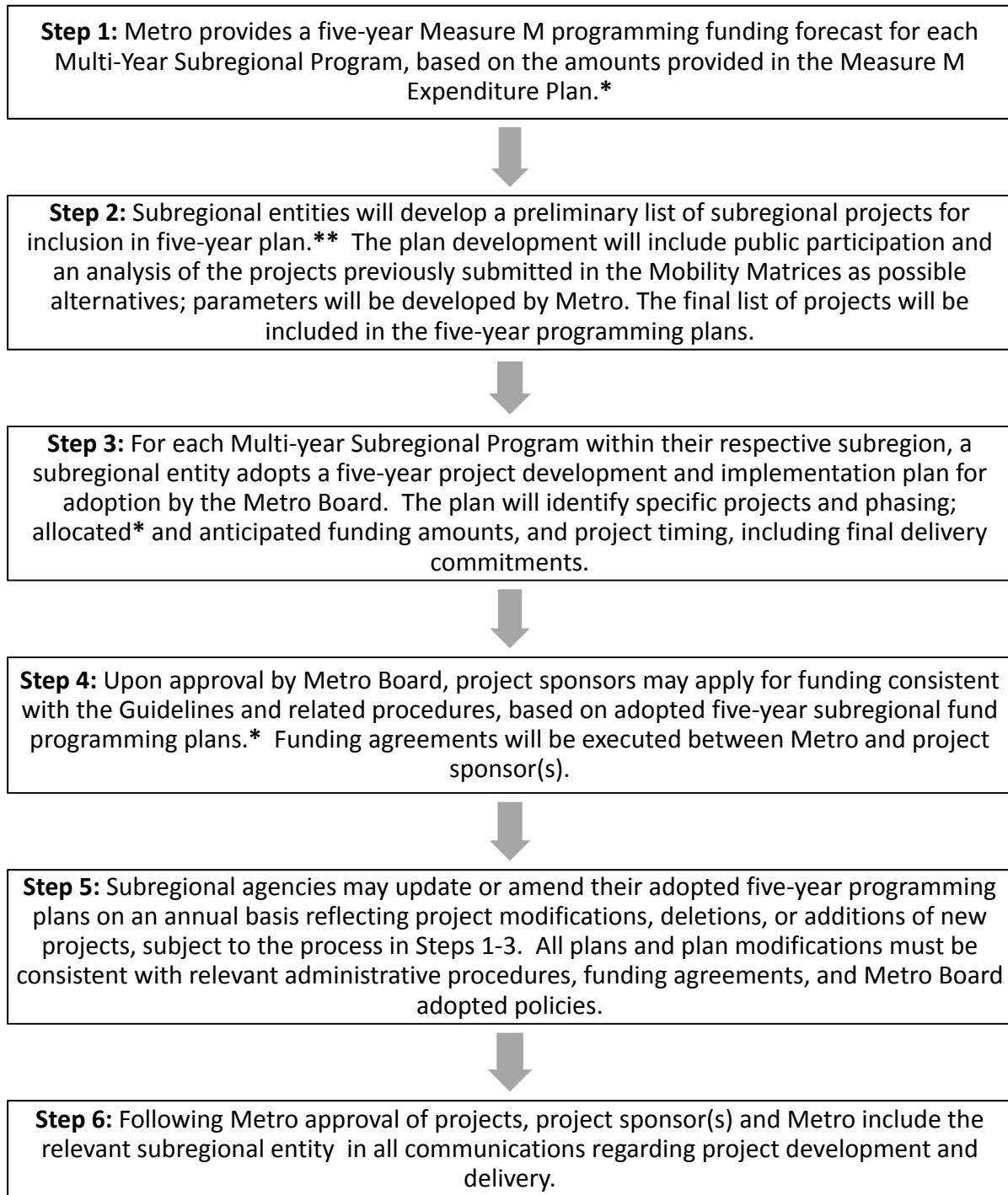
~~The subregional funds within the MSP are subject to the cashflow parameters within these Guidelines. Per the Cashflow provisions in Section ____, Metro Board will consider tools that allow for expediting projects within and among subregional programs. Subregional project sponsors can elect to borrow from one MSP fund amount to accelerate a project in another MSP fund of a different type that may not be available until a later year. This type of inter-program borrowing within the MSP requires approval from Metro and the affected subregion(s).~~

The Multi-year Subregional Programs were based, in part, on projects identified during the Mobility Matrix process prior to the passage of Measure M. Those projects submitted to the Mobility Matrix process are still ~~considered~~ foundational considerations to the Multi-year Subregional Program. Specifically, the projects submitted to the Mobility Matrices are eligible, and the subregions or jurisdictions within the subregions are considered eligible project sponsors.

Process

Unless otherwise indicated in these Guidelines, any Multi-year Subregional Program not coded “SC” in Measure M on page 3 of the Expenditure Plan will go through a subregional program development process. The administrative and procedural details for the process will be developed within six months of the adoption of these Guidelines, and will be included with other MSP administrative requirements, including “Readiness” detailed hereafter. However, generally, the development process will follow the steps provided in the following table:

Table IX: Multi-Year Subregional Program (MSP) Project Development Process



**Actual funds disbursement will be based on cashflow policy in the Guidelines. Fund estimates may be adjusted annually by Metro for accuracy. ** Coordination with Metro staff is required to ensure project eligibility in each category. Administrative review procedures will be developed specific to each MSP program area (e.g., Highways, Active Transportation, Transit, etc.), to include plan requirements and eligible use of funds within each MSP program area.*

The plans will:

- Build on prior Mobility Matrix projects as a foundation; with provisions to reconsider the relevance and performance of existing Matrix projects, and the addition of new ones;
- Include meaningful public outreach, which is essential to the success of Multi-year Subregional program development; Metro will develop baseline parameters for effective community engagement; and
- Be adopted by the Metro Board, with provisions for periodic updates/modifications.

Resources to support the steps listed in Table IX can be drawn from MSP funds, not to exceed 0.5% of the amounts for any single year determined in Step 1 of Table IX. Any additional resources to support the steps in Table IX must be drawn from resources under the control of the subregion or its constituent cities.

Supplemental Funds Requirements

If project sponsors are able to fully fund use the Multi-Year Subregional Program funds for projects identified in their 5 year plans, consistent with procedures established within these Guidelines a Mobility Matrix project that is within the available planned funding, and matches the definitions within these Guidelines, then with MSP funds, the project sponsor may proceed to request disbursement of those funds ~~with the project~~. However, if the project requires supplemental Metro support or funding, including Metro staff resources, then the project must comply with all requirements attached to Metro-sponsored or controlled fund sources and policies, as appropriate. For example, if a project using Measure M subregional funds is matched with discretionary fund programs managed by Metro, the project is subject to all evaluation criteria, reporting requirements or other provisions of that discretionary program. This includes any Metro-sponsored Measure M programs identified in these Guidelines (coded as "SC"), as set forth herein. There is no minimal amount of additional Metro investment that would prevent additional Measure M policy requirements. The only exception to this rule is use of Local Return funding from Measures A, C, R or M. Once the Metro supplemental funding request is made, staff will notify project sponsors of policy implications.

As ~~an example~~ an illustration, subregional Active Transportation Programs projects that would request supplemental funds from a Metro managed ATP eligible funding source would need to be consistent with board-adopted/approved policies in mobility, accessibility, safety, community, and sustainability. These include:

- Complete Streets Policy
- Active Transportation Strategic Plan (ATSP)
- First/Last Mile Strategic Plan (FLMSP)
- Urban Greening Plan

Projects and programs utilizing additional assistance or funding are encouraged to comply with the Metro Board adopted Small Business Enterprise (SBE) Program and the Prohibition against Discrimination or Preferential Treatment by State and Other Public Entities.

READINESS

The merits and priority of any project funded by the Multi-year Subregional Program funds not coded “sc” will be determined by the process outlined in Table IX. However, the timing of the actual availability of funds will be determined based on project readiness. The Timely Use of Funds principle applies to the Multi-Year Subregional Programs, where amounts vary over a series of years, depending on sequencing in the Expenditure Plan. They are subject to Measure M Cashflow parameters, and require establishing project readiness to be able to access program funds.

Project readiness will apply to separate phases of a project. Readiness thresholds will be determined for planning, environmental, right of way, and construction, and will be defined as appropriate for each funding category (i.e., Highway, Transit, Active Transportation, etc.). Administrative procedures for determining project readiness will be established within six months of the adoption of these Guidelines.

PROGRAM MANAGEMENT CONSIDERATIONS

The subregional funds within the MSP are subject to the cashflow parameters within these Guidelines. Procedures will include a requirement that project sponsors notify Metro by last day of February of each year of the amount of Measure M subregional funding they plan to use, by project, in the subsequent fiscal year, which for Metro begins July 1 each year. When notice is not provided, fund availability will be on a first-come, first-served basis in the subsequent fiscal year.

Per the Cashflow provisions in Section VI, Metro Board will consider tools that allow for expediting projects within and among subregional programs. Subregional project sponsors can elect to borrow from one MSP fund amount to accelerate a project in another MSP fund of a different type that may not be available until a later year. This type of inter-program borrowing within the MSP requires approval from Metro and the affected subregion(s).

AUDIT REQUIREMENTS

Use of Measure M funds will be subject to audit and oversight, and all other applicable state and local laws.

MEASURE M RECOGNITION

Projects and services funded by Measure M will publicly acknowledge the use of Measure M funds through websites, flyers, signs at projects sites and/or other promotional and marketing

materials. The form of recognition will be left to the discretion of Metro in consultation with the recipient agency.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors at any time.

X. MULTI-YEAR PROGRAMS (HIGHWAY SUBFUNDS)

~~Multi-Year Highway Subfund Program categories of The Measure M Ordinance under Section 7.c. (Page 13, Lines 13 through 24), identified in the Expenditure Plan (Attachment A to the Ordinance), directs the Metro Board of Directors to “adopt guidelines regarding Multi-Year Subregional Programs identified in Attachment A.” Pertinant to the purposes attached to the Highway Subfund, this section provides detailed definitions for the categories below: The guidelines shall, at a minimum, specify definitions.” for the categories below~~

Highway Subfund Program	Subregion
Highway Efficiency and Operational Improvements	AV, SG, LVM NC, SB
Highway Demand-Based programs (such as HOV connections/extensions)	SG
Multi-Modal Connectivity Projects	AV
Freeway Interchange Improvements	CC
Arterial Street Improvements	NC
Transportation System and Mobility Improvements	SB

~~Detailed definitions are provided in this section. There are several overlapping themes within the Multi-Year Subregional Programs (MSP) and individual projects are not defined in the Ordinance. The Guidelines assign a uniform eligible project definition when applicable to MSP programs with consistent or similar themes. The following activities will need to be undertaken to better define the scope and schedule of future Measure M projects, and must be incorporated into the 5 year plan detailed in Section IX:~~

~~**Pre-construction activities** such as preliminary studies, project initiation documents, environmental clearance, design and right of way, to define the purpose and need, project limits and actual total project cost. In the case of highway projects, preliminary/planning studies are limited to development of Project Initiation Documents (PID) for focused projects with the intent to complete the subsequent phases: PAED, PS&E, and complete construction.~~

~~**Construction-activities** derived from completed pre-construction activities. In many cases, total project costs will not be covered by the allocated multi-year subregional program amounts. There may also be insufficient financial resources identified in the expenditure plan to fund all the needs of the proposed subregional improvements. It is expected that local jurisdictions will contribute to total project costs.~~

~~Subfunds can be used for both pre-construction and construction activities. Highway subfunds are eligible for pre-construction and construction related project phases as referenced in Section IX, and are subject to eligibility criteria and phasing thresholds that will be developed within 6 months as part of the applicable administrative procedures. State of good repair, maintenance and/or beautification projects are not eligible for Highway subfunds.~~

Submittal, review, and approval of projects

All MSP projects (not coded “sc” in the Ordinance Attachment A) funded from the Highway Subfund must be included in the 5 year plans to be developed under the process in Section IX.

In order to conform to project readiness requirements under the Timely Use of Funds provisions of these Guidelines, information will be sought in the following areas prior to programming funds from the Highway Subfund.

- Project sponsor must define the following:
 - Project Location/Physical limits - enumeration of the exact intersections, street or other appropriate locations in which work will be performed.
 - Project description - description of deficiency or issue the project will address, including work to be performed, existing constraints to be addressed and what relevant parties or jurisdictions will be involved in the project.
 - Funding plan – funds to complete the project include phases that will be funded by Measure M funds and those that will be funded by any other fund sources to complete the project.
 - Community/Council Support – Inclusion in a current local agency-adopted CIP or equivalent. Documentation must be provided.
 - Schedule – list of phases completed, and proposed schedule for funded phases.
- ~~Project must have been included on the subregions mobility matrix ; or~~
- ~~If not included on the Mobility Matrix, council of government must adopt the project as a subregional project eligible for Measure M funding;~~
- Metro will review the project application and clarify any items necessary with the project sponsor to determine project readiness and eligibility for pre-construction or construction activities.

A. “Highway Efficiency and Operational Improvements” definition:

Highway Efficiency and Operational Improvements includes those projects, which upon implementation, would improve regional mobility and system performance; enhance safety by reducing conflicts; improve traffic flow, trip reliability, travel times; and reduce recurring congestion and operational deficiencies on State Highways. Similarly, improvements on major/minor arterials or key collector roadways, which achieve these same objectives, within one mile of a State Highway, are also eligible under this category. Highway subfunds are eligible for pre-construction and construction related project phases as referenced in Section IX, and are subject to eligibility criteria and phasing thresholds that will be developed within 6 months as part of the applicable administrative procedures. State of good repair, maintenance and/or beautification projects are not eligible for Highway subfunds.

Example of Eligible Projects:

- System and local interchange modifications
- Ramp modifications/improvements

- Auxiliary lanes for merging or weaving between adjacent interchanges
- Alignment/geometric design improvements
- Left-turn or right-turn lanes on state highways or arterials
- Intersection and street widening/improvements on a State Conventional Highway or within one mile of a state highway
- Turnouts for safety purposes
- Shoulder widening/improvements for enhanced operation of the roadway
- Safety improvements that reduce incident delay
- Freeway bypass/freeway to freeway connections facilitating providing traffic detours in case of incidents, shutdowns or emergency evacuations
- ExpressLanes

B. “Highway Demand-Based programs” definition:

Highway Demand-Based programs (such as HOV connections/extensions) include managed-lane projects, which once implemented, would improve regional mobility and enhance safety on the Freeway system. Managed lane projects include high-occupancy vehicle (HOV) lanes, access control or special use lanes, direct access ramps, and high occupancy toll (HOT) lanes, Active Traffic Management (ATM) projects such as Dynamic Lane Control, Hard Shoulder Running, Junction Control, Queue Warning, and related strategies as defined by FHWA. “Managed lanes” are defined as highway facilities or a set of lanes where operational strategies are proactively implemented and managed in response to changes in traffic/demand conditions. Managed-lane projects should provide motorist with viable travel options/solutions for mobility improvements through managed lanes concepts in congested corridors. Highway subfunds are eligible for pre-construction and construction related work project phases as referenced in Section IX, and are subject to eligibility criteria and phasing thresholds that will be developed within 6 months as part of the applicable administrative procedures. ~~upon demonstrated completion of pre-construction activities.~~ State of good repair, maintenance and/or beautification projects are not eligible for Highway subfunds.

Example of Eligible Projects:

- Freeway-to-freeway HOV/HOT lane connectors
- Extension of HOV lanes on interstates or state freeways
- Access control of exit and entry points
- Grade-separated ramps
- Conversion of HOV lanes to HOT lanes

C. “Multi-Modal connectivity” definition:

Multi-Modal connectivity projects include those projects, which upon implementation, would improve regional mobility, network performance, provide network connections, reduce congestion, queuing or user conflicts and encourage ridesharing. Project should encourage and provide multi-modal access based on existing demand and/or planned need and observed

safety incidents or conflicts. Subfunds are eligible for pre-construction and construction related work phases of projects with the restriction outlines under “Pre-Construction Activities” title under Readiness in Section IX. ~~upon demonstrated completion of pre-construction activities~~ State of good repair, maintenance and/or beautification projects are not eligible for Highway subfunds.

Example of Eligible Projects:

- Transportation Center expansions
- Park and Ride expansions
- Multi-modal access improvements
- New mode and access accommodations

D. “Freeway Interchange Improvements” definition:

Freeway Interchange Improvements includes those projects, which upon implementation, would improve regional mobility, system performance, enhance safety by reducing conflicts, improve traffic flow, trip reliability, travel times, and reduce recurring congestion and operational deficiencies on State Highways. Similarly, improvements on major/minor arterials or key collector roadways which achieve these same objectives, within one mile of the State Highway, are also eligible under this category. Highway subfunds are eligible for pre-construction and construction related work phases of projects with the restriction outlines under “Pre-Construction Activities” title under Readiness in Section IX. ~~upon demonstrated completion of pre-construction activities.~~ State of good repair, maintenance improvements and/or beautification projects are not eligible for Highway subfunds.

Example of Eligible Projects:

- Interchange modification/improvements
- Ramp modifications
- Auxiliary lanes for merging or weaving between adjacent interchanges
- Curve corrections/improve alignment
- ~~Two way left turn or right turn lanes~~
- ~~Intersection and street widening~~
- Turnouts
- Shoulder widening/improvements
- Safety improvements that reduce incident delay

E. “Arterial Street Improvements” definition:

Arterial Street improvements include those projects, which upon implemented, would improve regional mobility, system performance, enhance safety by reducing conflicts, improve traffic flow, trip reliability, travel times, and reduce recurring congestion and operational deficiencies. Projects must be located on a principal arterial, minor arterial or key collector roadway. The context and function of the roadway should be considered (i.e., serves major activity center(s),

accommodates trips entering exiting the jurisdiction, serves intra-area travel) and adopted in the City’s general plan. Highway subfunds are eligible for pre-construction and construction related work phases of projects with the restriction outlines under “Pre-Construction Activities” title under Readiness in Section IX. ~~upon demonstrated completion of pre-construction activities.~~ State of good repair, maintenance improvements and/or beautification projects are not eligible for Highway subfunds.

Example of Eligible Projects:

- Intersection or street widening
- Two-way left-turn or right turn lanes
- Curve Sight distance corrections/improve alignment
- ~~Two-way left turn or right turn lanes~~
- Turnouts
- Safety improvements that reduce incident delay
- Network connectivity multiple modes

F. “Transportation System and Mobility Improvements”

Transportation System and Mobility Improvements include those projects that once implemented, would improve regional mobility, enhance trip reliability, system performance, and network connectivity between modes, reduce user conflicts, and encourage ridesharing. Projects must be located on a principal arterial, minor arterial or key collector roadway. The context and function of the roadway should be considered (i.e., serves major activity center(s), accommodates trips entering exiting the jurisdiction, serves intra-area travel) and adopted in the City’s general plan. Highway subfunds are eligible for pre-construction and construction related project phases as referenced in Section IX, and are subject to eligibility criteria and phasing thresholds that will be developed within 6 months as part of the applicable administrative procedures. State of good repair, maintenance and/or beautification projects are not eligible for Highway subfunds.

Additional definitions required by the Ordinance for the Guidelines include:

Safe routes to schools: Projects that remove the barriers that currently prevent children from walking or bicycling to school. Those barriers include, but are not limited to, lack of infrastructure (sidewalks, safe passageways), unsafe infrastructure, lack of crosswalks, lack of signalized intersections at or near schools that would provide for safe crossing, and similar deficiencies. There is a State-legislated program referred to as SR2S and a Federal Program referred to as SRTS.

Highway and transit noise mitigations

Highway noise mitigations: Planning, engineering and construction of retrofit noise barriers/soundwalls along the freeways through residential areas to reduce the level of freeway traffic noise exceeding the State and federal thresholds that impact the adjacent properties deemed eligible for soundwalls by Caltrans and federal policies and guidelines.

Transit noise mitigations: similar noise barriers as highway, but along fixed-transit guideway routes.

Streetscape Enhancements and Great Streets: Great Streets concept was initiated by the City of Los Angeles to: 1) Build strong partnerships between communities and the City of Los Angeles; 2) Design streets with a community’s vision of how to improve neighborhoods for all people; and 3) Implement projects that transform streets into safe, accessible, and vibrant public spaces in alignment with adopted City of Los Angeles policies.

Traffic Congestion Relief Improvements: Transportation projects that would relieve congestion, improve mobility/level of service, and result in operational improvements along the State Highway System and arterial roadways. These projects include but are not limited to roadway widening, geometric corrections, substantial signal synchronization, carpool lanes, park and ride facilities near freeways served by commuter transit service, dedicated right- and left-turn lanes at major signalized intersections, and other projects with verifiable benefits.

Other Highway Efficiency Program and Traffic Congestion Relief definition may include:
Freeway Service Patrol (FSP) - This is a congestion mitigation program with roving tow and service trucks which assist and/or remove disabled vehicles off the freeway to a designated safe location. The program maximizes safety by reducing the incidence of secondary accidents and minimizes delay through quick removal of disabled vehicles.

Eligibility: Freeway Service Patrol

- Expansion of the Freeway Service Patrol (regular and big rig) programs beyond current corridors and hours of operation.
- Provision of FSP services within corridors under construction to facilitate safety.

**I-605 CORRIDOR HOT SPOT INTERCHANGE IMPROVEMENTS (GATEWAY COG)
I-605/I-10 INTERCHANGE (SAN GABRIEL VALLEY COG) OR SOUTH BAY HIGHWAY
OPERATIONAL IMPROVEMENTS**

Definitions may include:

ExpressLanes- LA County’s High Occupancy Managed Lanes or priced-managed lanes where HOV lanes are converted to HOT lanes enabling Solo drivers to ride in the lanes by paying a toll while HOVs with the appropriate vehicle occupancy travel free of charge.

Eligibility for ExpressLanes:

All aspects of ExpressLanes projects including design, planning, development, outreach, construction and implementation of ExpressLanes and connectors consistent with the Metro Countywide ExpressLanes Strategic Plan are eligible. The Strategic Plan may be updated on an ongoing basis to reflect changes including project acceleration and funding availability. Proposed projects must be coordinated with Metro’s Congestion Reduction Department. Once constructed, the ExpressLanes will be operated by Metro based on adopted business rules.

All freeway-to-freeway interchange projects and major freeway improvement project initiation documents and PAEDs funded through Measure M must consider an ExpressLanes alternative for corridors identified in the Metro Countywide ExpressLanes Strategic Plan.

XI. INTELLIGENT TRANSPORTATION SYSTEMS AND TRANSPORTATION TECHNOLOGY IMPROVEMENTS

The following are Policy and Procedure guidelines for Intelligent Transportation Systems (ITS) and Transportation Technology Improvements listed under Section 7.c (Page 13, Lines 13 through 24) and Multi-Year Subregional Program #84 (ITS/Transportation Technology – San Gabriel Valley) in Attachment A of the Measure M - Los Angeles County Traffic Improvement Plan.

Definition:

ITS elements provide a set of strategies that include technology systems, communications, and information technology applications to the transportation system for alleviating traffic congestion, improving transit operations, enhancing safety, improving mobility, and promoting environmental sustainability. ITS elements are often installed on vehicles (e.g., passenger car, transit, freight/commercial trucks), arterials/highways (infrastructure), and/or provided to individuals through handheld devices. [Note: Since the Ordinance does not clearly stipulate a difference between ITS and Transportation Technology projects, they will be viewed similarly and the requirements for each category will be the same.]

The National ITS Architecture provides best practice guidance on ITS projects, and also identifies a set of eight bundled user services for ITS strategies (travel and traffic management, public transportation management, electronic payment, commercial vehicle operation, emergency management, advanced vehicle safety systems, information management, and maintenance and construction management).

Requirements:

ITS and Transportation Technology projects will be eligible for funding under multiple transit and highway multi-year subregional programs, and therefore, must also conform to the general Highway and Transit Subregional Programs Measure M policies and procedures as well as any additional specific guidelines developed to support Measure M (Attachment A).

Eligible Projects

Examples of eligible ITS and Transportation Technology projects include:

- Multi-agency/jurisdiction system integration to improve coordination and responsiveness, and promote information sharing for highway/arterial and/or transit systems;
- Advanced Traveler Information Systems (ATIS) that increase efficiency of the transportation network through congestion management, driver/person information, freight optimization, or public transportation management;

- Integrated Corridor Management (ICM) deployment (e.g., changeable message signs, CCTV, communications) to improve multi-agency coordination and responsiveness, promote information sharing, and enhance operations in the event of incidents;
- Transportation technology applications/solutions/systems for passenger cars, transit, freight/goods movement, infrastructure, and persons to enhance the transportation network;
- Connected vehicle concepts (Vehicle to vehicle [V2V], vehicle to infrastructure [V2I], vehicle to person [V2P]) to enhance mobility, safety, and operations of the highway/arterial and/or transit system;
- ITS or Transportation Technology projects consistent with the National ITS Architecture (travel and traffic management, public transportation management, electronic payment, commercial vehicle operation, emergency management, advanced vehicle safety systems, information management, and maintenance and construction management);
- Other ITS or Transportation Technology projects deemed qualified by Metro; and
- Pilot/demonstration projects that promote innovative and advanced technology on the highway/arterial system and/or transit reviewed and approved by Metro on a case-by-case basis.

All ITS and Transportation Technology projects shall comply with the latest version of the Los Angeles County Regional ITS Architecture to ensure institutional agreement and maximize technical integration opportunities. In addition, all Connected Vehicle projects shall reference the latest version of Connected Vehicle Reference Implementation Architecture (CVRIA) for industry standards.

Project Initiation and Delivery Requirements

ITS and Transportation Technology projects shall conform to the following requirements to ensure consistency with regional/state/national ITS policy and guidelines and industry standards and procedures.

- All projects shall be delivered using a generally accepted systems engineering approach to maintain the integrity and quality of completed projects.
- Operations and maintenance plans shall be developed for all ITS projects. For multi-jurisdictional projects, multi-agency agreements shall be executed committing to the long-term operations and maintenance of shared project elements.
- Data derived from ITS system projects shall be shared through the Regional Integration of ITS (RIITS) network to support regional transportation planning and operations.
- Projects shall adhere to existing Metro guidelines for specific subprograms as applicable.
- Traffic control projects shall connect to the Los Angeles County Information Exchange Network (IEN) to facilitate multi-jurisdictional traffic management and coordination.
- Projects will be coordinated through the Arterial ITS Committee, the Coalition for Transportation Technology, the Regional Integration of ITS Configuration Management Committee, and/or other appropriate and recognized forums to ensure consistency with local, subregional and regional ITS plans.

- Through the implementation process and upon completion of projects funded by Measure M funds, project sponsors will work with Metro to document project delivery risks, design and implementation challenges, institutional requirements, and lessons learned to enhance project implementation success countywide.
- ITS and Transportation Technology pilot projects implementing new and innovative concepts will be closely monitored by Metro and will require a “Before and After” study to assess overall benefits achieved.

XII. ACTIVE TRANSPORTATION (NORTH COUNTY, GATEWAY CITIES, LAS VIRGENES, MALIBU)

FIRST/LAST MILE (WESTSIDE AND SAN GABRIEL VALLEY SUBREGIONS)

GREENWAY PROJECTS (SAN GABRIEL VALLEY)

GREAT STREETS

POLICY CONSIDERATIONS

The subregional programs were based, in part, on projects identified during the Mobility Matrix process prior to the passage of Measure M. Those projects submitted to the Mobility Matrix process are still considered foundational to the Multi-year Subregional Program. Specifically, the projects submitted to the Mobility Matrix are eligible, and the subregions or jurisdictions within the subregions are considered eligible project sponsors.

~~Metro encourages the~~ The above-referenced Subregional Programs ~~to consider~~ shall comply with the Metro Policies listed below. Note especially that the Supplemental Fund provisions listed on page ___ apply to these MSP funds.

Metro Board Policy or Plan	Relevance	Date Approved/ Adopted
Active Transportation Strategic Plan (ATSP)	Defines Regional Active Transportation Network. Provides data and tools for planning, project identification, and implementation. Commits regional support programs including metrics.	May 2016
Complete Streets Policy	Creates requirement for local Complete Streets policies applicable capital grant programs. Establishes Complete Streets commitments and planning process for Metro. Provides for Metro training of local agencies.	Oct 2014
Countywide Sustainability Planning Policy (CSPP)	Defines sustainability principles and priorities, key concepts, planning framework, and evaluation metrics. Requires Sustainable Design Plan for Call for Projects recipients.	Dec 2012
First/Last Mile Strategic Plan	Describe rationale, benefits for First/Last Mile improvements. Establishes planning methodology, case	Apr 2014

Metro Board Policy or Plan	Relevance	Date Approved/ Adopted
	studies, toolkit of improvements.	
Motion 14.1 (First/Last Mile)	Designates streets within the Active Transportation Strategic Plan's (ATSP) 661 transit station areas as the Countywide First/Last Mile Priority Network. Directs Metro activity for First/Last Mile planning and implementation.	May 2016
Motion 14.2 (First/Last Mile)	Allows locally funded First/Last Mile improvements to be counted toward 3% match requirement, subject to executed agreements, a Metro-prepared plan, and subsequent Guidelines governing integration of first/last mile in transit capital projects.	June 2016
Motion 22.1 Next Steps for Implementing the Countywide Bikeshare Program	Creates criteria for funding of local bikeshare programs focused on inter-operability.	
Urban Greening Plan and Implementation Action Plan	Provides tools/best practices for pursuing urban greening and place-making improvements at or near transit stations. Accompanied by Implementation Action Plan committing further planning tools and demonstration projects.	Implementation Action Plan Approved Jan 2016

DEFINITIONS

Active Transportation: non-motorized transportation via walking, bicycling, or rolling modes.

Eligible Projects

Capital improvements that further the goals outlined in the Metro Board-adopted Active Transportation Strategic Plan:

- Improve access to transit;
- Establish active transportation as integral elements of the countywide transportation system;

- Enhance safety, remove barriers to access or correct unsafe conditions in areas of heavy traffic, high transit use, and dense bicycle and pedestrian activity;
- Promote multiple clean transportation options to reduce criteria pollutants and greenhouse gas emissions and improve air quality; and
- Improve public health through traffic safety, reduced exposure to pollutants, design infrastructure that encourage residents to use active transportation as a way to integrate physical activity in their daily lives.

First/Last Mile (FLM): Infrastructure, systems and modes of travel used by transit riders to start or end their transit trips. This includes, but is not limited, to infrastructure for walking, rolling, and biking (e.g., bike lanes, bike parking, sidewalks, and crosswalks), shared-use services (e.g., bike share and car share), facilities for making modal connections (e.g., kiss and ride and bus/rail interface), signage and wayfinding, and information and technology that eases travel (e.g., information kiosks and mobile apps).

Eligible Projects

Improvements include, but are not limited to: ADA-compliant curb ramps, crosswalk upgrades, traffic signals, bus stops, carshare, bikeshare, bike parking, context-sensitive bike infrastructure, signage/wayfinding, crossing enhancements and connections, safety and comfort, allocation of street space, and plug-in components.

Green Streets: Urban transportation rights-of-way integrated with stormwater treatment techniques that use natural processes and landscaping. Quantitatively demonstrate that they capture and treat stormwater runoff from their tributary watershed through infiltration or other means, and are included within the respective Enhanced Watershed Management Plan.

Eligible Projects

Green Infrastructure includes: Cost-effective, resilient approach to managing wet-weather impacts that provides many community benefits. Reduces and treats stormwater at its source while delivering environmental, social, and economic benefits.

Greenway: A pedestrian and bicycle, nonmotorized vehicle transportation, and recreational travel corridor.

Eligible Projects

Examples meet the following requirements:

- Includes landscaping that improves rivers and streams, provides flood protection benefits, and incorporates the significance and value of natural, historical, and cultural resources, as documented in the local agency’s applicable planning document.
- Is separated and protected from shared roadways and is adjacent to an urban waterway, with an array of amenities.
- Is located on public lands or private lands, or a combination of both, with public access to those lands for greenway purposes.

- Reflects design standards that are applicable for each affected local agency, as documented in the local agency’s applicable planning document.
- May incorporate appropriate lighting, public amenities, art, and other features that are consistent with a local agency’s planning document.
- For purposes of these Guidelines, Greenway further refers to facilities that are planned as part of a network for a multi-jurisdictional subregional area, that are primarily off-street.

Mobility Hub: Provides services that bridge the distance between a transit station and an individual’s origin or destination by providing mobility options at major transit stations and stops. Mobility hubs provide “on-demand” transportation services to address first/last mile connections to public transit.

Eligible Projects

Once operational, these mobility hubs offer an integrated menu of options for customers, which can include secure bicycle storage facilities, bike share, car share, personal lockers, electric vehicle charging stations, bicycle repair stations, electronic signage of real-time transit arrival information, and departure transit information.

Great Streets: Definition and eligibility shall be defines as part of the administrative procedures development, and must be consistent with Metro policy and the policies of the project(s) project sponsor.

XIII. TRANSIT MULTI-YEAR SUBREGIONAL PROGRAMS

INTRODUCTION

These following four categories of Multi-Year Subregional Program (MSP) are Transit: Street Car Circulator Projects (SC/Metro Administered); Bus System Improvements (SG); Bus Rapid Transit Capital Improvements (SFV); and Public Transit State of Good Repair (CC). These four programs are only distinguished from the other MSP project types in previous sections by the fund source, specifically transit fund versus highway fund. All general MSP policies, including but not limited to those detailed in Section IX, from these Guidelines apply equally to both Transit MSP and Highway MSP. All MSP funds are for capital projects.

STREET CAR CIRCULATOR PROJECTS (SC)

These funds will be competitive countywide for capital projects. The project funds will not be used for operational expenses, and will not be used on any projects with incomplete funding plans. Definition of street car and circulator projects, as well as eligibility criteria will be determined as part of establishing the competitive process. The details and criteria for such a process will be drafted within one year of the adoption of these Measure M Guidelines.

BUS SYSTEM IMPROVEMENTS (SG)

These funds are for bus system improvements. Consistent with provisions for other MSP projects, these improvements should be previously identified in the Mobility Matrix, and will be subject to Fund Restriction/Supplemental Fund provisions. The project will be subject to readiness requirements as noted in Sections I and IX and cashflow availability per Section VI. Additionally, eligibility applies to direct costs (excluding administration) associated with purchased transportation services needed to support a capital project.

BUS RAPID TRANSIT CAPITAL IMPROVEMENT

The ordinance requires a definition for this term, but currently there is no program listed as such in the Multi-year Subregional Program portion of the Expenditure Plan. These funds are for bus rapid transit (BRT) capital improvements. For a description of BRT features and other criteria description, see subsequent Countywide BRT Expansion section of Guidelines. Metro will be the lead agency for this project, and it will be subject to Countywide BRT design criteria when adopted. The project(s) will be subject to readiness requirements and cashflow availability.

PUBLIC TRANSIT STATE OF GOOD REPAIR (CC)

These funds are for public transit state of good repair in the Central City Subregion. Eligible state of good repair capital investments include: Capital Asset Replacement; Capital Asset

Rehabilitation; and Capital Improvements when required by changed regulations and standards. MSP projects and improvements should be previously identified in the Mobility Matrix in order to avoid additional Metro restrictions on eligibility of projects. The project will be subject to readiness requirements and cashflow availability.

AUDIT REQUIREMENTS

Use of Measure M funds will be subject to audit and oversight, and all other applicable state and local laws.

MEASURE M RECOGNITION

Projects and services funded by Measure M will publicly acknowledge the use of Measure M funds through websites, flyers, or other promotional and marketing materials. The form of recognition will be left to the discretion of Metro in consultation with the recipient agency.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

XIV. METRO ACTIVE TRANSPORTATION (2%)

Overarching Policies

The following policies will be applied to administration of the Metro Active Transportation Program (2%) as part of the determination of eligibility. Specific administrative program procedures will be developed and adopted by the Metro Board within one year of the adoption of these Measure M Guidelines.

Active Transportation Strategic Plan

The Active Transportation Strategic Plan identifies the Regional Active Transportation Network including specified regional corridor projects and outlines Metro's overall strategy for funding and supporting implementation of active transportation infrastructure and programs in Los Angeles County; identifies strategies to improve and grow the active transportation network, expand the reach of transit, and develop a regional active transportation network to increase travel options.

First/Last Mile Policies

Metro First/Last Mile policies include the First/Last Mile Strategic Plan (2014) which describes the rationale for first/last mile improvements and proscribes an approach to plan and design improvements surrounding any transit station. Metro Board Motions 14.1 (May 2016) and 14.2 (June 2016) collectively designate locations studied in the ATSP as the First/Last Mile Priority Network and commits specific activities to implement first/last mile improvements countywide.

Bike Share Policies/Motion 22.1

Board Motion 22.1 (July 2015) defines next steps for implementation of the regional bike share system.

Design for Safety/Vision Zero

Projects funded with Measure M funds, including Active Transportation 2%, should support the protection of pedestrian and bicycle safety in line with "Vision Zero" or equivalent policies. The Active Transportation 2% program will include as eligible projects local road/arterial improvements that are expressly designed to enhance safety for pedestrians and bicyclists.

Funding Availability

Funding availability will be determined by the Cashflow policy, ~~as well as the projections of the TFP~~. Criteria will be brought forth within one year of the adoption of these Guidelines, to establish a competitive process and fund schedule for award projects within this program.

The LA River Waterway and System Bikepath project is to be funded with the Active Transportation 2% funding. Any future funding in this program will include calculations based on this commitment.

RESERVE/CARRYOVER REQUIREMENTS

Metro's goal will be to spend or allocate these funds in a timely manner. However, Metro may reserve or carryover some or all of its allocation to the next fiscal year if necessary.

REPORTING REQUIREMENTS

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M System Connectivity Projects (Highway Construction) funds are contributing to accomplishing the program objectives.

AUDIT REQUIREMENTS

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

XV. 2% SYSTEM CONNECTIVITY PROJECTS (HIGHWAY CONSTRUCTION SUBFUND)

INTRODUCTION

These guidelines summarize the funding policies and administrative procedures for Measure M 2% System Connectivity Projects (Highway Construction) for the Los Angeles County Metropolitan Transportation Authority (Metro).

PROGRAM OBJECTIVES

The Measure M Ordinance references the System Connectivity Projects as part of the overall 17% Highway Construction Program. In the Measure M Ordinance the System Connectivity Projects category includes “Ports, Highway Congestion Programs, [and] Goods Movement.”

The purpose of this Measure M System Connectivity Projects (Highway Construction) program is as follows:

- A. Provide a funding opportunity for cost-effective projects that are included in the Metro Goods Movement Strategic Plan with the goal of improving the movement of goods throughout the Los Angeles County transportation network, with additional consideration focused on the mitigation of environmental and highway congestion impacts associated with goods movement.
- B. Leverage additional private sector, local, state, or federal dollars for the purposes of implementing goods movement-related projects.
- C. Because these funds are coded “SC” in the Ordinance and are under the allocation purview of Metro, the Guidelines are assigning priority to goods movement related investments, and “highway congestion programs” must have a nexus thereto.

ALLOCATION METHODOLOGY

Funds will be allocated to Metro for administration, and Metro shall determine on a five-year basis, based on cashflow~~and the TFP~~, how much funding will be made available for this program, and through an application process to eligible recipients. Funding commitments may be programmed and allocated over multiple years if necessary.

Funding Availability

Funding availability for the Highway Systemwide Connectivity 2% program will be determined by the Cashflow policy~~including the projections of the TFP~~. Criteria will be brought forth within one year of the adoption of these Guidelines to establish a competitive process and fund schedule for award projects within this program. The Measure M Expenditure Plan already includes the I-710 South Phase 1 and 2, and the I-105 ExpressLane Projects which are to be

funded with the Highway 2% System Connectivity program. Any future funding in this program will include the calculations necessary to meet these Expenditure Plan commitments.

ELIGIBLE RECIPIENTS

All implementing public agencies are eligible to apply for available funding, including but not limited to the following:

- Port of Long Beach
- Port of Los Angeles
- Alameda Corridor-East Construction Authority
- Los Angeles County
- Cities in Los Angeles County
- Metro
- Airports

ELIGIBLE USES

Metro is preparing a Goods Movement Strategic Plan which will, among other purposes, provide the foundation for a competitive program for this System Connectivity funding. Projects and programs must be included in the Metro Goods Movement Strategic Plan to be considered eligible to receive funding from the System Connectivity Projects (Highway Construction) Program. Administrative procedures for the competitive funding program will be developed within one year of adoption of the Strategic Plan.

Eligible expenses include, but are not limited to, the implementation and/or construction of the following:

- Highway or rail projects with a clearly identified goods movement purpose
- System connectivity projects linking the regional transportation system to goods movement facilities (seaports, airports, distribution/logistics centers, etc.)
- Technology or innovation projects designed to improve the movement of goods and air quality associated with goods movement
- Highway/rail-grade separation projects
- Projects on Port-owned facilities that will improve the efficiency and capacity for the movement of freight through Los Angeles County
- Projects that promote sustainable freight practices
- Studies designed to identify challenges to, trends within, and strategic planning efforts associated with the movement of goods within Los Angeles County

- Regional Integration of Intelligent Transportation Systems (RIITS) related system improvements, integrations, platforms and connections (e.g., Metro’s video wall or Southern California 511 Traveler Information Systems)
- ExpressLanes projects, where HOV lanes are converted to HOT lanes, including design, planning, development, outreach, construction and implementation of ExpressLanes and connectors consistent with the Countywide ExpressLanes Strategic Plan
- Freeway Service Patrol (FSP) - a congestion-mitigation program with roving tow and service trucks which assist and/or remove disabled vehicles off the freeway

RESERVE/CARRYOVER REQUIREMENTS

Metro’s goal will be to spend or allocate these funds in a timely manner. However, Metro may reserve or carryover some or all of its allocation to the next fiscal year if necessary.

REPORTING REQUIREMENTS

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M System Connectivity Projects (Highway Construction) funds are contributing to accomplishing the program objectives.

AUDIT REQUIREMENTS

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

XVI. 2% SYSTEM CONNECTIVITY PROJECTS (TRANSIT CONSTRUCTION SUBFUND)

INTRODUCTION

These guidelines summarize the funding policies and administrative procedures for Measure M 2% System Connectivity Projects (Transit Construction) for the Los Angeles County Metropolitan Transportation Authority (Metro).

PROGRAM OBJECTIVES

The Measure M Ordinance references the System Connectivity Projects as part of the overall 35% Transit Construction Program. In the Measure M Ordinance the System Connectivity Projects category includes “Airports, Union Station, and Countywide BRTs”.

ALLOCATION METHODOLOGY

Funds will be allocated to Metro for administration, and Metro shall determine on a five-year basis, based on cashflow ~~and the TFP~~, how much funding will be made available for this program, and through an application process to eligible recipients. Funding commitments may be programmed and allocated over multiple years if necessary.

Funding Availability

Funding availability for the Transit Systemwide Connectivity 2% program will be determined by the Cashflow policy ~~including the projections of the TFP~~. Criteria will be brought forth within one year of the adoption of these Guidelines to establish a competitive process and fund schedule for award projects within this program. The Measure M Expenditure Plan already includes the Airport Metro Connector, Crenshaw/LAX Track Enhancements (cap over tracks at LAX runway), North San Fernando Valley Bus Rapid Transit Improvements and the Countywide BRT Expansion projects, which are to be funded with the Transit 2% System Connectivity program. Any future funding in this program will include the calculations necessary to meet these Expenditure Plan commitments.

ELIGIBLE USES

Eligible uses, evaluation criteria, and procedures for the competitive funding program will be developed within two years of adoption of the Guidelines.

RESERVE/CARRYOVER REQUIREMENTS

Metro’s goal will be to spend or allocate these funds in a timely manner. However, Metro may reserve or carryover some or all of its allocation to the next fiscal year if necessary.

REPORTING REQUIREMENTS

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M System Connectivity Projects (Highway Construction) funds are contributing to accomplishing the program objectives.

AUDIT REQUIREMENTS

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

XVII. VISIONARY PROJECT SEED FUNDING

Measure M makes \$20 million available over 40 years (FY2018-FY2057) to be used for “Visionary Project Seed Funding.” This document provides a set of guidelines for how that funding will be distributed.

Summary

Mobility is changing rapidly. Every day there are new solutions to old transportation challenges, new innovative business models to facilitate improved services, and new technological approaches designed to improve the equity and access of mobility.

LA Metro’s Visionary Project program is aimed at identifying and testing those solutions in Los Angeles County. The Visionary Project program seeks to identify the most cutting-edge, research-based mobility solutions to our specific challenges, and to use Los Angeles County as a test-bed to prove those concepts. LA Metro is specifically interested in projects that include developing, testing, and deploying new mobility approaches and new technologies.

Available Funding

LA Metro will make \$1.5 million available every three years through a competitive grant process.

Eligible Applicants

LA Metro, Municipal Operators, and Local Operators are all eligible for consideration for this award. Eligible applicants should identify one or more research partner(s) to ensure rigorous analytics are applied. Applicants are also encouraged to consider additional project partners with substantial interest and involvement in the project. Eligible partners under this program may include, but are not limited to:

- Private for-profit and not-for-profit organizations
- Operators of transportation services
- State or local government entities
- Academic institutions

Eligible Projects

Generally, eligibility is broad, beyond the requirement that projects be visionary and innovative. Specific eligibilities will be defined as part of the project selection criteria and process. Project concepts should be developed in partnership with local research institutions but targeted towards the development and deployment of pioneering transportation solutions. Research-based solutions should address at least one of the following transportation goals:

- Safety or security improvements
- Substantial improvements in travel time and customer experience

- Major reductions in emissions or other environmental externalities
- Improvements in access for disadvantaged populations

Selection Criteria

Criteria and selection process will be developed and adopted within one year of the adoption of these Guidelines. Criteria may consider, but is not limited to, the following:

- 1. Impact and Outcomes.** Applicants may be expected to identify goals that their project seeks to achieve for Los Angeles County.
- 2. Project Approach.** Applicants may be expected to define the scope and approach of their proposed pilot project and research.
- 3. Team Capacity and Commitment.** Applicants may be expected to detail the team and its capacity to complete the project. LA Metro will also expect a letter of commitment from participating research institutions.
- 4. Business Model Designed to Scale.** Applications should include information on how the applicant agency seeks to scale the project upon the pilot's success.

Cost Sharing or Matching

The grant funded share of this project is limited to 60 percent. The transportation operator in partnership with the affiliated research institution will be expected to identify sources for a local share of net project cost in cash or in-kind.

RESERVE/CARRYOVER REQUIREMENTS

Metro's goal will be to spend or allocate these funds in a timely manner. However, Metro may reserve or carryover some or all of its allocation to the next fiscal year if necessary.

REPORTING REQUIREMENTS

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M Visionary Project Seed funds are contributing to accomplishing the program objectives.

AUDIT REQUIREMENTS

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

XVIII. COUNTYWIDE BRT EXPANSION

In December 2013, Metro completed the Los Angeles County Bus Rapid Transit (BRT) and Street Improvement Study. BRT has the potential to increase transit access, improve regional mobility, reduce transportation costs and ease commutes. Key BRT features include, but are not limited to, the following:

- More frequent service with limited stops;
- Peak-period or full-time dedicated bus lanes;
- Transit signal priority;
- Branded vehicles/stations;
- Customer friendly stations/stops;
- Real-time bus arrival information; and
- All-door boarding.

Metro will revisit the proposed BRT corridors identified in the 2013 in an updated study to be completed within 24 months of the adoption of the Measure M Guidelines. The updated study will also evaluate additional corridors throughout Los Angeles County from the Mobility Matrix process and/or any potential corridors that may fill any missing gaps in the countywide BRT network, excluding those already funded.

Eligible Projects

These funds are eligible for BRT projects in Los Angeles County. The updated BRT study will establish metrics for BRT system performance, including, but not limited to, corridor travel time savings, improved bus speeds, potential for ridership increases, and reduced dwell times. The study will also establish a proposed sequencing or prioritization of BRT projects based on performance, regional balance, and available funding. Metro will also establish a set of standard design guidelines/criteria as well as performance metrics. Subsequent to the completion of the updated study, Metro will adopt a Phase 1 and Phase 2 prioritized BRT project sequence list based on performance metrics, regional balance, and available funding. ~~As part of the Phase 1 and Phase 2 list adoption, Metro will establish design guidelines and additional BRT criteria.~~ Once finalized, the BRT study and its elements will provide the foundation for the assignment of Measure M funds made available for this program. Procedures for that assignment will be amended by reference to the Guidelines once adopted. The procedures will also include the definition of “Bus Rapid Transit (BRT) Capital” under Measure M.

RESERVE/CARRYOVER REQUIREMENTS

Metro’s goal will be to spend or allocate these funds in a timely manner, once allocations are made. However, Metro may reserve or carry over some or all of its allocation to the next fiscal year if necessary.

REPORTING REQUIREMENTS

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M Countywide BRT Expansion funds are contributing to accomplishing the program objectives.

AUDIT REQUIREMENTS

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

XIX. SUBREGIONAL EQUITY PROGRAM

INTRODUCTION

At the June 2016 Board Meeting, Director Fasana introduced an amendment to the expenditure plan to provide funding to all subregions equivalent to the allocation approved by the Board for the San Fernando Valley Transit project. The San Fernando Valley project was identified as \$180 million (FY15\$).

“FASANA AMENDMENT to Motion 49.2 (June 23, 2016): To provide equivalent funding based on the original allocation of funding (i.e., \$180 million is 13% of such funding based on the San Fernando Valley’s share) to each of the other subregions to assure and maintain equitable funding (i.e., Subregional Equity Program).”

The funding for programs in other sub-regions outside of San Fernando Valley are now collectively referred to as the Subregional Equity Program. Footnote “s” from the Measure M Ordinance provides guidance as identified below:

“ This project will increase system connectivity in the North San Fernando Valley and the Metro Transit System. Environmental plan work shall begin no later than six months after passage of Measure M. To provide equivalent funding to each subregion other than the San Fernando Valley, the subregional equity program will be provided as early as possible to the following subregions in the amounts (in thousands) specified here: AV \$96,000; W* \$160,000; CC* \$235,000; NC* \$115,000; LVM* \$17,000; GC* \$244,000; SG* \$199,000; and SB* \$130,000.”*

Considerations for developing this Program:

1. Funding will be identified from either Measure M or other available sources as soon as available.
2. The Subregional Program Process outlined in Section IX will incorporate the Subregional Equity Program.
3. Other funds can be used to satisfy funding requirements with concurrence by the subregion.

ALLOCATION METHODOLOGY

Funding for this program will be identified as part of the Cashflow Management evaluation. The funds identified may be any combination of federal, state, or Metro controlled funds including, but not limited to, Measure M. Prior to each five-year review Countywide Planning will provide a forecast of the amount of funding, if any, that is forecasted to be available for this program over the subsequent five-years. Once funding is identified, each subregion will be afforded an opportunity to submit their project to Metro staff for evaluation based on project readiness provisions outlined in these Guidelines. ~~In the interim, projects will be considered on a first-~~

~~come, first served basis provided the sponsor can prove the project is ready to go to construction.~~

REPORTING REQUIREMENTS

Metro will provide annual reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of the Subregional Equity Program funds are contributing to accomplishing the program objectives.

AUDIT REQUIREMENTS

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

XX. 1%-2% REGIONAL RAIL

INTRODUCTION

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance. These guidelines summarize the funding policies and administrative procedures for the Measure M 1% Regional Rail program, including the required metrics to increase the allocation from 1% to 2% beginning in 2039. These funds shall not be eligible for Los Angeles County Metropolitan Transportation Authority (Metro) operated bus, light rail, or heavy rail transit services.

PROGRAM OBJECTIVES

As defined in Section 3 of the Measure M Ordinance, Regional Rail “means regional commuter rail service within Los Angeles County, including operating, maintenance, expansion, and state of good repair.”

Regional commuter rail services in Los Angeles County are currently provided on behalf of Metro by the Southern California Regional Rail Authority (SCRRA) under the brand name Metrolink. The SCRRA is a Joint Powers Authority (JPA) representing the transportation commissions of Los Angeles, Orange, Riverside, San Bernardino and Ventura counties in which Metro is a Member Agency. Metrolink trains operate across a six-county network, which includes a portion of northern San Diego County.

PROGRAM AMOUNT AND ALLOCATION PERIOD

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year Metro shall allocate 1% of all net revenues derived from the tax for investment in regional commuter rail activities.

ALLOCATION METHODOLOGY

Funds will be allocated annually at the discretion of, and in amounts determined by, the Metro Board of Directors.

ELIGIBLE RECIPIENTS

The Los Angeles County Metropolitan Transportation Authority for Commuter Rail Investments in or benefitting Los Angeles County, and the Southern California Regional Rail Authority, or its successor.

ELIGIBLE USES

Eligible expenses include the costs of regional commuter rail operations and services for Los Angeles County. Examples of eligible expenses include operations, maintenance, system expansion, state of good repair, capital projects, feasibility studies and any other expenses that will contribute to meet the program objectives.

FUNDING EXPANSION

Section 7 of the Measure M Ordinance includes the provision that, “no earlier than July 1, 2039, the Metro Board of Directors shall increase the percentage of Net Revenues allocated to the Regional Rail program from 1% to 2% provided that the recipients satisfy certain performance criteria, which shall be adopted by the Metro Board of Directors.”

Performance criteria shall be periodically reviewed by the Board. This review will include the evaluation of Operating, Cost Containment, and Investment criteria outlined belowgoals.

Operating goals shall include the ongoing evaluation attainment of the following standards:

- Service Reliability and On-Time-Performance (OTP): The operator of regional commuter rail services in Los Angeles County shall maintain an average OTP of not less than 90% of scheduled operations measured on a rolling 24 month average.
- ~~Achievement of less than 20 train delays per month due to Mechanical Issues as defined in the SCRRA’s adopted Strategic Plan.~~
- ~~Grow~~ The growth and retention of ~~retain~~ ridership based on three (3) year average ridership changes. As a comparable industry benchmark, the Board shall consider that are at or above the average of the top 10 commuter rail operators as measured by the National Transit Database (NTD) or its successor index, or other alternative benchmarks as identified by the Metro Board.
- To ensure a safe operating environment, the Board shall consider the rate of by reducing train accidents and passenger and employee injuries as measured by incidents per 100,000 train miles. The data shall be compiled and conform to standards as required by the Federal Railroad Administration (FRA) or its successor agency. at or above of the top 10 commuter rail operators as measured in the National Transit Database (NTD) or its successor index.

Cost Containment goals shall include the ongoing attainment evaluation of the following standards:

- To ensure the efficient use of agency resources, the Board shall consider the growth in operating costs per revenue train mile and changes in the required Metro financial

contribution for the provision of commuter rail services in Los Angeles County. These values shall be reported and measured annually and on a rolling 3 year basis. As a comparable industry benchmark, the Board shall consider ~~shall not exceed~~ the average costs per revenue train mile ~~increase~~ of the top 10 commuter rail operators as measured by the National Transit Database (NTD) or its successor index, or other index as identified by the Metro Board.

- The Board shall also consider Total Revenue Recovery, including Fares and other Operating Revenues, and their relation to total ~~shall meet or exceed 50%~~ of operating costs on an annual basis as measured on a 3 year rolling average.

Investment goals shall include and be measured by the following standards:

The SCRRA, successor agency, or agency providing regional commuter rail services for LA County, shall provide Metro a detailed asset management plan (State of Good Repair) for Metro owned or shared commuter rail assets that reflects both a fiscally constrained 5-year plan of proposed actions as well as a 10-year unconstrained plan to identify Right-Of-Way (ROW), revenue equipment, capital projects, and other asset maintenance requirements. This plan shall be updated, at minimum, on a biannual basis.

As referenced above, the ten largest commuter rail operators shall be measured on the basis of total operating costs for the provision of commuter rail services as reported through the National Transit Database (NTD).

FUND DISBURSEMENT

Funds will be disbursed after:

- A Memorandum of Understanding (MOU) between the recipient and Metro has been executed; or
- After approval by the Metro Board of Directors and applied towards an approved program of Regional Rail investment and subject to all Metro policies and procedures.

LAPSING REQUIREMENT

Given the objective of the program to improve transit service, recipients are encouraged to spend these funds in a timely manner.

Recipients have four years, which is the year of allocation plus three years, to spend the funds allocated through this program. All invoices must be submitted no later than one year after the four year program. Metro staff may grant extensions on a case-by-case basis, accompanied by adequate documentation of justification of the need for the extension request.

REPORTING REQUIREMENTS

Eligible recipients will provide an annual report to Metro describing how uses of Measure M funds are contributing to accomplishing the program objectives. In addition, eligible recipients will be required to prepare quarterly reports on the status of performance criteria outlined above. These quarterly reports shall be submitted to Metro for review by the Independent Taxpayer Oversight Committee.

AUDIT REQUIREMENTS

Use of these funds will be audited as part of the annual audit of each recipient. Any organization receiving and utilizing these funds will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

MEASURE M RECOGNITION

All operators are encouraged to recognize projects and services that are funded using Measure M funds. Examples include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of each operator.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

XXI. 5% METRO RAIL OPERATIONS

INTRODUCTION

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance. These guidelines summarize the funding policies and administrative procedures for Measure M Metro Rail Operations for the Los Angeles County Metropolitan Transportation Authority (Metro).

PROGRAM OBJECTIVES

As defined in Section 3 of the Measure M Ordinance, Metro Rail Operations “means service delivery for operating and regular and preventative maintenance for Metro Rail Lines as defined in guidelines adopted by the Metro Board of Directors, as well as Metro State of Good Repair.” Metro State of Good Repair “means the repair, rehabilitation, and replacement required to maintain reliable, safe, effective, and efficient rail transit services.”

PROGRAM AMOUNT AND ALLOCATION PERIOD

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year Metro shall allocate 5% of all net revenues derived from the tax solely for Metro Rail Operations.

ALLOCATION METHODOLOGY

Funds will be allocated to Metro exclusively for Metro Rail Operations. In addition, Metro may expend some portion or all of these funds for Metro State of Good Repair. Allocations and uses for Metro State of Good Repair are further defined in the “Program Guidelines for 2% Metro State of Good Repair.”

ELIGIBLE RECIPIENTS

Metro shall be the sole recipient of Metro Rail Operations funds, as defined in the Measure M Ordinance.

ELIGIBLE USES

Eligible expenses include operating, regular and preventative maintenance for existing and new Metro Rail Lines, as well as the repair, replacement, and rehabilitation of Metro assets required for its rail transit vehicle fleet, systems and engineering, and stations. Examples of eligible expenses include, but are not limited to, the following:

- Rail transit operations, exclusive of bus bridges required for capital projects or disruptions in service
- Rail transit maintenance, including daily check-ups, cleaning, and repairs
- Rail transit communications, signals, power, controls, and track systems and engineering operations and upkeep
- Rail vehicle overhaul, midlife, and acquisition
- Maintenance and component replacement of rail communications, signals, power, controls, and track systems and engineering
- Rail station upkeep, repairs, and maintenance, including, but not limited to, fare gates, ticket vending machines (TVMs), transit passenger information system (TPIS) systems, and lighting
- Fare collection system and equipment

RESERVE/CARRYOVER REQUIREMENTS

Given the objective of the program to address Metro Rail Operations, Metro is encouraged to spend these funds in a timely manner. However, Metro may reserve or carryover its allocation to the next fiscal year.

REPORTING REQUIREMENTS

Metro will provide quarterly reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M 5% Metro Rail Operations funds are contributing to accomplishing the program objectives.

Measure M funds may be used to supplement existing state, federal, and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall.

AUDIT REQUIREMENTS

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

MEASURE M RECOGNITION

Projects and services funded by the Measure M Metro Rail Operations program will recognize the use of Measure M funds. Examples include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of Metro.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

XXII. 20% TRANSIT OPERATIONS
(Metro and Included and Eligible Municipal Providers)

INTRODUCTION

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance. These guidelines summarize the funding policies and administrative procedures for the Measure M 20% Transit Operations program for the Los Angeles County Metropolitan Transportation Authority (Metro) and Municipal Operators.

PROGRAM OBJECTIVES

As defined in Section 3 of the Measure M Ordinance, Transit Operations “means countywide transit service operated by Metro and the Included and Eligible Municipal Operators receiving funds allocated through a Board-adopted Formula Allocation Procedure (FAP).” The purpose of the Measure M 20% Transit Operations program is to improve countywide transit service operations, maintenance, and expansion. The intent of Measure M is to increase revenues available for the public transit system. The program is flexible to allow each operator to determine how best to accomplish making public transportation more convenient, affordable, and improve quality of life.

PROGRAM AMOUNT AND ALLOCATION PERIOD

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year Metro shall allocate 20% of all net revenues derived from the tax for transit operations to all existing eligible and included municipal transit operators in the County of Los Angeles and to Metro.

ALLOCATION METHODOLOGY

Funds will be allocated among the included and eligible municipal operators according to the shares calculated by the Formula Allocation Procedure (FAP) for the year in which funds are allocated. The allocations to the eligible and included municipal operators and Metro for this program shall be made solely from the revenues derived from the Measure M 20% funds, and not from other local discretionary sources. Measure M 20% services will not be included in the Foothill Mitigation Calculation.

ELIGIBLE RECIPIENTS

All included and eligible municipal operators and Metro participating in the FAP are eligible to receive these funds. Eligible recipients are those operators that were in existence when the

Measure M program was approved by the voters of Los Angeles County (California) and include the following:

- City of Arcadia
- City of Claremont
- City of Commerce
- City of Culver City
- Foothill Transit
- City of Gardena
- City of La Mirada
- Long Beach Transit
- City of Montebello
- City of Norwalk
- City of Redondo Beach
- City of Santa Monica
- City of Torrance
- Antelope Valley Transit Authority
- City of Santa Clarita
- Los Angeles Department of Transportation
- Los Angeles County Metropolitan Transportation Authority – Operations

ELIGIBLE USES

Eligible expenses include operations for transit service, maintenance, and expansion, and any other operating expenses that will contribute to meet the above program purpose and/or objectives. For Metro, these funds are also eligible to be used for Metro Rail operations, and as secondary Metro Rail State of Good Repair and pilot programs for new transit services. Metro will develop policies that will define and establish criteria for implementing pilot programs.

MAINTENANCE OF EFFORT

Senate Bill No. 767 (De Leon) states that funds allocated by Metro to eligible and included municipal operators shall be used for transit operations and shall not supplant any funds authorized by other provisions of law and allocated by Metro to the eligible and included municipal operators for public transit. In addition to implementing new transit services and programs, eligible recipients may use Measure M 20% funds to supplement existing state, federal, and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall. Metro staff reserves the right to request appropriate documentation from eligible recipients to support the existence of a funding shortfall.

For Metro, Senate Bill No. 767 (De Leon) states that funds allocated by Metro to itself shall be used for transit operations and shall not supplant funds from any other source allocated by Metro to itself for public transit operations (Attachment B – Senate Bill No. 767).

Measure M funds shall not supplant any local return fund contributions made toward the operations of a transit system.

FUND DISBURSEMENT

Funds will be disbursed after a Memorandum of Understanding (MOU) between the operator and Metro has been executed and the operator has submitted to Metro a Measure M 20% Improvement Plan showing the assignment of that fiscal year's funds. The Measure M 20% Improvement Plan should include a description of how these funds will be spent. The plan should explain how these services will meet the program objective and benefit transit users. The Measure M 20% Improvement Plan may be amended by the operator in coordination with Metro's Local Programming staff. Funds for operating purposes will be disbursed monthly in equal portions of an operator's allocation once an invoice for the annual allocation amount is received from that operator.

All interest accrued on the Measure M 20% transit operations fund will be reallocated annually through the FAP and according to these guidelines.

RESERVE/CARRYOVER REQUIREMENTS

An operator may reserve or carryover its allocation to the next fiscal year; however, the funds will retain their original year of allocation for the purpose of applying the lapsing requirement.

An operator may assign its funds for a given fiscal year to another operator that is able to use them according to the program, purpose, and objectives and within the lapsing requirement timeframe. Fund trade will not be allowed using Measure M 20% funds.

LAPSING REQUIREMENT

Given the objective of the program to improve transit service, operators are encouraged to spend these funds in a timely manner.

Operators have three years, which is the year of allocation plus two years, to spend the funds allocated through this program. Metro may grant extensions on a case-by-case basis, accompanied by adequate documentation of justification of the need for the extension request. The appeal of any lapsing funds will be submitted to Metro, in consultation with Bus Operations Subcommittee (BOS), and subject to approval by the Metro Board of Directors, with any lapsed funds reverting back to the Measure M 20% fund for reallocation to eligible recipients.

REPORTING REQUIREMENTS

Operators will provide quarterly reports to Metro describing how uses of Measure M 20% funds are contributing to accomplishing the program objectives. Metro will compile the operators' quarterly reports into a regional Measure M 20% Program update for the Metro Board and the Measure M Independent Taxpayer Oversight Committee. The quarterly reports are in addition to the annual Improvement Plan. All service funded with Measure M 20% Transit Operations proceeds will be included in the FAP, and reported separately on the Transportation Performance Measurement forms. Measure M Funds may be used to supplement existing state, federal, and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall. Measure M 20% Funds used for expansion may only be included in the FAP if there is an overall service level increase (as evidenced in the National Transit Database Report).

AUDIT REQUIREMENTS

Use of these funds will be audited as part of the annual audit of each municipal operator. Those operators that perform their own audit shall consult with Metro for a scope of work, which covers the Measure M 20% audit requirement. The audit shall include in the scope of work compliance with the Maintenance of Effort provision and exceptions to that provision will be reported as a finding. Operators will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

MEASURE M RECOGNITION

All operators are encouraged to recognize projects and services that are funded using Measure M funds. Examples include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of each operator.

REVISIONS TO PROGRAM GUIDELINES

These guidelines cannot be changed without consensus from the eligible recipients, as defined in these guidelines, and upon approval of the Metro Board of Directors.

XXIII. 2% ADA PARATRANSIT FOR THE DISABLED; METRO DISCOUNTS FOR SENIORS AND STUDENTS

INTRODUCTION

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance. These guidelines summarize the funding policies and administrative procedures for the Measure M 2% program for:

- A) ADA paratransit for people with disabilities; and
- B) Los Angeles County Metropolitan Transportation Authority (Metro) discounts for seniors and students.

PROGRAM OBJECTIVES

The purpose of this Measure M 2% program is:

- A) To maintain and improve the service performance of ADA paratransit services for people with disabilities in Los Angeles County. As defined in Section 3 of the Measure M Ordinance, ADA paratransit “means paratransit service for the disabled as provided or by the Americans with Disabilities Act;” and
- B) To fund Metro discounts for seniors and students.

In addition, this program will aim to bridge the mobility gap for older adults by designing programs to provide older adults and people with disabilities with the knowledge, practice and confidence to safely and independently travel on public transportation.

PROGRAM AMOUNT AND ALLOCATION PERIOD

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year Metro shall allocate 2% of all net revenues derived from the tax to the program objectives set out above.

ALLOCATION METHODOLOGY

The program funds will be allocated annually based on budgetary needs, with ADA as a priority, for a maximum of 75% for ADA paratransit, and a minimum of 25% for Metro discounts for seniors and students. Any unused funds will revert back to the 2% ADA Paratransit for the Disabled and Metro Discounts for Seniors and Students pool of funds to be redistributed in the following fiscal year.

ELIGIBLE RECIPIENTS

- A) For the ADA paratransit portion, any transportation agency that provides ADA paratransit services on behalf of Los Angeles County fixed route transit operators and Metro are eligible to receive the program funds. In Los Angeles County, ADA paratransit is currently provided by Access Services on behalf of fixed-route transit operators countywide. If there are any changes to eligible ADA paratransit providers, the content of these guidelines should be revisited.
- B) For the Metro discounts for seniors and students portion, all funds will be allocated to Metro to fund the fare subsidy program described in Appendix B/~~Attachment A~~.

ELIGIBLE USES

- A) For the ADA paratransit portion, eligible uses include ADA paratransit operating expenses, capital expenses expenses (including innovative technology), and activities to enhance ADA paratransit services provided by the eligible recipients as described above. Up to 10% of the ADA paratransit funds (maximum of 75% for ADA paratransit) may also be used for activities that encourage the use of other transportation options (besides ADA paratransit) by older adults and people with disabilities, such as Travel Training and other innovative programs in coordination with Metro.
- B) For the Metro discounts for seniors and students portion, funds will be allocated to the fare subsidy program described in Appendix B/~~Attachment A~~.

FUND DISBURSEMENT

- A) For the ADA paratransit portion, funds will be disbursed after a Memorandum of Understanding (MOU) between each eligible ADA paratransit provider and Metro has been executed.
- B) For the Metro discounts for seniors and students portion, Metro will be the sole recipient, and all such monies will be used to fund the discounts as described in Attachment A.

REPORTING REQUIREMENTS

- A) Eligible recipients will provide an annual report to Metro describing how uses of Measure M 2% funds are contributing to accomplishing the program objectives. In addition, eligible recipients will be required to prepare quarterly reports on the status of performance metrics as specified in the MOU. These quarterly reports shall be submitted to Metro for review by the Independent Taxpayer Oversight Committee.

- B) Metro will be required to report quarterly to the Independent Taxpayer Oversight Committee on the status and utilization of the fare subsidy program described in Attachment A.

AUDIT REQUIREMENTS

- A) Use of these funds by ADA paratransit providers will be audited as part of Metro’s Consolidated Audit program.
- B) Use of these funds for Metro discounts for seniors and students will be audited as part of Metro’s Consolidated Audit program.

MEASURE M RECOGNITION

All recipients are encouraged to recognize projects and services that are funded using Measure M funds. Examples include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of each recipient.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors. Future Board-adopted changes to the fare subsidy program described in Appendix B/~~Attachment A~~ shall automatically append these guidelines.

XXIV. 2% METRO STATE OF GOOD REPAIR

INTRODUCTION

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion consistent with the Measure M Ordinance. These guidelines summarize the funding policies and administrative procedures for Measure M 2% Metro State of Good Repair for the Los Angeles County Metropolitan Transportation Authority (Metro).

PROGRAM OBJECTIVES

As defined in Section 3 of the Measure M Ordinance, Metro State of Good Repair “means the repair, rehabilitation, and replacement required to maintain reliable, safe, effective, and efficient rail transit services.” This definition is will also apply to Measure M funding categories that are Metro State of Good Repair eligible: 5% Metro Rail Operations and 20% Transit Operations.

PROGRAM AMOUNT AND ALLOCATION PERIOD

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year Metro shall allocate 2% of all net revenues derived from the tax solely for Metro State of Good Repair.

ALLOCATION METHODOLOGY

Funds will be allocated to Metro exclusively for Metro State of Good Repair.

ELIGIBLE RECIPIENTS

Metro shall be the sole recipient of Metro State of Good Repair funds for rail, as defined in the Measure M Ordinance.

ELIGIBLE USES

Eligible expenses include the repair, replacement, and rehabilitation of Metro assets required for its rail transit vehicle fleet, systems and engineering, and stations. Examples of eligible expenses include, but are not limited to, the following:

- Rail vehicle overhaul, midlife, acquisition, and maintenance
- Maintenance, component replacement, and upkeep of rail communications, signals, power, controls, and track systems and engineering; and,

- Rail station upkeep, repairs, and maintenance, including, but not limited to, fare gates, ticket vending machines (TVMs), transit passenger information system (TPIS) systems, and lighting
- Fare collection system and equipment
- Systems, software and services to assess, prioritize and report on state of good repair projects

RESERVE/CARRYOVER REQUIREMENTS

Given the objective of the program to address Metro State of Good Repair, Metro is encouraged to spend these funds in a timely manner. However, Metro may reserve or carryover its allocation to the next fiscal year.

REPORTING REQUIREMENTS

Metro will provide quarterly reports to the Measure M Independent Taxpayer Oversight Committee describing how uses of Measure M 2% Metro State of Good Repair funds are contributing to accomplishing the program objectives.

Measure M funds may be used to supplement existing state, federal, and local transit funds in order to maintain the provision of the existing transit services in the event of a current or projected funding shortfall.

AUDIT REQUIREMENTS

Use of these funds will be subject to audit and oversight as determined by Measure M and all other applicable state and local laws. Metro will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended.

MEASURE M RECOGNITION

Projects and services funded by the Measure M Metro State of Good Repair program will recognize the use of Measure M funds. Examples include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of Metro.

REVISIONS TO PROGRAM GUIDELINES

These program guidelines may be revised by the Metro Board of Directors.

XXV. LOCAL RETURN

INTRODUCTION

Measure M was approved by the voters of Los Angeles County on November 8, 2016 to improve transportation and ease traffic congestion. Consistent with the Measure M Ordinance, these guidelines summarize the funding policies and administrative procedures for the Measure M Local Return (LR) program.

PROGRAM OBJECTIVES

The Measure M Ordinance specifies that LR funds are to be used for transportation purposes. No net revenues distributed to cities and the County of Los Angeles (Jurisdictions) may be used for purposes other than transportation purposes. The Measure M Ordinance directs the Los Angeles County Metropolitan Transportation Authority (Metro) to develop LR Guidelines, including administrative requirements. The projects included herein further define those transportation purposes for which Measure M LR revenues may be used.

PROGRAM AMOUNT AND ALLOCATION PERIOD

This is a program funded by the Measure M sales tax with no sunset, beginning on July 1, 2017. Every year, Metro shall allocate 17% of all net revenues to the LR Program. This amount shall increase to 20% on July 1, 2039.

ALLOCATION METHODOLOGY

Metro will require that Jurisdictions submit Assurances and Understandings agreements before participating in the LR Program. The Measure M Ordinance specifies that 17% of its revenues be allocated to Jurisdictions on a per capita basis. After administrative costs are deducted, apportionments are made to all Jurisdictions within the Los Angeles County, currently 88 cities and the County of Los Angeles (for unincorporated areas). The Jurisdictions' allocations are based on the population shares from the projected populations as derived from annual estimates made by the California State Department of Finance. The projected populations are revised annually in the Transit Fund Allocations and approved by the Metro Board.

ELIGIBLE RECIPIENTS

The following cities and the County of Los Angeles are eligible to receive Measure M LR funds:

- Agoura Hills
- Alhambra
- Arcadia
- Artesia
- Avalon
- Azusa
- Baldwin Park
- Bell
- Bellflower
- Bell Gardens
- Beverly Hills
- Bradbury
- Burbank
- Calabasas
- Carson
- Cerritos
- Claremont
- Commerce
- Compton
- Covina
- Cudahy
- Culver City
- Diamond Bar
- Downey
- Duarte
- El Monte
- El Segundo
- Gardena
- Glendale
- Glendora
- Hawaiian Gardens
- Hawthorne
- Hermosa Beach
- Hidden Hills
- Huntington Park
- Industry
- Inglewood
- Irwindale
- La Canada Flintridge
- La Habra Heights
- Lakewood
- La Mirada
- Lancaster
- La Puente
- La Verne
- Lawndale
- Lomita
- Long Beach
- Los Angeles City
- Lynwood
- Malibu
- Manhattan Beach
- Maywood
- Monrovia
- Montebello
- Monterey Park
- Norwalk
- Palmdale
- Palos Verdes Estates
- Paramount
- Pasadena
- Pico Rivera
- Pomona
- Rancho Palos Verdes
- Redondo Beach
- Rolling Hills
- Rolling Hills Estates
- Rosemead
- San Dimas
- San Fernando
- San Gabriel
- San Marino
- Santa Clarita
- Santa Fe Springs
- Santa Monica
- Sierra Madre
- Signal Hill
- South El Monte
- South Gate
- South Pasadena
- Temple City
- Torrance
- Vernon
- Walnut
- West Covina
- West Hollywood
- Westlake Village
- Whittier
- Unincorporated Los Angeles County

ELIGIBLE USES

Following are listings of eligible projects for which Measure M LR funds can be used.

1. Streets and Roads. Planning, right-of-way and utility acquisition, engineering and design, administration, construction, improvement, maintenance, and operation of public streets and roads, bridges, highways and exclusive public mass transit guideways, and their related public facilities for non-motorized traffic, including the mitigation of their environmental effects, improvements to capture, convey, infiltrate, and/or treat urban runoff and stormwater, and all costs associated with property acquisition for such purposes.

Streets and Roads improvements may consist of, but are not limited to, the following:

- Repair and maintenance of public roadways, pavement maintenance, slurry and rubberized seals, chip seals, pot-hole repair, pavement rehabilitation, or other pavement preservation treatments, roadway construction or reconstruction, utility undergrounding, curb, gutter, sidewalk, trees, roadway signage, median and parkway improvements, and storm drain systems in connection with any roadway improvements
- Cape seals, or other pavement preservation treatments, slope maintenance to preserve the operation of the public right of way
- Capacity enhancements, street widenings, pavement marking and striping or restriping
- Exclusive bike or bus lanes
- Roadway safety improvements such as sound walls, roadway lighting, traffic signals, raised median or roadway striping and signage, railroad crossings, erosion/sediment controls for hillside roads, and guardrails
- Street improvements to meet Americans with Disabilities Act (“ADA”) requirements

Complete Streets

As defined in Section 3 of the Measure M Ordinance, “Complete Streets” means a comprehensive, integrated transportation network with infrastructure and design that allows safe and convenient travel along and across streets for all users, including pedestrians, users and operators of public transit, bicyclist, persons with disabilities, seniors, children, motorists, users of green modes, and movers of commercial goods.

Specific aspects of a complete street are dependent on the context in which the roadway is located (urban, suburban, rural, heavy traffic volume, numerous pedestrian destinations, etc.).

Green Streets

As defined in Section 3 of the Measure M Ordinance, “Green Streets” means urban transportation rights-of-way integrated with stormwater treatment techniques that use natural processes and landscaping and quantitatively demonstrate that they capture and treat stormwater runoff from their tributary watershed through infiltration or other means and are included within the respective Enhanced Watershed Management Plan.

Green Streets are a stormwater management approach that incorporates vegetation (perennials, shrubs, trees), soil, and engineered systems, such as permeable pavements, to slow, filter, and cleanse stormwater runoff from impervious surfaces (e.g., streets, sidewalks). Green streets are designed to capture rainwater at its source, where rain falls. Enhanced Watershed Management Programs may include, but are not limited to, any Watershed Management Plan and/or Program approved by the California Regional Water Quality Control Board, Los Angeles Region, or its successors. Projects that integrate urban runoff stormwater capture, infiltration, and/or treatment techniques that are not included within a watershed management plan or program may still be eligible for Measure M LR funds as part of other eligible project categories.

Per Ordinance, no more than 33 1/3% of LR funds received may be spent on Green Streets projects in any fiscal year.

Storm Drains

Storm drains are drains designed to remove excess rain and groundwater from impervious surfaces such as paved streets, parking lots, bikepaths, and sidewalks. Most storm drainage systems are designed to drain the water, untreated and unfiltered, into channels and water bodies.

2. Traffic Control Measures. Signal Synchronization, Transportation Demand Management (“TDM”), Transportation Systems Management (“TSM”), Intelligent Transportation System (“ITS”), new traffic signals, traffic signal modification, signalization of turns, traffic management center, and traffic safety.
 - a. Signal Synchronization. The research, planning, design, engineering, administration, construction, improvement, maintenance, and operation of traffic signals and traffic signal improvement projects, in particular those

improvements required to install and maintain traffic signal synchronization and coordinated traffic signal timing across jurisdictions.

Signal Synchronization Improvements may consist of, but are not limited to, the following:

- Installation of new traffic signal
- Installation of left-turn or right-turn phasing
- Maintenance, repair, replacement and/or upgrade of traffic and pedestrian signal equipment
- Installation, repair and maintenance of vehicle detection system which may include operation as a fully traffic-actuated signal
- Installation of time-based coordination; installation and maintenance of traffic signal coordination timing
- Traffic Management Center (TMC) establishment or modification for management of traffic signals
- Installation of signal-related electrical system and/or fiber optic in the roadway

- b. TDM projects are defined as strategies/actions intended to influence how people commute, resulting in minimizing the number of vehicle trips made and vehicle miles traveled during peak travel periods.

TDM projects must be made available to all employers and/or residents within the Jurisdiction boundaries.

TDM-eligible project expenditures may consist of, but are not limited to, the following:

- Vanpool and/or vanpool incentive programs, and carpool and biking incentive programs. Community-based shuttles for employees, if such services complement existing transit service
- Parking management incentive programs, including parking cash-outs or parking pricing strategies
- Employer or citizen ride-matching programs and subsidies
- Transportation Management Organization's ("TMO") insurance costs or individual employer's vanpool programs under the umbrella vehicle insurance policy of the Jurisdiction
- Matching funds for LR-eligible projects such as Safe Routes to School projects, Call for Projects, and highway improvement safety projects
- Car-sharing programs
- Bike-sharing programs

- Guaranteed Ride Home Programs, Telework Incentives, Ride-hailing incentives
 - First/last mile transit connectivity strategies including shared mobility services (mobility hubs, secure bike parking, bike-share, car-share, universal reservation payment systems, etc.
 - Safe routes for Seniors
 - Safe routes to school
 - Autonomous and/or Connected Shared Vehicle Technology
- c. TSM-eligible project expenditures include those for relatively low-cost, non-capacity-enhancing traffic control measures that improve vehicular flow and/or increase safety within an existing right-of-way. TSM projects may consist of, but are not limited to, the following:
- Reserved bus lanes (no physical separation) on surface arterials
 - Contra-flow lanes (reversible lanes during peak travel periods)
 - Ramp meter by-pass (regulated access with bus/carpool unrestricted entry)
 - Traffic signal priority for buses (to allow approaching transit vehicles to extend green phase or change traffic signal from red to green)
 - Preferential turning lanes for buses
 - Other traffic signal improvements that facilitate traffic movement

Traffic Control Measures - Eligibility Restrictions

LR funds may not be used to alter system/signal timing that was implemented under a traffic forum project/grant, unless coordinated with all affected Jurisdictions in the corridor. If a LR-funded project is or has an ITS component, it must be consistent with the Regional ITS Architecture. ITS projects must comply with the Countywide ITS Policy and Procedures that the Metro Board has adopted.

3. Active Transportation. Active transportation is any non-motorized, human-powered mode of transportation, such as walking, bicycling, rolling, skating or scooting. Complete Streets projects are intended to facilitate and encourage the use of active transportation modes.

Bikeway and pedestrian improvements are for public uses and should follow ADA and California Title 24 specifications for accessibility requirements. Bikeways and pedestrian improvements may consist of, but are not limited to, the following:

- Construction and maintenance of bike/pedestrian facilities, sidewalks, related lighting, and cycle track operation and maintenance of off-street bike and pedestrian facilities, shared use paths, bike/pedestrian trails and trail connections
- Installation, repair, and maintenance of street furniture, such as seating and parklets
- Signage, information/safety programs
- Lighting for bike and pedestrian safety, including ongoing energy and maintenance costs
- Bike signal, bike detection, bike valet, bike lane and bike parking/storage
- ADA improvements, streetscapes, crossings and curb cuts
- Bike sharing
- Pedestrian, bike safety and bike education and studies
- Pedestrian plans
- Demonstration, pilot, or temporary staging projects to show the public a project and test the project's feasibility
- Improve first and last mile access to transit
- Bicycle center and supportive secure parking, and repair services for city owned bike share program
- Open street events to provide opportunities for 1) riding transit, walking and riding a bike, possibly for the first time, 2) to encourage future mode shift to more sustainable transportation modes, and 3) for civic engagement to foster the development of multi-modal policies and infrastructure at the city/community level
- Non-profit and private organization consultant services that can offer their expertise in outreach, planning, cost estimation, grant writing, design, environmental review, implementation, and maintenance

4. Public Transit Services. Proposed new or expanded transit or paratransit services to address unmet transit needs must be coordinated with Metro and other affected existing regional bus transit systems to determine the proposed service's compatibility with the existing service(s). Metro may request that the proposed service be modified. Proposed services must also meet the criteria outlined under "Non-Exclusive School Service" and "Specialized Transit." Emergency Medical Transportation is not an eligible use of LR funds. Public transit service expenditures may include, but are not limited to, the following:

- New fixed-route, paratransit (Elderly and Disabled and/or General Public) or Flexible Destination bus service
- Extension or augmentation of an existing bus route(s) and coordination of existing paratransit service

- Contracting with a transit operator or private provider for transportation services
- Contracting with transit operator in an adjacent county to provide transportation services within Los Angeles County
- Operating subsidy to existing municipal or regional bus operator
- Service enhancements related to bus/rail interface
- Shuttle service between activity centers
- Fare subsidy, subsidized taxi or similar service for residents
- Taxi or similar service coupon/voucher programs used to provide paratransit systems for senior and disabled patrons
- ADA related improvements to fixed route or paratransit operations
- Transit security operations
- Recreational transit
- Software or technology for collecting, reporting, and analyzing real-time operations, performance, or fare collection data
- Support existing levels of transit operations

Public Transit Services - Eligibility Restrictions

- a. **Non-Exclusive School Service** which includes fixed-route bus services or demand-responsive services available to the general public, which also provide school trips, are eligible for LR funding. Exclusive school bus services are not eligible. Projects must meet the following conditions:
- The vehicles utilized cannot be marked "School Bus" or feature graphics that in any way indicate they are not available to the general public. Yellow paint schemes should not be for the specific purpose of meeting the vehicle code definition of a school bus.
 - The bus head sign is to display its route designation by street intersection, geographic area, or other landmark/destination description and cannot denote "School Trip" or "Special." In cases where the service includes an alternate rush-hour trip to provide service by a school location, the dashboard sign is to indicate the line termination without indicating the school name.
 - Timetables for such services which will be made available to the general public, shall provide the given schedule and route but must not be labeled "school service."

- Drivers must be instructed that such service is available to the general public and board and alight all passengers as required at designated stops.
 - The same fare payment options must be made available to all users.
 - The overall transportation service provided in the Jurisdiction must not be for school-hour service only.
- b. **Specialized Public Transit**, special-user group service or social service transit may be eligible where it can be incorporated into the existing local transit or paratransit program. Jurisdictions must demonstrate that existing services cannot be modified to meet the identified user need. Projects must meet the following conditions:
- The special-user group identified does not discriminate on the basis of race, religion, sex, disability or ethnicity.
 - Service shall be available to all members of the general public having that specialized need and not be restricted to a specific group or program.
 - Service shall be advertised to the general public.
 - Metro may require, as a condition of approval, inter-jurisdictional project coordination and consolidation.
 - LR funds may only be used for the transportation component of the special user group program, i.e., direct, clearly identifiable and auditable transportation costs, excluding salaries for specialized escorts or other program aides.

- The designated vehicle(s) used must be made available for coordination with other paratransit programs if space permits.

- c. **Recreational Transit Services** are eligible for travel within a 300 mile radius of the designated point of departure within the Jurisdiction. All eligible trips must be made within California, and eligibility restricts the use to day trips (no overnight trips). Trips may be limited to certain general age groups (e.g., children under 18, senior citizens, persons with disabilities); however, trips must be made available to all individuals within that designated group. Special events or destinations may be served; however, all members of the general public including individuals with disabilities must be allowed to use the service.

LR funds may not be used to pay the salaries of recreation leaders or escorts involved in recreational transit projects. All recreational transit trips must be advertised to the public, such as through newspapers, flyers, posters, and/or websites. Jurisdictions must submit a Recreational Transit Service Form (Appendix C) on or before October 15th after the fiscal year the service was made available, to certify that all conditions were met.

5. **Public Transit Capital**. Bus/rail improvements, maintenance, and transit capital. Jurisdictions must coordinate bus stop improvements with affected transit operators. Public Transit Capital projects may consist of, but are not limited to, the following:

- Improvements to bus stops or rail stations (including street improvements)
- Transit Infrastructure
- Vehicles (new, replacement, and/or maintenance)
- Transit facilities
- Maintenance of facilities/state of good repair
- Transportation Enhancements (“TE”), park-and-ride lots
- Right-of-way improvements
- Improvements to rail crossing(s)
- Farebox systems and related improvements
- Transit Access Pass (“TAP”)
- Universal Fare System (“UFS”), plan development or projects
- Passenger counting systems, Automated Passenger Counter
- Purchase and installations of bus stop/station amenities and signage

- Parking facilities that support public transit use
- Transportation technical systems
- Transit security capital

6. Transit Oriented Community Investments (TOC). ~~Transit-oriented development (TOD) is a type of community development that includes a mixture of housing, office, retail and/or other commercial development and amenities integrated into a walkable and bikeable neighborhood and located within a half-mile of quality public transportation.~~

Measure M’s intent goes beyond traditional transit oriented development TOD to focus on the creation of “transit-oriented communities” (TOC). TOCs represent a comprehensive approach to creating compact, walkable and bikeable places in a community context, rather than focusing on a single development site, particularly around transit, as described in Metro’s Transit Oriented Communities Program.

Measure M funds must leverage private and other public funds to create TOC. Jurisdictions are encouraged to publicize that Measure M funding was used to fund the project.

7. Transportation Marketing. If promotional signage, literature, or other project marketing material is distributed or displayed as part of a Measure M project outreach or marketing activity, Jurisdictions are encouraged to include a notation indicating that Measure M funding was used to fund the project.

Marketing projects may consist of, but are not limited to, the following:

- Transportation kiosks and/or transit pass sales centers
- Transportation information amenities such as maps, brochures, transportation signage
- Transportation user subsidy programs
- Promotions and events
- GIS mapping of bikeways and other bikeway information

8. Planning, Engineering and/or Study, Congestion Management Program (“CMP”). Planning, coordination, engineering and design costs incurred toward implementing an eligible LR project are eligible when the following conditions are met:

- Projects being planned (designed, coordinated, etc.) are LR eligible. Coordination includes: Jurisdictions’ start-up costs or dues for Councils of Governments (“COGs”) and Transportation Management Associations (“TMAs”); advocacy; and funding for Joint Powers Authorities (“JPAs”) by Jurisdictions or (“COGs”). If some activities are LR eligible and some are not, partial payment of dues must be made proportionally to the organization’s budget for LR-eligible projects.
- TDM-related activities as required by the CMP. CMP projects may consist of, but are not limited to the following:
 - a. preparation of TDM ordinances
 - b. administration and implementation of transit or TDM-related projects pursuant to CMP deficiency plans
 - c. monitoring of transit standards by transit operators

9. Transportation Administration. Expenditures for those administrative costs associated with and incurred for the aforementioned eligible projects/programs.

Direct administration include those fully burdened costs that are directly associated with administering LR program or projects, salaries and benefits, office supplies and equipment, and other overhead costs. All costs must be associated with developing, maintaining, monitoring, coordinating, reporting and budgeting specific LR project(s). Expenditures must be reasonable and appropriate to the activities undertaken by the locality. The administrative expenditures for any year shall not exceed twenty percent (20%) of the total LR annual expenditures.

10. Local Funding Contributions. Measure M LR funds may be used as matching funds for other federal, state, or local sources that may be used to fund transportation projects as listed herein in this section.

The Measure M Ordinance requires a three percent (3%) local funding contribution for designated projects. LR funds may be used to provide these local funding contributions. The 3% Local Contribution to Major Transit Projects guidelines are included in Attachment A.

MAINTENANCE OF EFFORT (“MOE”)

Measure M LR Program funds are to be used to augment, not supplant, existing local revenues being used for transportation purposes. Jurisdictions must maintain their individual existing local commitment of funds, for current transportation projects and services.

In addition to implementing new Measure M eligible projects and programs, Jurisdictions may use Measure M LR funds to supplement existing Measure M eligible projects and programs should current grant funding that supports the operations of a program sunset, or if there is a current or projected funding shortfall. Metro reserves the right to request appropriate documentation from a Jurisdiction to support the existence of grant funding schedules and/or a funding shortfall.

COORDINATION APPROACH

Jurisdictions are encouraged to coordinate and use their Measure M LR-funded projects as follows:

1. More corridor-based projects, specifically projects that support other Measure M rail, bus and highway corridors
2. Coordination on arterials
3. Land use policies to support rail and bus transit
4. Bike connectivity between Jurisdictions
5. Bicycle and pedestrian access to support transit stations and rail stations
6. Rapid bus service implementation
7. Street improvements to support coordinated signal synchronization across jurisdictions
8. Complete streets, green measures
9. Improve first and last mile access to transit network

PROMOTE SUSTAINABILITY

Jurisdictions are encouraged to use Measure M LR funds for projects that will foster a more sustainable countywide transportation system by improving the efficiency and operation of streets and roads and/or increasing alternative transportation choices. Jurisdictions should also consider sustainability in the development of each project by incorporating design elements that reduce construction-related and long-term environmental impacts.

Sustainable design elements should aim to reduce energy, water, waste and air pollutants that occur throughout the lifecycle of a project, including its construction, maintenance, and operations.

ADMINISTRATIVE

AGREEMENT

Prior to receiving disbursements, a Jurisdiction must submit an executed Assurances and Understandings (legal agreement), a sample of which is shown in Attachment C.1. Funds are then automatically disbursed on a monthly basis from the net received revenues, on a per capita basis, to the Jurisdiction.

REPORTING REQUIREMENTS

Expenditure Plan (Form M-One)

To maintain legal eligibility and meet Measure M LR program compliance requirements, Jurisdictions shall submit to Metro an Expenditure Plan (Form M-One), annually, by August 1 of each year. A sample of Form M-One is shown in Attachment C.2.

Form M-One provides a listing of projects funded with Measure M LR funds along with estimated expenditures for the year. For both operation and capital projects, Part I is to be filled out. Part II is to be filled out for capital projects (projects over \$250,000). Metro will provide LR funds to a capital project or program sponsor who submits the required expenditure plan containing the following:

1. The estimated total cost for each project and/or program activity;
2. Funds other than Measure M that will be expended on the projects and/or program activity;
3. The active funding schedule for each project and/or program activity; and
4. The expected completion dates for each project and/or program activity.

Expenditure Report (Form M-Two)

The submittal of an Expenditure Report (Form M-Two) is also required to maintain legal eligibility and meet Measure M LR program compliance requirements. Jurisdictions shall submit a Form M-

Two, to Metro annually, by October 15th (following the conclusion of the fiscal year). The Expenditure Report serves to notify Metro of previous year LR fund receipts and expenditures. Jurisdictions are required to specify administration charges to Direct Administration in order to verify compliance of the 20% cap on administration costs. A sample of Form M-Two is shown in Attachment C.3.

Recreational Transit Form

Jurisdictions that use their Measure M LR funds for recreational transit services must fill out, sign and submit this form no later than October 15th after the fiscal year in which the services were rendered. A sample Recreational Transit Form is shown in Attachment C.4.

Form Submission Timeline

<u>FORM</u>	<u>DETERMINATION</u>	<u>ANNUAL DUE DATE</u>
Expenditure Plan (Form M-One)	New, amended, ongoing and carryover projects; Capital projects require additional information	August 1
Expenditure Report (Form M-Two)	All projects	October 15
Recreational Transit Form	Recreational Transit only	October 15

FINANCE

Establishing a Separate Account

Jurisdictions are required to establish a separate account, or sub-account (line item), and deposit all Measure M LR revenues, interest earnings received and other income earned (such as fare revenues, revenue from advertising, etc.) in that account.

Pooling of Funds

Metro will allow Jurisdictions to pool Measure M LR funds in order to obtain maximum return on investments. Such investment earnings must be reported and expended consistent with

these guidelines. As in fund exchanges or transfers, Jurisdictions involved in such arrangement should keep adequate records of such transactions in order to allow for subsequent audits.

Unexpended Project Funds

All unexpended project funds remaining upon completion of an approved project must be re-programmed.

Reimbursement

Measure M LR funds may be used to advance a project which will subsequently be reimbursed by federal, state, or local grant funding, or private funds, if the project itself is eligible under these guidelines. The reimbursement must be returned to the Measure M LR account.

A jurisdiction may advance an approved Measure M LR project using City/County/State funds, to be subsequently reimbursed by Measure M LR funds.

Fund Exchange: Trade, Loan, Gift

Jurisdictions involved with fund exchanges are required to obtain Metro approval and keep all related documents on file.

1. Trading of Measure M LR funds are restricted to other dedicated transportation funds/revenues (except for Proposition C funds which are not allowed).
2. Jurisdictions may arrange a mutually acceptable temporary transfer or loan from one Jurisdiction to another in order to meet short-term project financing needs while allowing for multi-year payback to the lead agency. These loans are to be made on terms to be negotiated between the involved parties. The participating Jurisdictions are held mutually responsible for ensuring that the end use of Measure M is for statutorily allowed purposes.
3. Jurisdictions can gift its Measure M LR funds to another Jurisdiction for the implementation of a mutual project, providing that the funds are used for eligible transportation purposes as listed herein. Jurisdictions giving the funds away cannot accept an exchange or gift of any kind in return.

See Attachment C.5. for a sample Fund Exchange Agreement.

Bonding

Jurisdictions may issue bonds against Measure M LR Revenue. See Appendix C .6. for bonding requirements.

LAPSING REQUIREMENT

Measure M LR funds have five (5) years to be expended. Funds must be expended within five years of the last day of the fiscal year in which funds were originally allocated or received. For example, funds received in FY 2017-18 are required to be expended by June 30, 2023. A First-In-First-Out (FIFO) method of calculation will be used to determine any lapsing of funds. The Measure M LR allocation, interest income and other income earned from LR projects (such as revenues from advertising) which are not expended within the allocated time, will consequently lapse, and be returned to Metro upon request, for reallocation to Jurisdictions on a per capita basis.

Metro will allow a time extension for Jurisdictions to reserve funds (see RESERVE/CARRYOVER REQUIREMENTS below).

RESERVE/CARRYOVER REQUIREMENTS

Jurisdictions, may set up a reserve fund account to obtain additional time (beyond the five year term limit) to expend funds. The reserve project will be accounted for in a separate account, or sub-account for audit purposes and lapse date calculation. The reserve fund process is as follows:

1. The Jurisdiction must send a letter to Metro requesting a reserve fund along with project details, including an Expenditure Plan and justification and time continuance specific to the project for which the extension is needed.
2. Metro will determine if the extension is warranted. If the project qualifies, Metro will send an approval letter for the reserve.
3. The Jurisdiction will then be required to establish a separate account, or sub-account (line item), that can be audited.

However, if a Jurisdiction finds that the reserve fund project cannot be constructed for reasons beyond the Jurisdiction's control, the Jurisdiction may submit a request to Metro to reprogram the reserve. The Jurisdiction must indicate in writing the proposed use of the accumulated reserve funds to be reprogrammed, and receive written Metro approval. If the reserve funds are reprogrammed without the approval of Metro, Metro may request that the funds be paid back to Metro for reallocation to Jurisdictions on a per capita basis through the Measure M LR allocation process.

AUDIT REQUIREMENTS

A financial and compliance audit will be conducted annually as part of Metro's Consolidated Audit Program to verify adherence to the Measure M Guidelines. Audits will be performed in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that the audit is planned and performed to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The audit shall include examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. The audit shall also include review of internal control procedures, assessing the accounting principles used, as well as evaluation of the overall basic financial presentation.

It is each Jurisdiction’s responsibility to maintain proper accounting records and documentation to facilitate the performance of the audit prescribed in these guidelines. This includes proper controls that administrative charges are adequately supported (timesheets, payroll registers, labor distribution reports and other related documentation). Jurisdictions are required to retain LR records for at least four years following the year of allocation and be able to provide trial balances, financial statements, worksheets and other documentation required by the auditor. Jurisdictions are advised that they can be held accountable for excess audit costs arising from poor cooperation and inaccurate accounting records that would cause delays in the completion of the required audits.

Note: Jurisdictions are required to expend their Measure M LR funds for transportation purposes, as defined by these guidelines. Any Jurisdiction that violates this provision must fully reimburse the Measure M LR fund, including interest thereon, for the misspent funds and may be deemed ineligible to receive Measure M LR funds for a period of three (3) years.

Financial and Compliance Provisions

The Measure M LR Audits shall include, but not limited to, verification of adherence to the following financial and compliance provisions of this guidelines:

Audit Area	Non-Compliance Penalty (for failure to comply with Audit Area)
Measure M LR funds were expended for transportation purposes (as defined by the Measure M LR Guidelines).	Reimbursement to the LR fund of unsupported expenditures, and possible suspension of disbursements for three (3) years. The suspended funds will be reallocated to Jurisdictions on a per capita basis.

<p>Assurances and Understandings (fully executed agreement).</p>	<p>Suspension of disbursements until compliance.</p>
<p>Accounts and records have established a separate operating Measure M Local Transportation Assistance Account for LR purposes.</p>	<p>Suspension of disbursements until compliance.</p>
<p>Verification of revenues received including allocations, project generated revenues, interest income properly credited to Measure M account.</p>	<p>Suspension of disbursements until compliance.</p>
<p>Verification that funds were expended with Metro’s approval.</p>	<p>Jurisdiction will be required to reimburse its LR account.</p>
<p>Verification that funds were not substituted for property tax and are in compliance with the MOE.</p>	<p>Jurisdiction will be required to reimburse its LR account (Auditors will measure MOE compliance globally, not project by project).</p>
<p>Verification that the funds are expended within five (5) years from the last day of the fiscal year in which funds were originally allocated or received (unless an approved reserve fund has been established).</p>	<p>Lapsed funds will be returned to Metro for reallocation to Jurisdictions on a population basis.</p>
<p>Verification that <u>administrative</u></p>	

<p><u>expenditures</u> did not exceed 20% of the total annual LR expenditures.</p> <p>Verification that the Expenditure Plan was submitted on or before August 1st at the beginning of the new fiscal year.</p> <p>Verification that the Annual Expenditure Report was submitted on or before October 15th following the end of the prior fiscal year.</p> <p>Where funds expended are reimbursable by other grants or fund sources, verification that the reimbursement is credited to the Local Return account upon receipt of reimbursement.</p> <p>Where Measure M funds were given, loaned or exchanged by one Jurisdiction to another, verification that the receiving Jurisdiction has credited its LR account with the funds received.</p> <p>Where a capital reserve has been granted, verification that a separate account for the capital reserve is established, and current status is reported in the Expenditure Plan</p>	<p>Jurisdictions will be required to reimburse their LR account for the amount over the 20% cap.</p> <p>Audit exception.</p> <p>Audit Exception.</p> <p>Audit exception and reimbursement received must be returned to the LR account</p> <p>Audit exception and reimbursement of affected funds to the LR account.</p> <p>Audit exception.</p>
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Audit Deliverables

The auditor shall submit to the Jurisdictions and to Metro a Comprehensive Annual Report of Measure M LR funds no later than March 31 following the end of fiscal year. The report must, at the minimum, contain the following:

- Audited Financial Statements – Balance Sheet, Statement of Revenues and Expenditures and Changes in Fund Balances.
- Compliance Report, Summary of Exceptions, if any, and ensuing recommendations.
- Supplemental Schedules – Capital Reserves, if any; Schedule of Detailed Project Expenditures; and Capital Assets.

Suspension or Revocation

Jurisdictions are expected to take corrective action in response to the LR financial and compliance audit. Notwithstanding the provisions of these guidelines, Metro reserves the right to suspend or revoke allocation to jurisdictions that may be found to be in gross violation of these guidelines, or repeatedly committing violations, or refusing to take corrective measures.

MEASURE M RECOGNITION

All jurisdictions are encouraged to recognize projects and services that are funded using Measure M funds. Examples may include websites, car cards, schedules, other promotions and marketing materials. This will be left to the discretion of each jurisdiction.

REVISIONS TO PROGRAM GUIDELINES

These guidelines shall be reviewed by a Working Group of LR jurisdictions at least every five years. Any revisions to these program guidelines shall be approved by the Metro Board of Directors.

APPENDIX

- A. 3% Local Contribution to Major Transit Projects Guidelines
- B. Low Income Fare Subsidy Program (Measure M – Metro Discounts for Seniors and Students)
- C. Local Return Forms and Attachments:

The following Attachments currently under development and not included in this draft:

1. Assurances and Understandings (Sample)
2. Form M-One (Sample)
3. Form M-Two (Sample)
4. Recreational Transit Form (Sample)
5. Fund Exchange Agreement (Sample)
6. Bonding

APPENDIX A: POTENTIAL 3% JURISDICTIONS BY MAJOR TRANSIT PROJECT

Measure M Transit Project	City – Station Location
Crenshaw Light Rail Northern Ext to West Hollywood (LRT)	City of Los Angeles
Crenshaw Light Rail Northern Ext to West Hollywood (LRT)	City of Los Angeles
Crenshaw Light Rail Northern Ext to West Hollywood (LRT)	West Hollywood
East San Fernando Valley Transit Corridor (LRT)	City of Los Angeles
East San Fernando Valley Transit Corridor (LRT)	San Fernando
Gold Line Foothill Extension to Claremont Phase 2B (LRT)	Pomona
Gold Line Foothill Extension to Claremont Phase 2B (LRT)	Glendora
Gold Line Foothill Extension to Claremont Phase 2B (LRT)	San Dimas
Gold Line Foothill Extension to Claremont Phase 2B (LRT)	La Verne
Gold Line Foothill Extension to Claremont Phase 2B (LRT)	Claremont
Green Line to Norwalk Metrolink Station (LRT)	Norwalk/Santa Fe Springs
Green Line to Norwalk Metrolink Station (LRT)	Norwalk
Lincoln Blvd LRT	Los Angeles County/City of Los Angeles
Lincoln Blvd LRT	Inglewood
Lincoln Blvd LRT	City of Los Angeles
Lincoln Blvd LRT	City of Los Angeles
Lincoln Blvd LRT	City of Los Angeles
Lincoln Blvd LRT	Santa Monica
Gold Line Eastside Phase II [SR-60]	Montebello/Monterey Park
Gold Line Eastside Phase II [SR-60]	Los Angeles County/Monterey Park
Gold Line Eastside Phase II [SR-60]	Los Angeles County
Gold Line Eastside Phase II [SR-60]	Monterey Park
Gold Line Eastside Phase II [SR-60]	South El Monte
Gold Line Eastside Phase II [SR-60]	Los Angeles County
Gold Line Eastside Phase II [SR-60]	Montebello
Gold Line Eastside Phase II [SR-60]	Rosemead
Gold Line Eastside Phase II [SR-60]	Los Angeles County
Gold Line Eastside Phase II [Washington Blvd]	Montebello/Monterey Park
Gold Line Eastside Phase II [Washington Blvd]	Los Angeles County/Monterey Park
Gold Line Eastside Phase II [Washington Blvd]	Los Angeles County/Whittier
Gold Line Eastside Phase II [Washington Blvd]	Los Angeles County/Santa Fe Springs
Gold Line Eastside Phase II [Washington Blvd]	Los Angeles County
Gold Line Eastside Phase II [Washington Blvd]	Pico Rivera
Gold Line Eastside Phase II [Washington Blvd]	Whittier
Gold Line Eastside Phase II [Washington Blvd]	Montebello
Gold Line Eastside Phase II [Washington Blvd]	Commerce
Gold Line Eastside Phase II [Washington Blvd]	Montebello

Gold Line Eastside Phase II [Washington Blvd]	Los Angeles County
Gold Line Eastside Phase II [Washington Blvd]	Santa Fe Springs
Gold Line Eastside Phase II [Washington Blvd]	Los Angeles County
Orange Line Conversion to Light Rail (LRT)	City of Los Angeles
Sepulveda Pass Corridor - Westwood to LAX (HRT)	City of Los Angeles
Sepulveda Pass Corridor - Westwood to LAX (HRT)	City of Los Angeles
Sepulveda Pass Corridor - Westwood to LAX (HRT)	Culver City
Sepulveda Pass Corridor - Westwood to LAX (HRT)	City of Los Angeles
Sepulveda Pass Corridor - Westwood to LAX (HRT)	Culver City
Sepulveda Pass Transit Corridor (HRT)	City of Los Angeles
So Bay Green Line Ext to Torrance Transit Cen/Crenshaw Blvd	Torrance/Redondo Beach (Harbor Subdvsn 182-190 St)
So Bay Green Line Ext to Torrance Transit Cen/Crenshaw Blvd	Torrance
So Bay Green Line Ext to Torrance Transit Cen/Crenshaw Blvd	Lawndale
So Bay Green Line Ext to Torrance Transit Cen/Crenshaw Blvd	Redondo Beach
So Bay Green Line Ext to Torrance Transit Cen/Crenshaw Blvd	Redondo Beach
Transit Connector Orange/Red Line to Gold Line (LRT)	Glendale
Transit Connector Orange/Red Line to Gold Line (LRT)	Burbank
Transit Connector Orange/Red Line to Gold Line (LRT)	City of Los Angeles
Transit Connector Orange/Red Line to Gold Line (LRT)	Pasadena
Vermont Transit Corridor (HRT)	Los Angeles County/City of Los Angeles
Vermont Transit Corridor (HRT)	City of Los Angeles
West Santa Ana Transit Corridor (Gardendale to Downtown)	Huntington Park/Vernon
West Santa Ana Transit Corridor (Gardendale to Downtown)	South Gate/Cudahy; Metro ROW
West Santa Ana Transit Corridor (Gardendale to Downtown)	Huntington Park/Cudahy; Metro ROW
West Santa Ana Transit Corridor (Gardendale to Downtown)	Huntington Park/Bell
West Santa Ana Transit Corridor (Gardendale to Downtown)	South Gate
West Santa Ana Transit Corridor (Gardendale to Downtown)	Huntington Park
West Santa Ana Transit Corridor (Gardendale to Downtown)	Huntington Park
West Santa Ana Transit Corridor (Gardendale to Downtown)	Huntington Park
West Santa Ana Transit Corridor (Gardendale to Downtown)	Los Angeles County
West Santa Ana Transit Corridor (Gardendale to Downtown)	City of Los Angeles
West Santa Ana Transit Corridor (Gardendale to Downtown)	Bell
West Santa Ana Transit Corridor (Gardendale to Downtown)	Downey
West Santa Ana Transit Corridor (Gardendale to Downtown)	South Gate/Downey
West Santa Ana Transit Corridor (Pioneer to Gardendale)	Bellflower
West Santa Ana Transit Corridor (Pioneer to Gardendale)	South Gate
West Santa Ana Transit Corridor (Pioneer to Gardendale)	Paramount
West Santa Ana Transit Corridor (Pioneer to Gardendale)	Cerritos
West Santa Ana Transit Corridor (Pioneer to Gardendale)	Artesia
Westside Purple Line Ext to Westwood/VA Hospital (Section 3)	City of Los Angeles
Westside Purple Line Ext to Westwood/VA Hospital (Section 3)	Los Angeles County

APPENDIX B: LOW INCOME FARE SUBSIDY PROGRAM

Note: In May 2017, the Metro Board approved the Program outlined below.

Measure M – Metro Discounts for Seniors and Students Summary Description of Low Income Fare Subsidy Program

BACKGROUND

As required by the Measure M Ordinance and further described in the Measure M Guidelines for the 2% program (ADA Paratransit for the Disabled; Metro Discounts for Seniors and Students), a minimum of 25% of the revenues generated by this program shall be allocated to fare discounts for seniors and students. This document outlines the provisions for the use of these funds.

Current Fare Discounts Offered to Seniors and Students

Within Metro’s existing fare structure, there are a wide variety of discounted fare products available to seniors, K-12 students, and college/vocational students. The total effective subsidy for all reduced fare products and Metro fare subsidies currently offered is over \$100M annually. By contrast, Measure M is expected to generate \$4M annually for this purpose—an overall subsidy increase of less than 5%.

Leveraging Measure M to Benefit Low Income Seniors and Students

In order to best utilize the Measure M monies available for senior and student discounts, these limited funds will be directed toward fare discounts for low income seniors and low income students. With the fare subsidy program described below, Metro is aiming to maximize the impact of the Measure M 2% program by providing fare subsidy benefits to the senior and student transit riders who need it most.

LOW INCOME FARE SUBSIDY PROGRAM

This revised fare subsidy program focused on low income riders in Los Angeles County will build upon the successes and lessons learned of the current fare subsidy programs – Immediate Needs Transportation Program (INTP) and Rider Relief Transportation Program (RRTP). The program will utilize funds from the existing programs and the additional Measure M revenues to offer additional subsidies to program participants, with a total estimated FY18 budget of \$14M - \$5M from INTP, \$5M from RRTP, and a projected \$4M in new sales tax revenue from Measure M.

The program will combine and increase benefits provided separately by each program today, while improving the customer’s experience in applying for and utilizing program benefits. Projected efficiencies under the new program together with additional funds

from Measure M will fund the expansion of subsidies to program participants, allowing Metro to provide more benefits to more riders. Key elements of the new program are summarized in the following table.

New Low Income Program Benefits <i>(to be phased in over the next 24 months)</i>					
Individual Benefits (Choice of one each month)					
Pass Type	Pass Amount	New Subsidy per Month	New Subsidized Pass Price	% Off Pass Price	Total Discount *
Regular Fare 30-Day or Regular Fare 7-Day <i>(four weeks per month)</i>	\$100	\$24	\$76	24%	24%
	\$25	\$6 <i>(four times per month)</i>	\$19	24%	24%
College/Vocational Pass 30-Day	\$43	\$13	\$30	30%	70%
Student 30-Day Pass	\$24	\$10	\$14	42%	86%
Senior/Disabled 30-Day Pass	\$20	\$8	\$12	40%	88%
20 Rides <i>(per month)</i>	<i>Option available as an alternative to pass purchase. Applicable to all rider categories.</i>				
Agency Benefits					
<ul style="list-style-type: none"> • Taxi Coupons and/or Vouchers, not counted against individual benefits above. Some short term transit benefits are anticipated as well (e.g., day passes). 					
Total Budget	\$14 million in First Year				

*Includes: 1) reduced fare discounts already available to that rider category, and 2) an additional low income subsidy benefits.

Details on the new program, including comparison with the current fare subsidy programs, are described in further detail below.

- Consolidation of Transit Benefits for Individuals – R RTP provides a discount off a weekly or monthly pass while the INTP provides tokens for individual trips. Individuals may not participate in both programs so must choose to register in one or the other, receiving either the pass discount or tokens. The revised program will allow participants to choose which benefit meets their needs each

month. Further, very few types of trips or trip purposes qualify for tokens under the INTP program. The revised program will no longer consider trip purpose, making all trips made using transit eligible.

- Increased Subsidy Amount – RRTP provides \$10 off a full-fare pass, and \$6 off a reduced fare (senior/disabled, college/vocational, or student) pass. INTP provides an average of 10 tokens (rides) per person per month. Under the new program, pass discounts will increase to \$24 for full-fare customers and \$13, \$9, or \$8 for reduced fare; or, a monthly ride benefit of 20 rides.
- Simplify Participant Eligibility Process – Customers are required to appear in person twice a year for RRTP coupon distribution, and monthly for INTP token allocation. Under the revised program, participant eligibility will be determined once per year at any time during the year to allow the customer to receive benefits for 12 consecutive months.
- TAP Integration – Today subsidies are provided in the form of paper coupons (RRTP) and tokens (INTP). When fully implemented, the new program will provide participant benefits through a customer's enrolled TAP card, streamlining and improving the experience for customers, agencies, vendors, and Metro staff.
- New TAP Ride-Based Option – Tying customer benefits to a TAP card allows for a new ride fare product to replace the tokens issued under the INTP today. Under the revised program, the customer can choose either a discounted pass product or the TAP rides each month. This enhancement will allow the customer to receive full benefit of the Metro two hour transfer that is not supportable with the tokens used today.
- Convenient Access to Program Benefits – Customers will be able to utilize taptogo.net as well as the entire TAP vendor network for redeeming their pass or ride benefits under the revised program.
- Refocused Taxi Element – The taxi element of the revised program will focus on agencies rather than individuals, and on specific critical trip purposes. Today, individuals may receive taxi coupons from participating agencies that can be utilized at any time and for any reason. The new program will provide access to taxi services to approved agencies/organizations like hospitals and shelters to call upon on behalf of their members to provide trips categorized by mobility limitations, urgency, or safety. A member's enrollment in the transit subsidy

element of the new program will not prevent them from receiving taxi services initiated by an agency on their behalf.

IMPLEMENTATION TIMELINE

The new Low Income Fare Subsidy program was approved by the Metro Board in May 2017. Implementation of the new program is anticipated to occur in two phases beginning in January 2018. The first phase will consist of program policy changes that can be implemented without TAP enhancements/modifications including taxi service provision and increases to subsidy levels, culminating in the issuance of an RFP in FY19 for new third party administrators. The second phase will incorporate the remaining TAP program elements and will also begin in January 2018 but will take longer to implement as improvements to the TAP vendor network are rolled out countywide.

**Public Comments Summary
For Measure M Master Guidelines**

[TO BE INSERTED]

Measure M Guidelines
Administrative Development Timeline

SECTION	COMPONENT	TIMELINE
VI. Cashflow Management	Inter-program borrowing within the Multi-Year Subregional Program (MSP) and process for requesting funds	Up to 6 mos.
VII. Contingency Subfunds	Contingency Subfund account details will be further developed	12 mos.
IX-XII. Multi-Year Subregional Programs	Administration of and procedures for determining Multi-Year Subregional Programs 5 year plans, project readiness, and other criteria	Up to 6 mos.
XIII. Transit Multi-Year Subregional Programs	Street Car Circulator Projects details and administrative criteria	12 mos.
XIV. Metro Active Transportation	Metro Active Transportation Program (2%) administrative procedures and funding criteria	12 mos.
XV. 2% System Connectivity Projects (Highway Construction Subfund)	> Highway Systemwide Connectivity 2% program administrative criteria and funding availability	12 mos.
	> Administrative procedures for the Metro Goods Movement Strategic Plan and competitive funding program	12 mos.
XVI. 2% System Connectivity Projects (Transit Construction Subfund)	> Transit Systemwide Connectivity 2% program administrative criteria and funding availability	12 mos.
	> Administrative procedures for the Transit Systemwide Connectivity 2% competitive funding program, including eligible uses and evaluation criteria	24 mos.
XVII. Visionary Project Seed Funding	Visionary Project Seed Funding criteria and administrative selection process	12 mos.
XVIII. Countywide BRT Expansion	Updated study and review of proposed BRT corridors identified in the 2013 BRT and Street Improvement Study, including performance metrics	24 mos.
XIX. Subregional Equity Program	Additional details regarding the evaluation and administrative process for the Subregional Equity Program	12 mos.

Note: Pursuant to Section IV of the Guidelines, amendment procedures will be developed in consultation with the Measure M Independent Taxpayer Oversight Committee.

REPORT

DATE: June 15, 2017

TO: Transportation Committee
Governing Board

FROM: Phil Hawkey, Executive Director

RE: **REQUEST FOR LETTER OF NO PREJUDICE (LONP) FOR
SUBREGIONAL PLANNING FUNDS**

RECOMMENDED ACTION

Pending Metro Board adoption of the Measure M Guidelines, direct the Executive Director to submit a request to Metro for a LONP to allow expenditures related subregional planning and programming activities to be eligible for reimbursement.

BACKGROUND

In February, the Governing Board directed staff to develop a Transportation Planner/Programmer Manager position and secure Measure M dollars to fund this position. Since that time, SGVCOG staff has participated in the Measure M Policy Advisory Council (PAC) to provide comment on the draft Measure M Guidelines. One objective of this participation was to secure this funding.

The Metro Board of Directors is set to adopt the Measure M guidelines at their June 22 meeting, and these guidelines identify a process by which these funds will be programmed by the subregional entities, including the SGVCOG, through the development of five-year subregional fund programming plans. These plans will be submitted to the Metro Board of Directors for adoption and will then guide the flow of funding to various specific projects that fall within each program. The draft Measure M guidelines also allow for up to .5% of the funding from each program to be used to for the development of these five-year programming plans, including conducting the necessary public outreach and coordination with jurisdictions and other stakeholders. As shown in Table 1 below, for the programs in the San Gabriel Valley, this .5% cap averages to \$185,125 annually.

Program	Total Funding (in millions)	Average Funding Per Year (in millions)	0.5% (per year)
Active Transportation	\$231	\$5.78	\$28,875
Bus System Improvement	\$55	\$1.38	\$6,875
First/last mile	\$198	\$4.95	\$24,750
Highway Demand	\$231	\$5.78	\$28,875
Goods Movement	\$33	\$0.83	\$4,125
Highway Efficiency	\$534	\$13.35	\$66,750
Subregional Equity	\$199	\$4.98	\$24,875
TOTAL	\$1,481	\$37	\$185,125

Table 1.
SGVCOG Subregional Program Funding.

Metro staff has indicated that within six months of the adoption of the Measure M guidelines, they will develop administrative procedures relative to the subregional programmatic funds, including procedures for developing Multi-Year Subregional Programs 5 year plans, project readiness, and other criteria. After adoption of those guidelines, Metro would then execute memorandums of understanding (MOUs) with the councils of governments (COGs) to provide for the funding to develop these subregional plans. However, Metro staff has also indicated that if a COG wishes to start this work earlier, it may request a letter of no prejudice (LONP) and seek reimbursement for costs incurred prior to the execution of the MOUs, provided that the costs are eligible and do not exceed the .5% cap. Attached is a draft letter. If approved by the Governing Board, the letter would be submitted to Metro subsequent to the adoption of the Measure M Guidelines.

Prepared by: Marisa Creter
Marisa Creter
Assistant Executive Director

Approved by: Phil Hawkey
Phil Hawkey
Executive Director

ATTACHMENTS

Attachment A – Draft request for LONP



June 23, 2017

OFFICERS

President
Cynthia Sternquist

1st Vice President
Margaret Clark

2nd Vice President
Vacant

3rd Vice President
Vacant

Phillip Washington
Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012

RE: REQUEST FOR ISSUANCE OF A MEASURE M LETTER OF NO PREJUDICE FOR SUBREGIONAL PROGRAM PLANNING

MEMBERS

- Alhambra
- Arcadia
- Azusa
- Baldwin Park
- Bradbury
- Claremont
- Covina
- Diamond Bar
- Duarte
- El Monte
- Glendora
- Industry
- Irwindale
- La Cañada Flintridge
- La Puente
- La Verne
- Monrovia
- Montebello
- Monterey Park
- Pasadena
- Pomona
- Rosemead
- San Dimas
- San Gabriel
- San Marino
- Sierra Madre
- South El Monte
- South Pasadena
- Temple City
- Walnut
- West Covina
- First District, LA County
Unincorporated Communities
- Fourth District, LA County
Unincorporated Communities
- Fifth District, LA County
Unincorporated Communities
- SGV Water Districts

Dear Mr. Washington:

Measure M includes an ambitious plan of capital transportation projects and programs. In the San Gabriel Valley, based on input from the San Gabriel Valley Council of Governments (SGVCOG), the Measure M expenditure plan includes \$1.481 billion in funding for various transportation programs as follows:

- Active Transportation / Greenway Network (\$231 million)
- Bus System Improvement (\$55 million)
- First/last Mile and Complete Streets (\$198 million)
- Highway Demand (\$231 million)
- Goods Movement (\$33 million)
- Highway Efficiency (\$534 million)
- Subregional Equity Funds (\$199 million)

Furthermore, the Measure M guidelines identify a process by which these funds will be programmed by the subregional entities, including the SGVCOG, through the development of five-year subregional fund programming plans. These plans will be submitted to the Los Angeles County Metropolitan Transportation Authority (Metro) Board of Directors for adoption and will then guide the flow of funding to various specific projects that fall within each program.

The Measure M guidelines allow for up to .5% of the funding from each program to be used to for the development of these five-year programming plans, including conducting the necessary public outreach and coordination with jurisdictions and other stakeholders. As shown in Table 1 below, for the programs in the San Gabriel Valley, this .5% cap averages to \$185,125 annually.

Program	Total Funding (in millions)	Average Funding Per Year (in millions)	0.5% (per year)
Active Transportation	\$231	\$5.78	\$28,875
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Goods Movement	\$33	\$0.83	\$4,125
Highway Efficiency	\$534	\$13.35	\$66,750
Subregional Equity	\$199	\$4.98	\$24,875
TOTAL	\$1,481	\$37	\$185,125

**Table 1.
SGVCOG Subregional Program Funding.**

Metro staff has indicated that within six months of the adoption of the Measure M guidelines, they will develop administrative procedures relative to the subregional programmatic funds, including procedures for developing Multi-Year Subregional Programs 5 year plans, project readiness, and other criteria. After adoption of those guidelines, Metro would then execute memorandums of understanding (MOUs) with the councils of governments (COGs) to provide for the funding to develop these subregional plans. However, Metro staff has also indicated that if a COG wishes to start this work earlier, it may request a letter of no prejudice (LONP) and seek reimbursement for costs incurred prior to the execution of the MOUs, provided that the costs are eligible and do not exceed the .5% cap.

The SGVCOG is eager to initiate work on this comprehensive planning effort and is currently working on several planning studies that would inform the subregional funding program. Notably, in June, the SGVCOG initiated work on the Greenway Network Feasibility Study to identify “shovel ready” active transportation projects that could be completed over the next five years. Because of this work and other similar efforts related to the other Measure M programs, the SGVCOG Governing Board has directed staff to request a LONP to initiate work related to Measure M subregional fund programming. The SGVCOG is also reserving the right to request that Metro advance these funds based on available cash flows or as a loan between the subregional programs in order to provide a stable source of funding over the duration of these programs.

Should you have any questions regarding this matter, please contact Mark Christoffels at (626) 962-9292.

Sincerely,



Philip A Hawkey
Executive Director
San Gabriel Valley Council of Governments

cc: Honorable John Fasana, Chair, Metro Board of Directors

REPORT

DATE: June 15, 2017
TO: SGVCOG Governing Board
FROM: Phil Hawkey, Executive Director
RE: **ACE/LARGE CAPITAL PROJECTS AD HOC COMMITTEE FINAL REPORT**

RECOMMENDED ACTION:

Discuss and provide direction to staff.

BACKGROUND:

The attached report represents the consensus recommendation of the ACE/Large Capital Projects Ad Hoc Committee. It is being presented initially for information and discussion at the June 15 Governing Board meeting and to give direction to staff on preparation of the final report and recommendations that will be considered at the July 20 Governing Board meeting. Staff will present an updated report for possible action at the July 20 Governing Board meeting reflecting the direction given at the June meeting.

This report is an outcome that emanated from the SGVCOG Strategic Planning process in early 2016, where the SGVCOG Governing Board identified the need to assess of the role of ACE and the SGVCOG in planning, funding, and constructing large capital projects. These discussions prompted the SGVCOG President, Gene Murabito to form an ad hoc committee to study and explore these issues. The Ad Hoc ACE/Large Capital Projects Committee was tasked with assessing the future of the SGVCOG and whether it should be primarily a planning agency or should it also have the internal capacity to implement and build large capital projects. Related to this, it was also tasked with providing recommendations as to whether ACE should dissolve upon completion of its mission in six years or should be restructured as a division of the SGVCOG that would be responsible for the construction of large capital projects in the San Gabriel Valley.

With the passage of Measure M, San Gabriel Valley transportation projects and programs will receive more than \$2 billion in local sales tax funds over the coming decades, in addition to the \$1 billion being allocated to the Foothill Gold Line project. Significant Measure M funding will be passed through eight programs established by the SGVCOG. Over the course of the Ad Hoc Committee's work, it became apparent that whatever organizational form emerged from the effort, it must include added capacity for the SGVCOG to manage the Measure M funding.

The Ad Hoc Committee reports represents a significant restructuring of SGVCOG/ACE, and is designed to strengthen the ability of the SGVCOG to serve the needs and provide leadership to the San Gabriel Valley.

ATTACHMENTS:

Attachment A – ACE Ad Hoc Committee Final Report, including organization charts recommended by the ACE Ad Hoc Committee, as well as a second option discussed by the committee

Report of the Ad Hoc ACE/ Large Capital Projects Committee

EXECUTIVE SUMMARY:

The Ad Hoc ACE/Large Capital Projects Committee was appointed in June 2016 by SGVCOG President Gene Murabito to study the relationship between SGVCOG and ACE (Alameda Corridor-East Construction Authority) and to explore combining the COG and ACE into one organization that could both plan and implement capital projects. The Ad Hoc Committee undertook the following activities:

- Studied the history of the SGVCOG and ACE;
- Evaluated the issues of risks and liability involved with construction;
- Examined the liabilities of PERS for both ACE and SGVCOG;
- Explored four case studies of major projects that might benefit from a more active role by the SGVCOG in construction;
- Compared how other COGs operate; and
- Developed guiding principles to identify core issues that should influence any decision about the future of the SGVCOG.

With the passage of Measure M in November 2016, the San Gabriel Valley region is now guaranteed to receive over \$2 billion in funding over the next 40 years, including hundreds of millions of dollars for transportation programs to be administered through the SGVCOG. In addition, the Foothill Gold Line will receive over \$1 billion to complete the Gold Line to Claremont. It is important to note that the Measure M funds are intended to be leveraged in securing matching state, federal or other funds. These matching funds will be needed to complete most, if not all, of the SGVCOG's priority projects.

In its interim report issued in January 2017, the Ad Hoc Committee recommended to the Governing Board that the SGVCOG expand its organizational capacity by creating a transportation planning division and hire a transportation planner/program manager to coordinate the implementation of Measure M transportation programs in the San Gabriel Valley. The Ad Hoc Committee also recommended that the SGVCOG develop a plan for integrating ACE as an integral part of the COG to allow for the potential of the newly configured ACE to construct capital projects throughout the San Gabriel Valley as may be specifically approved by the Governing Board. The Ad Hoc Committee was directed by the Governing Board to further study the integration of SGVCOG and ACE and to report back to the Governing Board within six months.

At its meeting on May 1, 2017, the Ad Hoc Committee approved the following recommendations:

1. Keep ACE.
2. Expand ACE's jurisdiction so it can undertake projects throughout the SGV, with the requirement that the Governing Board must approve each project undertaken by ACE with a majority vote of the total membership of SGVCOG.
3. Modify the existing ACE Board to include one representative from each of five districts in the SGV (the same districts as used by City Manager TAC), the President of the COG and one county supervisor. Existing ACE Board members will continue serving on the ACE Board as long as ACE projects are under construction in their cities.
4. The new ACE Board will have similar responsibilities as the previous ACE Board for approval of contracts, change orders, eminent domain, compensation for ACE employees. The sole change in authority would be that under the new structure, inter-agency

agreements, which are currently approved by the ACE Board, would be approved by the SGVCOG Governing Board.

5. The new ACE Board will report to the Governing Board, with communication to the Executive Committee.
6. ACE will be maintained as a separate management unit under the authority of a Chief Executive Officer (CEO), who would report to the ACE Board. The ACE organization would only employ staff working directly on ACE projects. Those staff would report to the ACE CEO. All non-project staff that currently work for ACE would be transferred to the SGVCOG and report to the SGVCOG Executive Director.
7. All non-project staff, including administrative staff, that currently work for ACE would be transferred to the SGVCOG and report to the SGVCOG Executive Director.
8. Review the organizational structure and responsibilities in 18 months

BACKGROUND:

ACE was created by the SGVCOG in 1998 as a subsidiary of the SGVCOG, with a narrow mission to address the traffic congestion caused by the expansion of freight rail traffic from the Ports of Los Angeles and Long Beach. For the past 18 years, ACE has had great success in securing more than \$1.6 billion in funding to construct grade separations to facilitate freight railroad movement through the southern portion of the San Gabriel Valley.

The mission of the ACE project is approaching completion in the next few years, and the SGVCOG must determine next steps. The expertise and excellent reputation of the ACE organization presents an opportunity to address an expanded and new scope of projects, but there are inherent risks and costs with this type of new endeavor.

In addition, with the passage of Measure M in Los Angeles County in November 2016, the SGVCOG will be responsible for guiding the allocation and implementation of over \$2 billion in capital projects and programs. The SGVCOG will either need to expand its capacity to handle these funds, or allow Metro to manage the funds in a manner guided by the advice of the SGVCOG.

As part of its Strategic Planning process in early 2016, the SGVCOG Governing Board identified the need to conduct an assessment about the future of ACE and the role of the SGVCOG in planning, funding, and constructing large capital projects. As a result, SGVCOG President Gene Murabito, formed an ad hoc committee with the purpose of studying and fully exploring these issues.

Existing Structure

ACE is a subsidiary unit of the SGVCOG, operating under the Joint Powers Authority (JPA) that created the SGVCOG. However, ACE operates as a quasi-independent agency reporting to the ACE Board of Directors. ACE has a separate Chief Executive Officer, who reports to the ACE Board, and all ACE employees report to the Chief Executive Officer. As specified in the SGVCOG JPA and bylaws, the SGVCOG Governing Board is responsible for approving ACE's scope of projects and annual budget but all other functions are delegated to the ACE Board of Directors, including approving contracts, property acquisition, hiring of staff, and setting compensation of ACE employees. The ACE Board of Directors is comprised of the following members (all of which have, or did have, at least one ACE project within their jurisdiction):

- LA County

- El Monte
- Industry
- Montebello
- Pomona
- San Gabriel

Additionally, the SGVCOG President or his/her designee serves on the Board as a voting member.

The SGVCOG also has a memorandum of understanding (MOU) with ACE to have ACE staff provide technical assistance related to transportation planning. Under this MOU, the CEO of ACE is compensated by SGVCOG to periodically perform the functions of the Transportation Director for the SGVCOG. This role was most active in the development of the mobility matrix, as well in the communications with Metro and Caltrans on behalf of the SGVCOG. This work by the CEO of ACE as the Transportation Director of SGVCOG entails only a few hours a month and compensation from the SGVCOG is paid to ACE, which offsets the compensation that the CEO receives from ACE.

Two additional MOUs were approved by the SGVCOG Governing Board in early 2016 to allow ACE staff to provide administrative/HR, IT and financial management support services. ACE is fully reimbursed for these labor costs.

COMMITTEE PURPOSE, MEMBERS, AND PROCESS:

The Ad Hoc Committee was comprised of the following members:

- John Fasana, Councilmember, City of Duarte, Chair
- Gene Murabito, former Mayor of Glendora and SGVCOG President
- Terry Tornek, Mayor, City of Pasadena
- Victoria Martinez, Vice Mayor, City of El Monte
- Jack Hadjinian, Councilmember, City of Montebello
- Cynthia Sternquist, Mayor, City of Temple City and SGVCOG President
- Cruz Baca, Councilmember, City of Baldwin Park
- Sam Pedroza, Councilmember, City of Claremont
- Linda Lowry, City Manager, City of Pomona
- David Liu, Public Works Director, City of Diamond Bar
- Javier Hernandez, Transportation Deputy, LA County District #1
- Dave Perry, Transportation Deputy, LA County District #5

Phil Hawkey, Executive Director of SGVCOG and Mark Christoffels, CEO of ACE, were advisory to the Ad Hoc Committee. SGVCOG staff Marisa Creter, Eric Wolf and Christian Cruz also assisted the work of the Ad Hoc Committee.

The ACE/ Large Capital Projects Ad Hoc Committee was tasked with assessing the future of the SGVCOG and whether it should be primarily a planning agency or should it also have the internal capacity to implement and build large capital projects. A key issue concerned the future of ACE and whether it should dissolve upon completion of its mission or be restructured as a division of the SGVCOG that would be responsible for the construction of large capital projects in the San Gabriel Valley.

Two alternative future roles considered were as follows:

1. The SGVCOG should focus on being a planning agency that concentrates on assessing the needs of the San Gabriel Valley, developing proposals and plans that address those needs, pursuing grants and funding sources to pay for programs and capital projects, including transportation and capital improvements, and collaborating with appropriate agencies to construct the large capital improvements;
OR
2. The SGVCOG should expand its organizational capacity from strictly a policy and planning agency, to become a construction agency as well. In addition to planning for transportation and large capital projects, the SGVCOG might take responsibility for managing the implementation of, and even constructing, these projects. These projects might include new highway construction, bridges, freeway interchanges, and bicycle paths, as well as non-transportation projects (e.g. stormwater facilities). The Committee considered several variations of each alternative.

In the early months of the Ad Hoc Committee work, the committee discussed four case studies (SR-57/SR-60 Interchange, Greenway Network, SR-71 Completion, and I-605 Hot Spots) as a means of considering the role the SGVCOG and the ACE could play in construction planning and management. Considerable attention was paid to the issues of liability and risk management involved with construction. The experience of ACE demonstrated that prudent management with comprehensive insurance can protect the organization. The legal structure of the Joint Powers Authority makes it a stand-alone legal entity for which the member cities of the JPA are protected from legal liability.

The issue of CalPERS liability for the ACE organization was studied by the Ad Hoc Committee, especially in recognition that ACE may terminate when its mission is completed in 6 years. A review of audit reports concluded that more than adequate funds have been set aside at ACE to adequately cover its CalPERS obligations.

The committee also reviewed other Council of Government structures in California and determined that there are a wide variety of different COG organizational and governance models, with each organized to meet specific regional needs, as well as funding and partnership opportunities.

CONTEXT: OPPORTUNITIES AND CHALLENGES:

Measure M funding

With the passage of Measure M, the L.A County transportation tax measure, San Gabriel Valley transportation projects and programs identified and prioritized by SGVCOG will receive more than \$2 billion in local sales tax funds over the coming decades, in addition to the \$1 billion that is allocated for the completion of the Foothill Gold Line.

Significant Measure M funding will be passed through eight programs established by the SGVCOG expressly for San Gabriel Valley projects:

- (1) Active Transportation (\$231 million)
- (2) Bus System Improvement (\$55 million)
- (3) First/Last Mile and Complete Streets (\$198 million)
- (4) Highway Demand Management (\$231 million)
- (5) Goods Movement (\$33 million)
- (6) Highway Efficiency (\$534 million)

- (7) ITS/Technology (\$66 million)
- (8) Subregional Equity (\$199 million)

Over the course of the ad hoc committee's work, it became apparent that whatever organizational form emerges from the effort, it must include added capacity for the SGVCOG to manage the Measure M funding assigned to the San Gabriel Valley and to secure matching funds, as needed to complete project budgets. Thus, the recommendation to create a position of Transportation Planner/Program Manager was approved by the Governing Board in February 2017, with the expectation that the position will be funded from Measure M funds.

Partner Agencies

Representatives from the Ad Hoc Committee met with key staff from L.A. Metro, including CEO Phil Washington. During that meeting, Metro staff referenced the Measure M Program Management Plan (PMP) that was presented to the Metro Board in October 2016. Metro indicated that the SGVCOG's proposal to take a more active role in planning, programming, and constructing projects and programs was consistent with the PMP, and Metro was supportive of subregional efforts that would facilitate projects being completed on-time and within budget.

A separate meeting was held with lead staff at Caltrans Region 7 on January 31, 2017, to identify possible roles for SGVCOG regarding constructing Caltrans transportation projects. The Caltrans leadership expressed their support for the expanded role of the SGVCOG, through a restructured ACE, that would do major capital projects throughout the San Gabriel Valley. Caltrans encouraged the development of a MOU between Caltrans and SGVCOG that would facilitate ACE and Caltrans working together on planning, designing and building improvements to state highways and related facilities.

GUIDING PRINCIPLES:

The Ad Hoc Committee gave time to establish some overriding principles that should guide any future actions of the SGVCOG in addressing the needs of the San Gabriel Valley. Guiding Principles were created and approved by the Ad Hoc Committee, against which the committee's recommended future SGVCOG structure was evaluated.

The Ad Hoc Committee developed Guiding Principles intended to define the core elements of the organizational structure and operating requirements of any new agency or division within the SGVCOG that would take on planning, programming, and construction projects. The following guiding principles were approved by the Committee:

Threshold Criteria & Member Benefit

- SGVCOG action will result in a measurable benefit to the region and member cities and/or non-action will result in a measurable disadvantage or loss to the San Gabriel Valley region.
- Collaborative relationships with impacted communities, LA Metro, Caltrans, LA County and/or other entities are explored before SGVCOG acts to plan or implement a program or project.
- Majority support from SGVCOG members is secured before a major program or project is undertaken.

Liability & Risk

- Structures are in place, including proper insurance and indemnification, to ensure there is no financial exposure or increased legal liability to member cities as a result of SGVCOG taking action.
- Prior to a project getting underway, agreements have been defined for long term ownership and maintenance of the completed project. by a responsible entity.

Financial Impact

- SGVCOG may pursue funding for planning activities that may, or may not, result in programs or capital projects, but could fund staff costs.
- SGVCOG will not proceed to implement a program or project without securing all funding sources necessary to complete each distinct phase of a project.
- Member agencies may volunteer to fund a program, project, or study through an assessment in which only the participating members benefit from the work.
- SGVCOG may secure short term financing to fund start-up costs or accelerate a program or project with approval of a majority of SGVCOG members.

Legal Authority & Project Oversight

- Action will conform to SGVCOG's existing legal authority. If it does not, all legal risks and changes to authority will be identified before taking action.
- Project oversight may be performed by a new organization (such as a separate JPA) created by SGVCOG that could plan, program, or implement projects in the San Gabriel Valley, and the SGVCOG might enter into agreements with this organization for the completion of those programs or projects.

AD HOC COMMITTEE RECOMMENDATIONS:

The key recommendations of the Ad Hoc Committee are:

- 1. Keep ACE:** The Ad Hoc Committee recognizes the success of ACE over the past 18 years in planning, funding and constructing over \$1.6 billion in grade separation improvements. With the passage of Measure M, and the availability of new state transportation funds, there will be resources for many projects in the San Gabriel Valley. If the SGVCOG can demonstrate the capacity to plan as well as to implement projects, the San Gabriel Valley will be able to accelerate the construction of projects that are important to our region.
- 2. Expand ACE's jurisdiction so it can undertake projects throughout the SGV:** Any new project would require the approval of the majority of the Governing Board (currently there are 35 members of SGVCOG). The process for determining projects will be:
 - A potential program of projects will be developed through a collaborative planning process that will include a SGVCOG Technical Advisory Committee, LA County, Caltrans, and Metro, and other cities or agencies that might be affected by a project. This program of projects will be reviewed by the SGVCOG's Transportation Committee and submitted to the Governing Board for approval.
 - The Governing Board shall have the sole authority to consider, approve, and assign funding to future projects to be undertaken by ACE, and the ACE Board shall not have the authority to act on a project until the project is assigned to them by the Governing Board. SGVCOG staff will have the authority to spend time and money to plan projects in anticipation of presentation to the Governing Board for approval.

- 3. Modify the existing ACE Board:** The new ACE Board would include one representative from each of five districts in the SGV (the same districts as used by the City Manager TAC), the president of the SGVCOG and one county supervisor. Existing Board members will continue on the ACE Board as long as ACE grade separation projects are under construction in their cities.

The structure of the new ACE Board will be as follows:

- The ACE Board shall include one member from each of the five districts as used by the City Manager Steering Committee as follows:
 - Northeast: Azusa, Claremont, Glendora, La Verne, San Dimas
 - Southeast: Covina, Diamond Bar, Industry, La Puente, Pomona, Walnut
 - Central: Baldwin Park, El Monte, Rosemead, South El Monte, Irwindale, West Covina
 - Southwest: Alhambra, Montebello, Monterey Park, San Gabriel, South Pasadena, Temple City
 - Northwest: Arcadia, Bradbury, Duarte, La Canada Flintridge, Monrovia, Pasadena, San Marino, Sierra Madre
 - The members shall be appointed by the Governing Board through a nomination process and serve for two years. Members may be re-appointed for up to three terms.
 - The ACE Board shall also include the SGVCOG Governing Board President or a designee, and a County Supervisor who represents all or a portion of the San Gabriel Valley (i.e. District 1, 4 or 5)
 - Current ACE Board members will remain as voting members of the ACE Board until the ACE grade separation projects within their respective cities have been completed.
 - With the exception of the County Supervisor, ACE Board appointees must be current SGVCOG delegates.
- 4. The new ACE Board will have similar responsibilities as the previous ACE Board:** The ACE Board will be delegated the authority to approve of contracts, change orders, eminent domain, and compensation for ACE employees. Inter-agency agreements will be approved by the Governing Board.
- 5. The new ACE Board will report to the Governing Board:** As is current practice, the ACE Board would report regularly to the SGVCOG Governing Board and communicate its activities to the Executive Committee.
- 6. ACE construction management will be maintained as a separate management unit:** ACE would operate under the authority of a Chief Executive Officer, who would report to the ACE Board. The ACE organization will include only the project related ACE staff, under the Chief Executive Officer, with the non-project related ACE employees being transferred under the COG.
- 7. Transfer the all non-project staff (i.e. administrative staff) of ACE to become SGVCOG staff:** All current ACE staff that are not directly involved with project management will transfer to be employees of the COG and report to the COG Executive Director. This includes the employees who work in human resources, finance, purchasing, records management, information technology, marketing and government relations, totaling about two-thirds of the employees of ACE, out of a total of 24 employees. Since the ACE compensation plan is structured differently than the COG compensation plan, extensive work will need to be done to integrate the two organizations. The remaining ACE employees who are directly involved in project

management will continue as employees of ACE, reporting to the Chief Executive Officer of ACE. The employees of ACE that are transferred to become COG employees will continue to provide support services to ACE through a MOU whereby ACE will pay COG for the services provided for the administrative, financial, IT, HR, purchasing support of ACE.

8. **Review the organizational structure and responsibilities in 18 months:** After operating for 18 months with a split administration of COG and ACE, the Governing Board will review the organizational structure and determine if ACE and COG should be combined into one organization with a single Executive Director.

ORGANIZATIONAL STRUCTURE:

The recommended organizational structure, with the split administration between ACE and COG, is shown on Attachment A as the Recommended Option. The alternative structure that might be considered by the Governing Board at the end of 18 months is shown on Attachment B as Future Option.

TIMETABLE:

- **July 20, 2017:** Governing Board approval of the agenda report describing the restructuring of COG/ACE and other recommendations in the report.
- **March 1, 2018:** Approval of JPA amendments by at least 50% plus one of the legislative bodies of the members, followed by approval amendments to the SGVCOG bylaws by the Governing Board, which requires 50% plus one approval of the total membership of the COG (35 members).
- **July 1, 2018:** New ACE Board takes effect as defined in the approved report with the structure and responsibilities as described in the amended JPA and bylaws.
- **July 1, 2018:** ACE administrative staff are fully transitioned to become SGVCOG employees.
- **December 2018:** Governing Board approval of initial list of projects that may be undertaken by ACE in the San Gabriel Valley.
- **January 1, 2020:** Governing Board reviews organizational structure and decides whether to combine ACE and COG into one organization under the Executive Director.

IMPLEMENTATION:

The process to implement the recommendations included in this report will involve several steps, including:

- **Joint Powers Authority (JPA) amendment.** Amendments to the JPA requires approval of 50% plus one of the legislative bodies of the total membership of the SGVCOG. Currently there are 35 members of the SGVCOG. Necessary changes to the JPA include the following:
 - Section 4(b) (common powers), subsection (15) will need to be amended with respect to borrowing and incurring indebtedness/issuing bonds, as this power is restricted solely to fund the ACE project.
 - Section 27 of the JPA deals with the ACE Board structure and authority, as well as the authority of ACE to hire employees, enter into contracts, purchase property,

utilize eminent domain and other powers. Language will need to be added that expands the jurisdiction of ACE to serve the entire San Gabriel Valley.

Amendments to the JPA will be required in the first phase of implementation of this report to modify the structure and jurisdiction of the ACE Board. A subsequent amendment to the JPA will be required to fully integrate the ACE/COG organizations.

- **By-Laws Amendments.** Amending the bylaws requires a vote of 50% plus one of the total voting membership of the SGVCOG Governing Board. Necessary changes to the SGVCOG bylaws include the following:
 - Article IV, regarding the Executive Director, will need to be amended, when appropriate, to clarify Article IV B which indicates that the Executive Director shall supervise employees, “except for those employees and consultants working for the ACE Construction Authority.”
 - The Finance Committee (Article VI C) will require revision as it refers to the selection of auditor with ACE assistance.
 - Article IX, dealing with ACE, will need to be revised to conform to the new structure approved by the Board. This involves scope of responsibility, powers, make-up of the Board, meeting and voting process, and the role of the Chief Executive Officer in managing the work of ACE and the employees.
 - Article IX, dealing with ACE, will need to be amended to reflect that the SGVCOG Governing Board will have the authority to approve inter-agency agreements.

Amendments to the By-Laws will be required in the first phase of implementation of this report, and additional amendments will be needed to the By-Laws to fully implement a subsequent full integration of ACE/COG organizations.

- **Budget Amendments and MOUs.** These amendments require approval of the Governing Board. Budget amendments will be needed to reflect the transfer of costs from ACE to COG when non-construction employees of ACE are transferred to be employees of the COG. Other operating costs will need to be adjusted to reflect the expanded operation of the COG. New MOUs will need to be developed between COG and ACE, since under the new structure the administrative and finance employees will be employed by COG but most of their work will be done to support ACE.
- **Staff integration of ACE administrative staff to become COG employees.** This includes the transition of nearly two-thirds of ACE employees to become COG employees. It will require careful attention to address the anxiety of employees in dealing with relationship and cultural changes. Since the ACE compensation plan and work schedule is structured differently than the COG compensation plan and work schedule, extensive work will need to be done to blend the two organizations into a shared culture. If a second phase of organizational change is implemented between ACE and COG after 18 months, then a subsequent change management support program will also be needed.
- **Development of short and long range programs and projects.** With the approval of the SGVCOG Governing Board to expand the jurisdiction of ACE to serve the San Gabriel Valley, it will be appropriate for the ACE staff to develop a list of construction projects that might be undertaken by ACE. This list of potential projects would be reviewed by the ACE Board and submitted to the Governing Board for approval. In addition, each individual construction project, along with its funding plan, will be presented to the Governing Board for approval prior to proceeding with construction. Undertaking work to do preliminary construction concepts, and securing financing sources, is considered part of the operating responsibilities of ACE. Attachment C is a flow chart which summarizes the proposed process.

- **Project/Program agreements with LA Metro and Caltrans.** Interagency agreements require the approval of the SGVCOG Governing Board. These agreements will define the ongoing working relationships between SGVCOG/ACE and LA Metro and Caltrans. Additional individual agreements will be developed for specific projects that are done in collaboration with LA Metro, Caltrans, as well as any local government or agency that might be involved with a project.

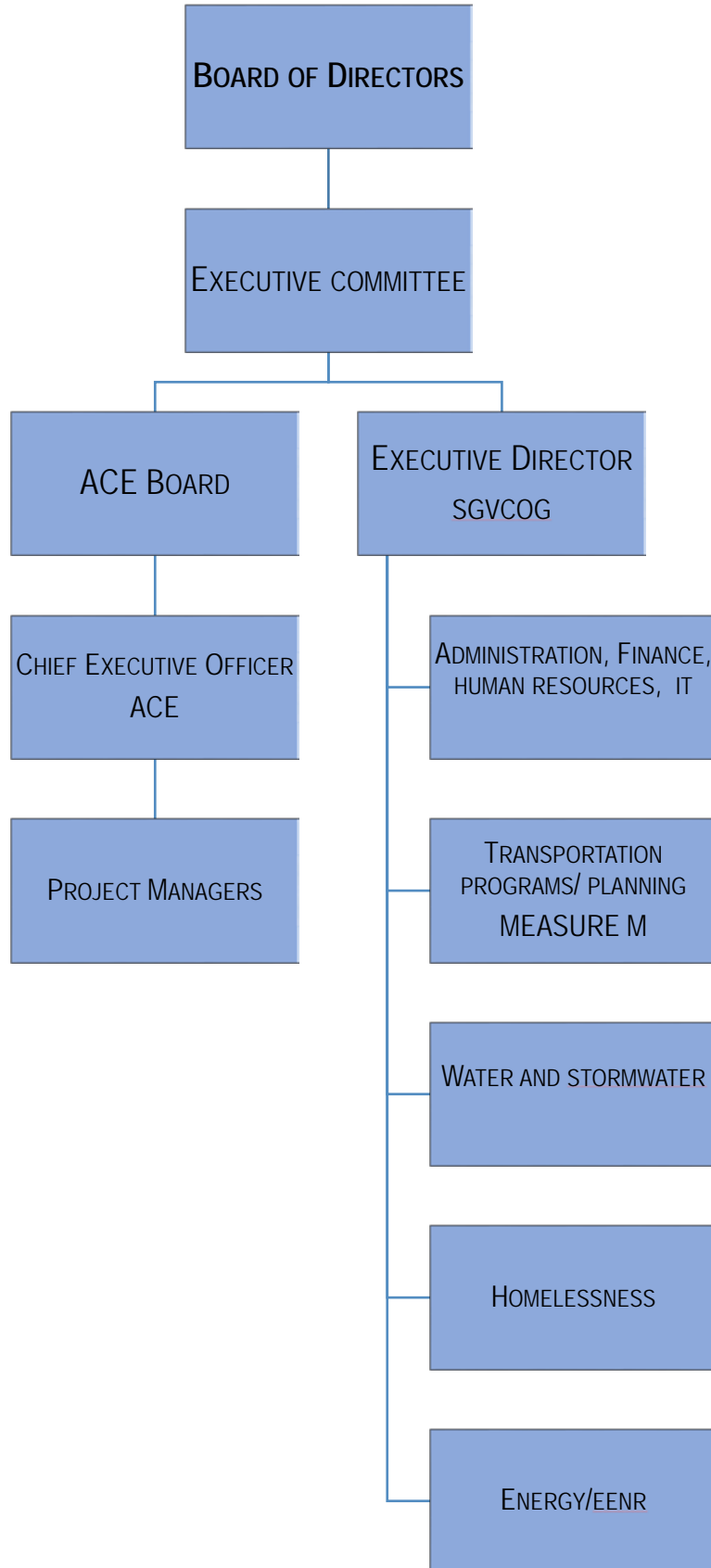
CONCLUSION:

This report is being presented with the endorsement of the Ad Hoc ACE/Large Capital Projects Committee and presented for information and discussion at the June 15 Governing Board meeting. A decision and vote on these recommendations, or as they may be modified, will be made at the Governing Board meeting on July 20, 2017.

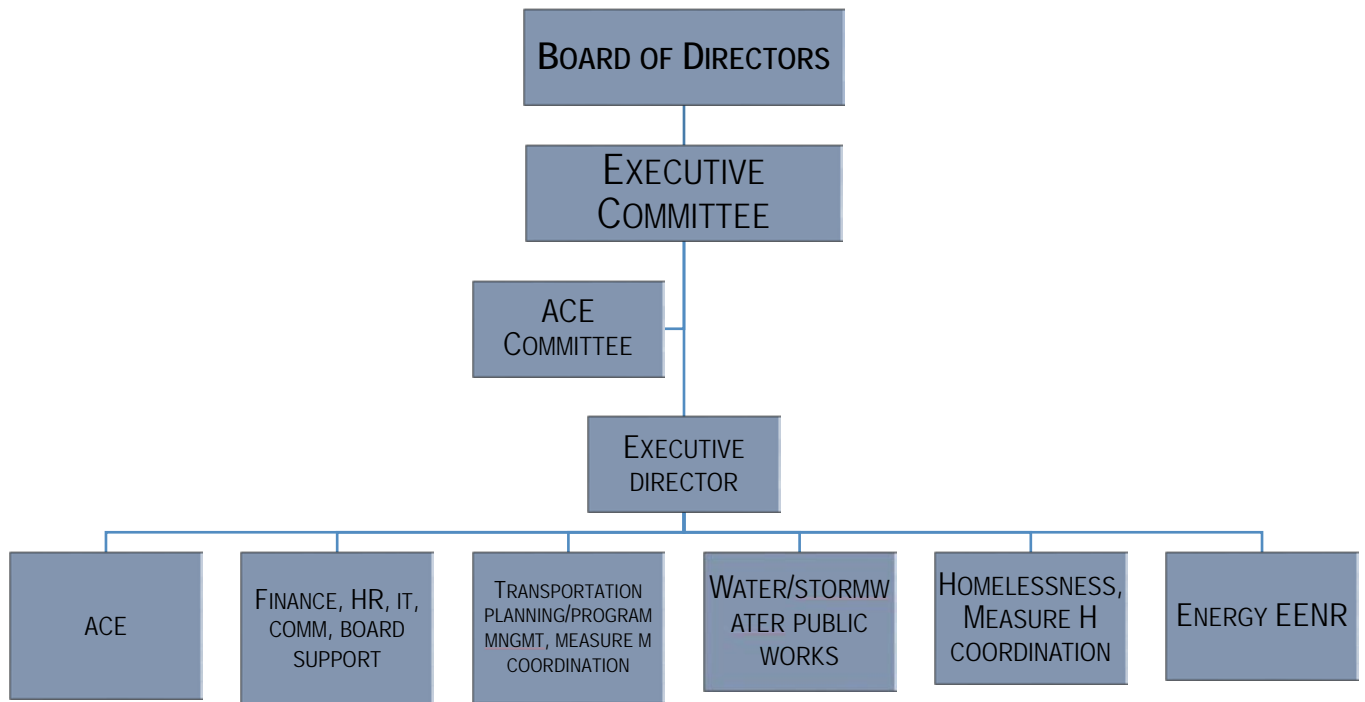
To the extent that the action taken by the Governing Board on July 20 requires changes in the Joint Powers Authority (JPA) and the By-Laws, it is anticipated that the new language will be submitted to the Governing Board at its meeting on September 21. The effective date of many of the changes in this report approved by the Governing Board will not take effect until the JPA and By-Laws are changed.

- John Fasana, Councilmember, City of Duarte Chair
- Gene Murabito, former Mayor of Glendora and President SGVCOG
- Terry Tornek, Mayor, City of Pasadena
- Victoria Martinez, Vice Mayor, City of El Monte
- Jack Hadjinian, Councilmember, City of Montebello
- Cynthia Sternquist, Mayor, City of Temple City and President SGVCOG
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- Linda Lowry, City Manager, City of Pomona
- David Liu, Public Works Director, City of Diamond Bar
- Javier Hernandez, Transportation Deputy, LA County District #1
- Dave Perry, Transportation Deputy, LA County District #5

Recommended by Ad Hoc Committee



Future Option



REPORT

DATE: June 15, 2017
TO: SGVCOG Governing Board
FROM: Phil Hawkey, Executive Director
RE: **Executive Committee Recommendation regarding COG/ACE organizational structure**

RECOMMENDED ACTION:

Approve the alternative recommendation to immediately proceed with the merging of COG/ACE into an integrated SGVCOG.

EXECUTIVE SUMMARY:

After an extensive strategic planning process for the SGVCOG in February, 2016, the future of the Alameda Corridor East Construction Authority (ACE), (which is a subsidiary of the SGVCOG) was identified as a top priority issue, since ACE is scheduled to expire in about six years when its current mission is completed. The Ad Hoc ACE/Large Capital Projects Committee was appointed in June 2016 by SGVCOG President Gene Murabito to study the relationship between SGVCOG and ACE and to explore combining the COG and ACE into an integrated organization that could both plan and implement capital projects.

In its interim report issued in January 2017, the Ad Hoc Committee recommended that the SGVCOG develop a plan for integrating ACE as an integral part of the COG to allow for the potential of the newly configured ACE to construct capital projects throughout the San Gabriel Valley as may be specifically approved by the Governing Board. The decision was made by the Governing Board in January to merge ACE fully into COG. The following language was approved:

- *Develop a multi-year plan to integrate ACE, as an ongoing integral part of the SGVCOG, to allow for potential future capacity to construct capital projects in the San Gabriel Valley pending future specific direction from the Governing Board. Report back within six months;*
- *Direct ACE and SGVCOG staff to further integrate administrative functions; and*
- *Consult with legal counsel of ACE and SGVCOG to identify necessary changes to SGVCOG JPA and Bylaws.*

The Ad Hoc Committee was directed by the Governing Board in January to further study the integration of SGVCOG and ACE and to report back to the Governing Board within six months.

The Ad Hoc Committee has been working since January and has now made its final recommendations, as follows:

1. Keep ACE, and do not allow it to expire upon completion of its mission in six years.
2. Expand ACE's jurisdiction so it can undertake projects throughout the SGV.

3. Modify the existing ACE Board to include representatives from five districts in the SGV, the president of the SGVCOG, and a county supervisor who represents a part of the SGV. In addition, the current ACE Board members will remain as voting members of the ACE Board until the ACE projects within their respective cities have been completed.
4. The new ACE Board will have similar responsibilities as the previous ACE Board.
5. The new ACE Board will report to the Governing Board, with communication to the Executive Committee.
6. ACE construction management staff will be maintained as a separate management unit.
7. Transfer all non-project staff (i.e. administrative staff) of ACE to become SGVCOG staff.
8. Review the organizational structure and responsibilities in 18 months.

The Executive Committee, at its meeting on June 5, directed by a unanimous motion (with one member absent), that an alternative proposal be submitted to the Governing Board that would modify the recommendation of the Ad Hoc Committee, as follows:

1. Keep ACE, and do not allow it to expire upon completion of its mission in six years.
Executive Committee: Agrees
2. Expand ACE's jurisdiction so it can undertake projects throughout the SGV.
Executive Committee: Agrees
3. Modify the existing ACE Board to include representatives from five districts in the SGV, the president of the SGVCOG, and a county supervisor who represents a part of the SGV. In addition, the current ACE Board members will remain as voting members of the ACE Board until the ACE projects within their respective cities have been completed.
Executive Committee: Agrees, with the modification that the ACE Board be re-named the ACE Committee to reflect the equivalent organizational alignment with other Committees of the SGVOCOG.
4. The new ACE Board will have similar responsibilities as the previous ACE Board.
Executive Committee: Agrees, except that the new ACE Committee will not have management or personnel responsibilities.
5. The new ACE Board will report to the Governing Board, with communication to the Executive Committee.
Executive Committee: Agrees, except that the ACE Committee will communicate through the Executive Committee while reporting to the Governing Board.
6. ACE construction management staff will be maintained as a separate management unit.
Executive Committee: Disagrees, recommending instead that the COG and ACE be combined into one organization with one Executive Director, and that ACE will be a SGVCOG division reporting to the Executive Director.
7. Transfer all non-project staff (i.e. administrative staff) of ACE to become SGVCOG staff.

Executive Committee: Disagrees, and instead recommends that all ACE staff become SGVCOG employees, reporting to the SGVCOG Executive Director.

8. Review the organizational structure and responsibilities in 18 months.

Executive Committee: Disagrees, and instead recommends that the Governing Board approve the merger of COG and ACE into one organization, with full implementation of staff integration to occur no later than July 1, 2018.

This recommendation should be discussed by the Governing Board as part of the discussion of the Recommendation from the Ad Hoc Committee. These recommendations are being presented to the Governing Board for discussion on June 15 so that the Board can direct staff on the action item that will be brought to the July 20 Governing Board meeting for approval.

ATTACHMENTS:

Attachment A – Executive Committee alternative report presenting modifications of the Ad Hoc Committee Final Report

Attachment B – the Executive Committee recommended organizational chart

Executive Committee Alternative Recommendation as a modification of the Report of the Ad Hoc ACE/ Large Capital Projects Committee

BACKGROUND:

ACE was created by the SGVCOG in 1998 as a subsidiary of the SGVCOG, with a narrow mission to address the traffic congestion caused by the expansion of freight rail traffic from the Ports of Los Angeles and Long Beach. For the past 18 years, ACE has had great success in securing more than \$1.6 billion in funding to construct grade separations to facilitate freight railroad movement through the southern portion of the San Gabriel Valley.

The mission of the ACE project is approaching completion in the next few years, and the SGVCOG must determine next steps. The expertise and excellent reputation of the ACE organization presents an opportunity to address an expanded and new scope of projects, but there are inherent risks and costs with this type of new endeavor.

In addition, with the passage of Measure M in Los Angeles County in November 2016, the SGVCOG will be responsible for guiding the allocation and implementation of over \$2 billion in capital projects and programs. The SGVCOG will either need to expand its capacity to handle these funds, or allow Metro to manage the funds in a manner guided by the advice of the SGVCOG.

As part of its Strategic Planning process in early 2016, the SGVCOG Governing Board identified the need to conduct an assessment about the future of ACE and the role of the SGVCOG in planning, funding, and constructing large capital projects. As a result, SGVCOG President Gene Murabito formed an ad hoc committee with the purpose of studying and fully exploring these issues.

Existing Structure

ACE is a subsidiary unit of the SGVCOG, operating under the Joint Powers Authority (JPA) that created the SGVCOG. However, ACE operates as a quasi-independent agency reporting to the ACE Board of Directors. ACE has a separate Chief Executive Officer, who reports to the ACE Board, and all ACE employees report to the Chief Executive Officer. As specified in the SGVCOG JPA and bylaws, the SGVCOG Governing Board is responsible for approving ACE's scope of projects and annual budget but all other functions are delegated to the ACE Board of Directors, including approving contracts, property acquisition, hiring of staff, and setting compensation of ACE employees. The ACE Board of Directors is comprised of the following members (all of which have, or did have, at least one ACE project within their jurisdiction):

- LA County
- El Monte
- Industry
- Montebello
- Pomona
- San Gabriel

Additionally, the SGVCOG President or his/her designee serves on the Board as a voting member.

The SGVCOG also has a memorandum of understanding (MOU) with ACE to have ACE staff provide technical assistance related to transportation planning. Under this MOU, the CEO of ACE is compensated by SGVCOG to periodically perform the functions of the Transportation Director for the SGVCOG. This role was most active in the development of the mobility matrix, as well in the communications with Metro and Caltrans on behalf of the SGVCOG. This work by the CEO of ACE as the Transportation Director of SGVCOG entails only a few hours a month and compensation from the SGVCOG is paid to ACE, which offsets the compensation that the CEO receives from ACE.

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1. The SGVCOG should focus on being a planning agency that concentrates on assessing the needs of the San Gabriel Valley, developing proposals and plans that address those needs, pursuing grants and funding sources to pay for programs and capital projects, including transportation and capital improvements, and collaborating with appropriate agencies to construct the large capital improvements;

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2. The SGVCOG should expand its organizational capacity from strictly a policy and planning agency, to become a construction agency as well. In addition to planning for transportation and large capital projects, the SGVCOG might take responsibility for managing the implementation of, and even constructing, these projects. These projects might include new highway construction, bridges, freeway interchanges, and bicycle paths, as well as non-transportation projects (e.g. storm water facilities). The Committee considered several variations of each alternative.

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CONTEXT: OPPORTUNITIES AND CHALLENGES:

Measure M funding

With the passage of Measure M, the L.A County transportation tax measure, San Gabriel Valley transportation projects and programs identified and prioritized by SGVCOG will receive more than \$2 billion in local sales tax funds over the coming decades, in addition to the \$1 billion that is allocated for the completion of the Foothill Gold Line.

Significant Measure M funding will be passed through eight programs established by the SGVCOG expressly for San Gabriel Valley projects:

- (1) Active Transportation (\$231 million)
- (2) Bus System Improvement (\$55 million)
- (3) First/Last Mile and Complete Streets (\$198 million)
- (4) Highway Demand Management (\$231 million)
- (5) Goods Movement (\$33 million)
- (6) Highway Efficiency (\$534 million)
- (7) ITS/Technology (\$66 million)
- (8) Subregional Equity (\$199 million)

Over the course of the ad hoc committee's work, it became apparent that whatever organizational form emerges from the effort, it must include added capacity for the SGVCOG to manage the Measure M funding assigned to the San Gabriel Valley and to secure matching funds, as needed to complete project budgets. Thus, the recommendation to create a position of Transportation Planner/Program Manager was approved by the Governing Board in February 2017, with the expectation that the position will be funded from Measure M funds.

Partner Agencies

Representatives from the Ad Hoc Committee met with key staff from L.A. Metro, including CEO Phil Washington. During that meeting, Metro staff referenced the Measure M Program Management Plan (PMP) that was presented to the Metro Board in October 2016. Metro indicated that the SGVCOG's proposal to take a more active role in planning, programming, and constructing projects and programs was consistent with the PMP, and Metro was supportive of subregional efforts that would facilitate projects being completed on-time and within budget.

A separate meeting was held with lead staff at Caltrans Region 7 on January 31, 2017 to identify possible roles for SGVCOG regarding constructing Caltrans transportation projects. The Caltrans leadership expressed their support for the expanded role of the SGVCOG, through a restructured ACE, that would do major capital projects throughout the San Gabriel Valley. Caltrans encouraged the development of a MOU between Caltrans and SGVCOG that would facilitate ACE and Caltrans working together on planning, designing and building improvements to state highways and related facilities.

GUIDING PRINCIPLES:

The Ad Hoc Committee gave time to establish some overriding principles that should guide any future actions of the SGVCOG in addressing the needs of the San Gabriel Valley. Guiding Principles were created and approved by the Ad Hoc Committee, against which the committee's recommended future SGVCOG structure was evaluated.

The Ad Hoc Committee developed Guiding Principles intended to define the core elements of the organizational structure and operating requirements of any new agency or division within the SGVCOG that would take on planning, programming, and construction projects. The following guiding principles were approved by the Committee:

Threshold Criteria & Member Benefit

- SGVCOG action will result in a measurable benefit to the region and member cities and/or non-action will result in a measurable disadvantage or loss to the San Gabriel Valley region.
- Collaborative relationships with impacted communities, LA Metro, Caltrans, LA County and/or other entities are explored before SGVCOG acts to plan or implement a program or project.
- Majority support from SGVCOG members is secured before a major program or project is undertaken.

Liability & Risk

- Structures are in place, including proper insurance and indemnification, to ensure there is no financial exposure or increased legal liability to member cities as a result of SGVCOG taking action.
- Prior to a project getting underway, agreements have been defined for long term ownership and maintenance of the completed project. by a responsible entity.

Financial Impact

- SGVCOG may pursue funding for planning activities that may, or may not, result in programs or capital projects, but could fund staff costs.
- SGVCOG will not proceed to implement a program or project without securing all funding sources necessary to complete each distinct phase of a project.
- Member agencies may volunteer to fund a program, project, or study through an assessment in which only the participating members benefit from the work.
- SGVCOG may secure short term financing to fund start-up costs or accelerate a program or project with approval of a majority of SGVCOG members.

Legal Authority & Project Oversight

- Action will conform to SGVCOG's existing legal authority. If it does not, all legal risks and changes to authority will be identified before taking action.
- Project oversight may be performed by a new organization (such as a separate JPA) created by SGVCOG that could plan, program, or implement projects in the San Gabriel Valley, and the SGVCOG might enter into agreements with this organization for the completion of those programs or projects.

EXECUTIVE COMMITTEE MODIFICATION OF AD HOC COMMITTEE RECOMMENDATIONS:

The key recommendations of the Executive Committee, as modifications of the recommendations of the Ad Hoc Committee are:

- 1. Keep ACE: (Executive Committee Approves):** The Ad Hoc Committee recognizes the success of ACE over the past 18 years in planning, funding and constructing over \$1.6 billion in grade separation improvements. With the passage of Measure M, and the availability of new state transportation funds, there will be resources for many projects in the San Gabriel Valley. If the SGVCOG can demonstrate the capacity to plan as well as to implement projects, the San Gabriel Valley will be able to accelerate the construction of projects that are important to our region.
- 2. Expand ACE's jurisdiction so it can undertake projects throughout the SGV: (Executive Committee Approves):** Any new project would require the approval of the majority of the Governing Board (currently there are 35 members of SGVCOG). The process for determining projects will be:
 - A potential program of projects will be developed through a collaborative planning process that will include a SGVCOG Technical Advisory Committee, LA County, Caltrans, and Metro, and other cities or agencies that might be affected by a project. This program of projects will be reviewed by the SGVCOG's Transportation Committee and submitted to the Governing Board for approval.

- The Governing Board shall have the sole authority to consider, approve, and assign funding to future projects to be undertaken by ACE, and the ACE Board shall not have the authority to act on a project until the project is assigned to them by the Governing Board. SGVCOG staff will have the authority to spend time and money to plan projects in anticipation of presentation to the Governing Board for approval.
3. **Modify the existing ACE Board: (Executive Committee Approves, except the name will be ACE Committee).** The new ACE Committee would include one representative from each of five districts in the SGV (the same districts as used by the City Manager TAC), the president of the SGVCOG and one county supervisor. Existing Board members will continue on the ACE Board as long as ACE projects are under construction in their cities.

The structure of the new ACE Committee will be as follows:

- The ACE Committee shall include one member from each of the five districts as used by the City Manager Steering Committee as follows:
 - Northeast: Azusa, Claremont, Glendora, La Verne, San Dimas
 - Southeast: Covina, Diamond Bar, Industry, La Puente, Pomona, Walnut
 - Central: Baldwin Park, El Monte, Rosemead, South El Monte, Irwindale, West Covina
 - Southwest: Alhambra, Montebello, Monterey Park, San Gabriel, South Pasadena, Temple City
 - Northwest: Arcadia, Bradbury, Duarte, La Canada Flintridge, Monrovia, Pasadena, San Marino, Sierra Madre
 - The members shall be appointed by the Governing Board through a nomination process and serve for two years. Members may be re-appointed for up to three terms.
 - The ACE Committee shall also include the SGVCOG Governing Board President or a designee, and a County Supervisor who represents all or a portion of the San Gabriel Valley (i.e. District 1, 4 or 5)
 - Current ACE Board members will remain as voting members of the ACE Committee until the ACE projects within their respective cities have been completed.
 - With the exception of the County Supervisor, ACE Committee appointees must be current SGVCOG delegates.
4. **The new ACE Committee will have similar responsibilities as the previous ACE Board:** The ACE Committee will be designated the authority to approve of contracts, change orders, and eminent domain. ~~(Delete: “and compensation for ACE employees.”)~~ The other change from their current authority is that that inter-agency agreements will be approved by the Governing Board.
5. **The new ACE Committee will communicate with the Executive Committee while reporting (delete: “report”) to the Governing Board:** As is current practice, the ACE Committee would report regularly to the SGVCOG Governing Board and communicate its activities to the Executive Committee.
6. ~~(Delete the entire following paragraph: “ACE construction management will be maintained as a separate management unit: ACE would operate under the authority of a Chief Executive Officer, who would report to the ACE Board. The ACE organization~~

will include only the project related ACE staff, under the Chief Executive Officer, with the non-project related ACE employees being transferred under the COG.”)

New Paragraph: **The COG and ACE will be combined into one organization with one Executive Director, and ACE will be a SGVCOG division reporting to the Executive Director.**

7. (Delete the entire following paragraph: **“Transfer the all non-project staff (i.e. administrative staff) of ACE to become SGVCOG staff:** All current ACE staff that is not directly involved with project management will transfer to be employees of the COG and report to the COG Executive Director. This includes the employees who work in human resources, finance, purchasing, records management, information technology, marketing and government relations, totaling about two-thirds of the employees of ACE, out of a total of 24 employees. Since the ACE compensation plan is structured differently than the COG compensation plan, extensive work will need to be done to integrate the two organizations. The remaining ACE employees who are directly involved in project management will continue as employees of ACE, reporting to the Chief Executive Officer of ACE. The employees of ACE that are transferred to become COG employees will continue to provides support services to ACE through a MOU whereby ACE will pay COG for the services provides for the administrative, financial, IT, HR, purchasing support of ACE.”) (Add New paragraph: **All ACE staff become SGVCOG employees, reporting to the SGVCOG Executive Director.**

8. (Delete the entire following paragraph: **Review the organizational structure and responsibilities in 18 months:** After operating for 18 months with a split administration of COG and ACE, the Governing Board will review the organizational structure and determine if ACE and COG should be combined into one organization with a single Executive Director.) New paragraph: **The Governing Board should approve the merger of COG and ACE into one organization, with full implementation of staff integration to occur no later than July 1, 2018.**

ORGANIZATIONAL STRUCTURE:

The recommended organizational structure, (Delete: “split administration between ACE and COG”), is shown on Attachment A as the **Executive Committee Recommended Option**.

(Delete the following sentence: “The alternative structure that might be considered by the Governing Board at the end of 18 months is shown on Attachment B as Future Option.”)

TIMETABLE:

- **July 20, 2017:** Governing Board approval of the agenda report describing the restructuring of COG/ACE and other recommendations in the report.
- **March 1, 2018:** Approval of JPA amendments by at least 50% plus one of the legislative bodies of the members, followed by approval amendments to the SGVCOG bylaws by the

Governing Board, which requires 50% plus one approval of the total membership of the COG (35 members).

- **July 1, 2018:** New ACE **Committee** takes effect as defined in the approved report with the structure and responsibilities as described in the amended JPA and bylaws.
- **July 1, 2018:** All ACE administrative staff are fully transitioned to become SGVCOG employees.
- **December 2018:** Governing Board approval of initial list of projects that may be undertaken by ACE in the San Gabriel Valley.
- ~~(Delete the following sentence: “**January 1, 2020:** Governing Board reviews organizational structure and decides whether to combine ACE and COG into one organization under the Executive Director.”)~~

IMPLEMENTATION:

The process to implement the recommendations included in this report will involve several steps, including:

- **Joint Powers Authority (JPA) amendment: Amendments to the JPA** requires approval of 50% plus one of the legislative bodies of the total membership of the SGVCOG. Currently there are 35 members of the SGVCOG. Necessary changes to the JPA include the following:
 - Section 4(b) (common powers), subsection (15) will need to be amended with respect to borrowing and incurring indebtedness/issuing bonds, as this power is restricted solely to fund the ACE project.
 - Section 27 of the JPA deals with the ACE Board structure and authority, as well as the authority of ACE to hire employees, enter into contracts, purchase property, utilize eminent domain and other powers. Language will need to be added that expands the jurisdiction of ACE to serve the entire San Gabriel Valley.

Amendments to the JPA will be required ~~(Delete: “in the first phase of implementation of this report”)~~ to modify the structure and jurisdiction of the ACE Committee. ~~(Delete the following sentence: “A subsequent amendment to the JPA will be required to fully integrate the ACE/COG organizations.”)~~

- **By-Laws Amendments:** require a vote of 50% plus one of the total voting membership of the SGVCOG Governing Board. Necessary changes to the SGVCOG bylaws include the following:
 - Article IV, regarding the Executive Director, will need to be amended, when appropriate, to clarify Article IV B which indicates that the Executive Director shall supervise employees, “except for those employees and consultants working for the ACE Construction Authority”.
 - The Finance Committee (Article VI C) will require revision as it refers to the selection of auditor with ACE assistance.
 - Article IX, dealing with ACE, will need to be revised to conform to the new structure approved by the Board. This involves scope of responsibility, powers, make-up of the Board, meeting and voting process, and the role of the Chief Executive Officer in managing the work of ACE and the employees.
 - Article IX, dealing with ACE, will need to be amended to reflect that the SGVCOG Governing Board will have the authority to approve inter-agency agreements.

Amendments to the By-Laws will be required (~~“in the first phase of implementation of this report, and additional amendments will be needed to the By-Laws”~~) to fully implement (~~“subsequent”~~) integration of ACE/COG organizations.

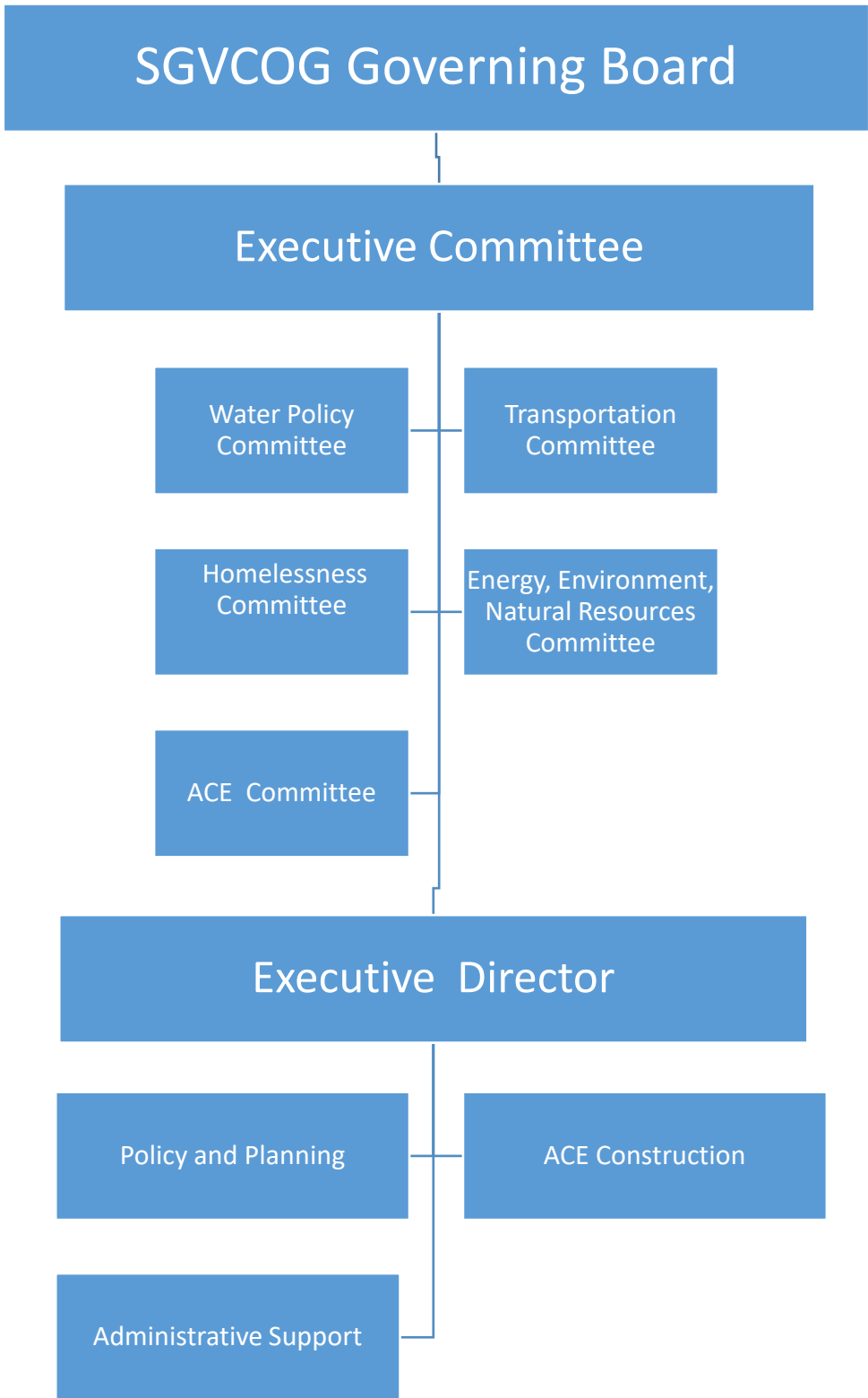
- **Budget Amendments and MOUs:** require approval of the Governing Board. Budget amendments will be needed to reflect the transfer of costs from ACE to COG. (~~“ACE project revenues and costs will continue to be separately accounted for, but within the overall accounting system of the SGVCOG.”~~) (~~“when non-construction employees of ACE are transferred to be employees of the COG. Other operating costs will need to be adjusted to reflect the expanded operation of the COG. New MOUs will need to be developed between COG and ACE, since under the new structure the administrative and finance employees will be employed by COG but most of their work will be done to support ACE.”~~)
- **Staff integration of ACE** (~~“administrative”~~) **staff to become COG employees:** (~~“this includes the transition of nearly two-thirds of ACE employees to become COG employees.”~~) It will require careful attention to address the anxiety of employees in dealing with relationship and cultural changes. Since the ACE compensation plan and work schedule is structured differently than the COG compensation plan and work schedule, extensive work will need to be done to blend the two organizations into a shared culture. (~~“If a second phase of organizational change is implemented between ACE and COG after 18 months, then a subsequent change management support program will also be needed.”~~)
- **Development of short and long range programs and projects:** With the approval of the SGVCOG Governing Board to expand the jurisdiction of ACE to serve the San Gabriel Valley, it will be appropriate for the ACE (~~“and COG”~~) staff to develop a list of construction projects that might be undertaken by ACE. This list of potential projects would be reviewed by the ACE **Committee** and submitted to the Governing Board for approval. In addition, each individual construction project, along with its funding plan, will be presented to the Governing Board for approval prior to proceeding with construction. Undertaking work to do preliminary construction concepts, and securing financing sources, is considered part of the operating responsibilities of (~~“COG”~~) and ACE.
- **Project/Program agreements with LA Metro and Caltrans:** requires approval of the SGVCOG Governing Board. These agreements will define the ongoing working relationships between SGVCOG/ACE and LA Metro and Caltrans. Additional individual agreements will be developed for specific projects that are done in collaboration with LA Metro, Caltrans, as well as any local government or agency that might be involved with a project.

CONCLUSION:

This report is being presented with the (~~“endorsement”~~) **recommendation** of the (~~“Ad Hoc ACE/Large Capital Projects”~~) **Executive** Committee and presented for information and discussion at the June 15 Governing Board meeting. A decision and vote on these recommendations, or as they may be modified, will be made at the Governing Board meeting on July 20, 2017.

To the extent that the action taken by the Governing Board on July 20 requires changes in the Joint Powers Authority (JPA) and the By-Laws, it is anticipated that the new language will be submitted to the Governing Board at its meeting on September 21. The effective date of many of the changes in this report approved by the Governing Board will not take effect until the JPA and By-Laws are changed.

- John Fasana, Councilmember, City of Duarte Chair
- Gene Murabito, former Mayor of Glendora and President SGVCOG
- Terry Tornek, Mayor, City of Pasadena
- Victoria Martinez, Vice Mayor, City of El Monte
- Jack Hadjinian, Councilmember, City of Montebello
- Cynthia Sternquist, Mayor, City of Temple City and President SGVCOG
- Sam Pedroza, Councilmember, City of Claremont
- Cruz Baca, Councilmember, City of Baldwin Park
- Linda Lowry, City Manager, City of Pomona
- David Liu, Public Works Director, City of Diamond Bar
- Javier Hernandez, Transportation Deputy, LA County District #1
- Dave Perry, Transportation Deputy, LA County District #5



REPORT

DATE: June 15, 2017

TO: Governing Board Members

FROM: Dominic Lazzaretto, Vice Chair SGVCOG City Managers' Steering Committee

RE: ACE/COG MERGER RECOMMENDATION FROM CITY MANAGERS' STEERING COMMITTEE

On June 7, 2017, the SGVCOG City Managers Steering Committee (Steering Committee) met to review the proposed ACE/COG merger process. Specifically, the Steering Committee reviewed the proposed report and recommendation from the ACE/Large Capital Projects Ad Hoc Committee (Ad Hoc Committee), which outlines a method for integrating ACE into the COG to allow for the organization to construct capital projects throughout the entire San Gabriel Valley.

After much thoughtful deliberation, the Steering Committee voted to endorse the Ad Hoc Committee's report along with the modification proposed by the Executive Committee, which recommended the immediate implementation of the COG/ACE merger. Of note, the Steering Committee felt that:

- ACE has a proven track record of successfully delivering large scale capital projects efficiently.
- ACE's reputation enables it to rapidly obtain significant grant funding from State and Federal agencies that would most likely be inaccessible to individual cities.
- The entire COG region would benefit from the economies of scale and flexibility provided by an expanded ACE without compromising local control over projects.
- Combining the structures of the two organizations would simplify the relationship and reduce overhead costs.
- The immediate COG/ACE merger will allow the COG to be out in front of planning to implement Measure M projects and programs. This is especially important as Measure M sales tax dollars will start to be allocated as soon as July 2017.
- Combining the structures in a single step will reduce confusion for the staff members, the Board, and the public. It also minimizes disruption and should help in attracting and retaining leadership for the organization.

The Steering Committee directed that a representative of the group appear before the June 15 Governing Board meeting to speak in support of this plan. As the presiding officer for the Steering Committee at its last meeting, I will be presenting this information to you and available to answer any questions you may have.

Thank you for your consideration of this very important topic.