

Metro

*Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
3rd Floor Board Room*



Agenda - Final

Wednesday, June 19, 2019

12:00 PM

**One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room**

Finance, Budget and Audit Committee

*Kathryn Barger, Chair
Paul Krekorian, Vice Chair
John Fasana
Ara Najarian
Mark Ridley-Thomas
John Bulinski, non-voting member*

Phillip A. Washington, Chief Executive Officer

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES
(ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

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- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

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NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

CALL TO ORDER

ROLL CALL

9. **SUBJECT: FISCAL YEAR (FY) 2016-2018 TRIENNIAL PERFORMANCE REVIEW REPORT** [2019-0426](#)

RECOMMENDATION

RECEIVE AND FILE the:

- A. FY 2016-2018 Triennial Performance Review of Los Angeles County Transit Operators and Metro Operations; and
- B. FY 2016-2018 Triennial Performance Review of the Los Angeles County Metropolitan Transportation Authority (Metro) as the Regional Transportation Agency (RTPA).

Attachments: [Attachment A - FY2016-2018 Triennial Performance Review Executive Summar](#)
[Attachment B - FY2016-18 Performance Review](#)

10. **SUBJECT: HIGHLAND PARK BUSINESS IMPROVEMENT DISTRICT** [2019-0246](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to sign the Petition to establish the Highland Park Business Improvement District (BID) for a period of five years commencing January 1, 2020 through December 31, 2024, for an estimated amount not to exceed \$9,239 over the life of the BID renewal.

Attachments: [Attachment A - Map of Highland Park BID](#)
[Attachment B - Highland Park BID Renewal Documents](#)
[Attachment C - Guidelines on BID Participation](#)

11. **SUBJECT: INFORMATION TECHNOLOGY SERVICES BENCH** [2019-0293](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. INCREASE authorized funding in the amount of \$13 million for the Information Technology Services Bench (IT Bench) to perform information technology support services on an as-needed task order basis with multiple approved firms (see Attachment C) increasing the cumulative total authorized funding from \$17 million to \$30 million; and
- B. AWARD and EXECUTE task orders for a not to exceed amount of \$30 million.

- Attachments:** [Attachment A - Procurement Summary](#)
[Attachment B - Contract Modification_Change Order Log](#)
[Attachment C - Firms by Discipline](#)
[Attachment D - List of Task Orders and Values](#)
[Attachment E - DEOD Summary](#)

12. **SUBJECT: FY20 AUDIT PLAN** [2019-0254](#)

RECOMMENDATION

ADOPT the FY20 Proposed Audit Plan.

- Attachments:** [Attachment A - FY20 Audit Plan](#)

13. **SUBJECT: EXCESS LIABILITY INSURANCE PROGRAM** [2019-0182](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to negotiate and purchase Public Entity excess liability policies with up to \$300 million in limits with an \$8 million self-insured retention at a cost not to exceed \$6.9 million for the 12-month period effective August 1, 2019 to August 1, 2020.

- Attachments:** [Attachment A - Options, Premiums and Loss History](#)
[Attachment B - Proposed Carriers & Structure](#)

14. **SUBJECT: FISCAL YEAR 2020 TRANSIT FUND ALLOCATIONS** [2019-0243](#)

RECOMMENDATION

CONSIDER:

- A. APPROVING \$2.4 billion in FY20 Transit Fund Allocations for Los Angeles County jurisdictions, transit operators and Metro operations as shown in Attachment A. These allocations comply with federal, state and local regulations and LACMTA Board approved policies and guidelines;
- B. APPROVING fund exchange of Federal Section 5307 discretionary funds awarded to the Southern California Regional Transit Training Consortium (SCR TTC) through Long Beach Transit in the amount of \$300,000 with Metro's TDA Article 4 allocation;
- C. APPROVING fund exchanges in the amount totaling \$13.8 million of Metro's Federal Section 5307 share with Municipal Operators' shares of Federal Sections 5337 and 5339;
- D. AUTHORIZING the Chief Executive Officer to adjust FY20 Federal Section 5307 (Urbanized Formula), Section 5339 (Bus and Bus Facilities) and

Section 5337 (State of Good Repair) allocations upon receipt of final apportionments from the Federal Transit Authority and amend FY20 budget as necessary to reflect the aforementioned adjustment;

- E. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements to implement the above funding programs; and
- F. ADOPTING a resolution designating Transportation Development Act (TDA) and State Transit Assistance (STA) fund allocations are in compliance with the terms and conditions of the allocations (Attachment C).

Attachments: [Attachment A - FY20 Transit Fund Allocations](#)
[Attachment B - Summary of Significant Information, Methodologies and Assump](#)
[Attachment C - TDA and STA Resolution](#)

15. SUBJECT: LOCAL RETURN PROPOSITION C AND MEASURE R [2019-0366](#)
CAPITAL RESERVE

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to negotiate and execute all necessary agreements between Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Cities for their Capital Reserve Account as approved; and:

- A. ESTABLISH Proposition C Local Return funded Capital Reserve Account for the Cities of Bell, El Monte, and South Gate; and
- B. ESTABLISH Measure R Local Return funded Capital Reserve Account for the Cities of El Monte and Glendale.

Attachments: [Attachment A Project Summary for Proposed New Capital Reserve Accounts.pc](#)

16. SUBJECT: TRANSPORTATION DEVELOPMENT ACT (TDA) ARTICLE [2019-0386](#)
8 FUND PROGRAM

RECOMMENDATION

ADOPT:

- A. Findings and Recommendations (Attachment A) for allocating fiscal year (FY) 2019-20 Transportation Development Act (TDA) Article 8 funds estimated at \$28,747,096 as follows:
 - 1. In the City of Avalon, there are no unmet transit needs that are reasonable to meet, therefore TDA Article 8 funds (Attachment B) in the amount of \$164,382 may be used for street and road projects, or transit projects, as described in Attachment A;

2. In the Cities of Lancaster and Palmdale, there are no unmet transit needs that are reasonable to meet. In the Cities of Lancaster and Palmdale and the unincorporated portions of North County transit needs can be met using other existing funding sources. Therefore, the TDA Article 8 funds in the amount of \$6,862,652 and \$6,756,613 (Lancaster and Palmdale, respectively) may be used for street and road purposes and/or transit, as long as their transit needs continue to be met;
 3. In the City of Santa Clarita, there are no unmet transit needs that are reasonable to meet. In the City of Santa Clarita and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds in the amount of \$9,170,814 for the City of Santa Clarita may be used for street and road and/or transit, as long as their transit needs continue to be met;
 4. In the Los Angeles County Unincorporated areas of North County, the areas encompassing both the Antelope Valley and the Santa Clarita Valley, transit needs are met with other funding sources, such as Proposition A and Proposition C Local Return. Therefore, TDA Article 8 funds in the amount of \$5,792,635 may be used for street and road purposes and/or transit, as long as their transit needs continue to be met; and
- B. A resolution (Attachment C) making a determination of unmet public transportation needs in the areas of Los Angeles County outside the Metro service area.

Attachments: [Attachment A - FY20 Proposed Findings and Recommendations](#)
[Attachment B - TDA 8 Apportionments FY19-20](#)
[Attachment C - FY2019-20 TD Article 8 Resolution](#)
[Attachment D - History and Definitions TDA 8](#)
[Attachment E - FY20 TDA Article 8 Public Hearingprocess](#)
[Attachment F - FY20 Summary of the Comments](#)
[Attachment G - Summary of Recommendations and Actions Taken FY20](#)
[Attachment H - Proposed Recommendation of SSTAC](#)

**17. SUBJECT: ACCESS SERVICES PROPOSED FISCAL YEAR 2020
BUDGET**

[2019-0423](#)

RECOMMENDATION

CONSIDER:

A. APPROVING local and federal funding request for Access Services (Access) in an amount not to exceed \$103,425,544 for FY20. This amount includes:

- Local funds for operating and capital expenses in the amount of \$97,870,848;
- Local funds paid directly to Metrolink for its participation in Access' Free Fare Program in the amount of \$2,266,696;
- Programming of Federal Surface Transportation Block Grant (STBG) Program funds for operating expenses in the amount of \$3,288,000; and

B. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements to implement the above funding programs.

Attachments: [Attachment A - Access FY20 Budget
Presentation](#)

SUBJECT: GENERAL PUBLIC COMMENT

[2019-0468](#)

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

**COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S
SUBJECT MATTER JURISDICTION**

Adjournment



Board Report

File #: 2019-0426, **File Type:** Informational Report

Agenda Number: 9.

**FINANCE, BUDGET AND AUDIT COMMITTEE
JUNE 19, 2019**

SUBJECT: FISCAL YEAR (FY) 2016-2018 TRIENNIAL PERFORMANCE REVIEW REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the:

- A. FY 2016-2018 Triennial Performance Review of Los Angeles County Transit Operators and Metro Operations; and
- B. FY 2016-2018 Triennial Performance Review of the Los Angeles County Metropolitan Transportation Authority (Metro) as the Regional Transportation Agency (RTPA).

ISSUE

The Transportation Development Act (TDA) requires Triennial Performance Reviews of Transit Operators and RTPAs. The FY 2016-2018 Triennial Performance Review Report is completed and the report presents the results of the review.

DISCUSSION

The California Public Utilities Code (PUC) Section 99246, included in the Transportation Development Act (TDA), requires Metro to conduct an independent performance review of all Los Angeles County Transit Operators receiving TDA Article 4 funds, as well as operators receiving Proposition A funds in lieu of TDA funds. The TDA also requires that regional transportation planning agencies (RTPAs) undergo an independent performance review, focusing particularly on the planning roles. The review is conducted every three years, and Metro must send a Certificate of Completion to the California Department of Transportation (Caltrans), so that Metro may receive and allocate TDA and State Transit Assistance (STA) funds for Los Angeles County.

Under contract to Metro, the firm of BCA Watson Rice, LLP independently conducted the FY 2016-2018 Performance Review of the Transit Operators, Metro Operations and Metro as the RTPA for Los Angeles County. The following summarizes the scope of the review:

A. REVIEW OF LOS ANGELES COUNTY TRANSIT OPERATORS AND METRO OPERATIONS

The following Los Angeles County transit operators were included in this review:

- Antelope Valley Transit Authority (AVTA)
- Arcadia Transit
- City of Redondo Beach - Beach Cities Transit
- Claremont Dial-A-Ride
- Commerce Transit
- Culver City Bus
- Foothill Transit
- GTrans
- LA County Metropolitan Transportation Authority Operations
- La Mirada Transit
- Long Beach Transit
- Los Angeles Department of Transportation (LADOT)
- Montebello Bus Lines
- Norwalk Transit System
- Santa Clarita Transit
- Santa Monica's Big Blue Bus (BBB)
- Torrance Transit
- City of Burbank
- City of Glendale
- City of Los Angeles - Community DASH Services
- Pasadena Transit

The FY 2016-2018 Performance Review included all areas that the State mandates. Areas reviewed were:

- Verification of TDA data collection and reporting requirements;
- Compliance with (PUC) requirements;
- Progress in implementing prior review recommendations;
- Review of TDA performance indicator trend analysis; and
- High level functional area performance review.

In addition, operators' data submitted for Metro's Transit Performance Measurement Program (TPM) was reviewed. The Metro uses the TPM data to allocate transit subsidy funds to Los Angeles County Transit Operators, including Metro Operations.

B. REVIEW OF METRO AS THE REGIONAL TRANSPORTATION PLANNING AGENCY (RTPA)

The review of Metro as the RTPA included:

- Progress on implementing prior cycle review recommendations;

- Compliance with PUC requirements; and
- Performance results for Metro as the RTPA

Progress on Implementing Prior Cycle Review Recommendations

The prior review of Metro as the RTPA included one recommendation. This recommendation has been implemented.

Compliance with PUC Requirements

The Metro is in full compliance with the applicable PUC requirements.

Performance Results for Metro as the RTPA

The review concluded Metro generally functioned in an efficient, effective, and economical manner during the triennial period.

It is important to consider the accomplishments achieved by Metro during the three-year period covered by this Triennial Performance Review. These accomplishments include:

- Passage of Measure M with 71 percent of voters approving provided a strong show of faith in the future of transportation in LA County and the public's growing awareness of the need to build more transportation and maintain our existing transit system.
- Opening of the Expo and Gold Line light rail extensions.
- Construction of the Purple rail line Section 2 and securing the full funding grant agreement.
- Extension of the Silver bus line to San Pedro.
- Adoption of the updated affordable housing joint development policy.
- Launching of Metro's Bike Share program.
- Adoption of the 28 by 2028 transportation construction program and rail construction acceleration initiative.
- Development of the unsolicited proposal policy.
- Began development of Metro Transportation School, a four-year boarding prep school for disadvantaged youth.
- Developed the First / Last mile policy.
- Initiated the Nextgen schedule revision including significant market research, travel demand analysis using location based and TAP fare data, and public outreach and input meetings.
- Passage of SB 1 providing increased transportation funding.
- Adopted goal of moving to zero-emission buses by 2030.
- Revised the safety and security approach and structure for rail and bus lines.
- Increased efforts to address the adverse impacts of homelessness on the rail system.
- Initiated the update to the Long-Range Transportation Plan (LRTP).
- Completed the Vision 2028 Strategic Plan.
- Established the Public Private Partnership (P3) program and framework.
- Began focusing on transit assets and state of good repair every year.
- Negotiated all five labor union contracts and settled before contracts expired and have 5-year contracts instead of three providing extended labor peace.
- Developed a working group of larger municipal operators to work together to consolidate fare rules throughout the region.
- Working with municipal operators, developed the "Ridership Growth Action Plan" to review causes of ridership

decline and develop strategies to address major factors.

- Developed a plan to shut down and rebuild Metro Blue Line.

The key findings of the FY 2016-2018 Metro as RTPA Triennial Performance Review are summarized in Attachment B.

FINANCIAL IMPACT

There are no financial or budget impacts as a result of this review.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan goals 4 and 5. Goal 4: Transform LA County through regional collaboration and national leadership. Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

NEXT STEPS

As required by PUC §99246, staff will transmit the FY 2016-2018 Triennial Performance Review reports to the State Department of Transportation. Copies of the reports are available upon request.

ATTACHMENTS

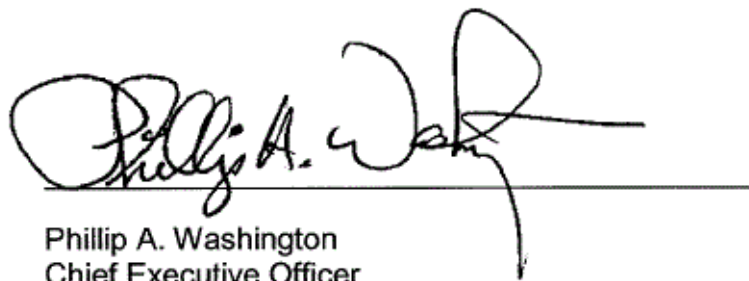
Attachment A - FY2016-2018 Triennial Performance Review Executive Summary

Attachment B - FY2016-18 Performance Review

Prepared by: Armineh Saint, Senior Manager, Transportation Planning (213) 922-2369

Drew Phillips, Director, Budget (213)-922-2109

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

Legislative Mandate

The California Public Utilities Code (PUC) Section 99246, included in the Transportation Development Act (TDA), requires Metro to conduct an independent performance review of all Los Angeles County Transit Operators receiving TDA Article 4 funds, as well as operators receiving Proposition A funds in lieu of TDA funds. The review is conducted every three years, and Metro must send a Certificate of Completion to the California Department of Transportation (Caltrans), so that Metro may receive and allocate TDA and State Transit Assistance (STA) funds for Los Angeles County.

The three-year period reviewed encompasses the period from July 1, 2015 through June 30, 2018. The performance review included a review of the following:

- *Compliance with PUC* - ensuring compliance with applicable PUC requirements.
- *Data Collection and Reporting* - verification of TDA data collection and reporting procedures.
- *Prior Review Recommendations* - reporting on implementation of the prior triennial performance review recommendations.
- *Performance Trends* - summaries of performance indicators for the review period.
- *Functional Review* - high-level review of key functional areas surveyed as part of the process of conducting the review, resulting in suggestions for operational and management improvements.

Municipal Operators

Summary of Key Findings

The municipal operators were generally in compliance with the requirements set forth in the PUC. The most common compliance-related issues or issues in addressing prior triennial performance review recommendations included the following:

- *Data consistency* – the consistency of data reporting was an issue for many of the operators, but most of these issues related to timing differences in when reports were submitted and definitional differences in how certain categories of metrics were defined by the different agencies.
- *Farebox Recovery Ratio* – in prior reports, some municipal operators had recommendations related to raising their farebox recovery ratio in lieu of using local subsidies. However, in many instances, the municipal operators made a policy decision not to raise bus fares in an effort to maintain affordable transit options for their services.

Key Challenges

The most common challenges faced by the municipal operators related to two key issues:

- *Declining Fixed Route Ridership* – over the last several years, most municipal operators have experienced some level of decline in their fixed route ridership. The general consensus on the reasons for the decline include increased car ownership, easier access to drivers' licenses, stable gas prices and increased use of micro-transit options such as Uber and Lyft.
- *Challenges in Recruiting and Retaining Bus Operators* – many municipal operators indicated that in the current labor market, they have been experiencing greater challenges in recruiting and retaining bus operators and, to a lesser degree, bus maintenance staff.

Key Accomplishments

Each operator had their own unique set of accomplishments during the review period. Listed below is one key accomplishment for each operator:

- *AVTA* -- issued purchase orders for 80 new all-electric zero emission buses, becoming the first transit agency in the United States to commit to an all-electric fleet. The new buses will all be on site by the end of 2019.
- *Arcadia* -- conducted a comprehensive review of its ridership from FY17 in an effort to make adjustments to the newly implemented fixed route and demand response system. Recommended changes to the system included schedule modifications, bus stop relocations and additions, and route extensions.
- *Beach Cities Transit* – added Beach Cities Transit general and senior/disabled monthly passes to TAP and posted promotional information on the use of mobile validators on fixed route services.
- *Burbank* -- completed a comprehensive operational analysis. The report provides a line-by-line analysis with recommendations for each route. The report reviewed, among other things, ridership levels, running times, and on-time performance.
- *Claremont* -- underwent a comprehensive assessment of its services in FY17. The goal of the assessment was to document the service characteristics of riders and the nature of their trips, identify gaps in services, areas of unmet need or latent demand.

- *Commerce* -- added a new “Purple Route” during the review period which operates Monday through Friday through the heart of the City serving shopping areas, the Citadel and City Hall, among other locations.
- *Culver City* – in collaboration with Culver City Unified School District on safe routes to school, Culver CityBus expanded marketing outreach to develop a dynamic transit video to increase education and awareness of transit programs.
- *Foothill Transit* – assumed operation of Lines 190, 194 and 270 from Metro, representing Foothill’s largest service expansion in 14 years.
- *Gardena* – conducted a fare analysis to address restructuring options for increasing revenues, while adding regional TAP fare integration and incentives.
- *Glendale* -- began the process of building a new maintenance and operations facility which should provide significant benefits to the maintenance and storage of the Beeline vehicles.
- *La Mirada* -- conducted a competitive bid process for its transit services and executed a four-year contract with MV Transportation to provide its demand response services.
- *LADOT* – conducted over 40 public meetings and engaged more than 1,600 members of the public in completing a systematic evaluation of each DASH and Commuter Express route, and the Cityride paratransit program.
- *Long Beach Transit* -- conducted a comprehensive operational analysis in 2017, its first in 13 years which included a number of short-, medium- and long-term service recommendations.
- *Montebello* -- implemented a new scheduling software and hired a management analyst to review routes on an on-going basis to improve productivity.
- *Norwalk* -- in 2016, assumed operation of Metro Line 270, renaming it Route 7 and realigning it to operate between El Monte Station and Norwalk’s Green Line Station.
- *Pasadena* – in 2017, was awarded the Outstanding Transportation Agency by the California Association of Coordinated Transportation, the largest state transit association in the country.
- *Santa Clarita* -- began the process of developing a ten-year Transportation Development Plan to address the needs and transportation dynamics within the

Santa Clarita Valley. The City began the process in April of 2018 and it is expected to be completed in 2019.

- *Santa Monica* – in 2016, received the American Public Transportation Association Silver Status award for Sustainability.
- *Torrance* – in 2018, developed the Torrance Transit Mobile App, in partnership with Google Maps, to allow patrons to access real-time bus information from smart phones and computers.

Metro Operations

Summary of Key Findings

Metro Operations met all compliance requirements with respect to the PUC. Additionally, Metro's data reporting was largely consistent with minor inconsistencies being the likely result of timing differences in the submission of reports or noted inconsistencies in category definitions by the reporting agencies. Metro Operations complied with all prior triennial performance review recommendations.

Key Challenges

Similar to the municipal operators, Metro Operations struggled with both a decline in fixed route ridership as well as difficulties in recruiting and retaining both bus operators and maintenance staff. In addition, due to delays in procuring and receiving new buses, Metro took approximately 340 buses out of retirement for a period of time during the review period as a means of maintaining its bus fleet at appropriate levels.

Key Accomplishments

Metro Operations had a series of significant accomplishments during the review period including the following:

- Metro opened Division 13, a state-of-the-art bus maintenance and operations facility. The new facility will accommodate 200 CNG buses, fueling equipment and transportation offices for staff. The facility was, in part, funded by \$53.2 million in federal funding which contributed to the \$120 million total cost.
- Metro began a collaborative entitled the Regional Ridership Improvement Task Force to address the issue of declining ridership from a regional perspective. Metro brought together seventeen different transit agencies from the region to review ridership and travel trends.
- Metro initiated a comprehensive look at the future of transit within Los Angeles County entitled the NextGen Bus Study. The study is, in part, a response to the regional decline of bus route ridership in Los Angeles County.

Countywide Performance

The following is a summary of total system trends for Municipal Operators and Metro Operations. The importance of these trends is to show the general change in performance related to the overall system.¹ The key takeaway from these metrics is that ridership declines are impacting overall efficiency and productivity of the overall system.

Ridership

Overall, ridership for both the Municipal Operators and for Metro Operations declined over the review period. While some demand response systems and Metro's light rail system showed ridership gains, virtually all of the fixed route systems had a decline in ridership which impacted the overall system numbers. The following charts show the aggregate ridership numbers and the percentage change since the FY 2015 base year:

Municipal Operators				
Total System -- Unlinked Passengers				
FY15	FY16	FY17	FY18	% Change
119,992,290	110,970,815	101,880,973	96,618,965	-19.48%

Metro Operations				
Total System -- Unlinked Passengers				
FY15	FY16	FY17	FY18	% Change
457,355,979	386,981,387	407,153,682	394,361,657	-13.77%

Vehicle Service Hours

Overall, Vehicle Service Hours showed a small rise for Municipal Operators while Metro Operations experienced relatively stable numbers. The following charts show the aggregate vehicle service hours and the percentage change since the FY 2015 base year:

Municipal Operators				
Total System -- Vehicle Service Hours				
FY15	FY16	FY17	FY18	% Change
4,208,475	4,367,319	4,455,602	4,537,714	7.82%

¹ It is important to note that these numbers reflect the "total system" for the Municipal Operators which includes both fixed route and demand response services. Likewise, the numbers for Metro Operations include fixed route, heavy rail and light rail.

Metro Operations				
Total System -- Vehicle Service Hours				
FY15	FY16	FY17	FY18	% Change
8,066,619	8,130,883	8,084,889	8,030,689	-0.45%

Cost Per Passenger

Cost per passenger rose sharply for both Municipal Operators and Metro Operations during the review period, a reflection of the decrease in ridership numbers experienced almost across the board by the agencies. The following charts show the aggregate cost per passenger and the percentage change since the FY 2015 base year:

Municipal Operators				
Total System -- Cost Per Passenger				
FY15	FY16	FY17	FY18	% Change
\$3.90	\$4.32	\$5.07	\$5.72	47.0%

Metro Operations				
Total System -- Cost Per Passenger				
FY15	FY16	FY17	FY18	% Change
\$3.07	\$4.07	\$4.28	\$4.51	46.9%

Cost Per Vehicle Service Hour

Cost per vehicle service hour rose for both Municipal Operators and Metro Operations during the review period. The following charts show the aggregate cost per vehicle service hour and the percentage change since the FY 2015 base year:

Municipal Operators				
Total System -- Cost Per Vehicle Service Hour				
FY15	FY16	FY17	FY18	% Change
\$111.06	\$109.64	\$115.92	\$121.89	9.75%

Metro Operations				
Total System -- Cost Per Vehicle Service Hour				
FY15	FY16	FY17	FY18	% Change
\$174.15	\$193.79	\$215.46	\$221.31	27.08%



1. Executive Summary

Background, Scope and Methodology

The California Public Utilities Code requires all Regional Transportation Planning Entities (RTPE) to conduct an independent Triennial Performance Review in order to be eligible for Transportation Development Act (TDA) funding. In July 2018, Metro selected BCA Watson Rice, LLP to conduct a Triennial Performance Review of itself as the RTPE and operator, as well as the twenty-one municipal operators to which Metro allocates funding. This Triennial Performance Review covers a three-year period ending June 30, 2018.

This Triennial Performance Review was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and in accordance with the processes established by the California Department of Transportation, as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The review methodology for this Triennial Performance Review of Metro as the RPTE included four tasks:

1. Project Initiation
2. Initial Review
3. Detailed Review
4. Documentation of Performance Audit Results

This Triennial Performance Review included the following elements:

1. Compliance Requirements
2. Follow-up of Prior Recommendations
3. Review of Metro Functions
4. Findings and Recommendations

Key Accomplishments

It is important to consider the accomplishments achieved by Metro during the three-year period covered by this Triennial Performance Review. These accomplishments include:

- Passage of Measure M with 71 percent of voters approving provided a strong show of faith in the future of transportation in LA County and the public's growing awareness of the need to build more transportation and maintain our existing transit system.



- Opening of the Expo and Gold Line light rail extensions.
- Construction of the Purple rail line Section 2 and securing the full funding grant agreement.
- Extension of the silver bus line to San Pedro.
- Adoption of the updated affordable housing joint development policy.
- Launching of Metro's Bike Share program.
- Adoption of the 28 by 2028 transportation construction program and rail construction acceleration policy.
- Development of the unsolicited proposal policy.
- Began development of the Metro Transportation School, a four-year boarding prep school for disadvantaged youth.
- Developed the first / last mile policy.
- Initiated the Nextgen schedule revision including significant market research, travel demand analysis using location based and TAP fare data, and public outreach and input meetings.
- Passage of SB 1 providing increased transportation funding.
- Adopted goal of moving to zero-emission buses by 2030.
- Revised the safety and security approach and structure for rail and bus lines.
- Increased efforts to address the adverse impacts of homelessness on the rail system.
- Initiated the update to the Long-Range Transportation Plan (LRTP).
- Completed the Vision 2028 Strategic Plan.
- Established the Public Private Partnership (P3) program and framework.
- Began focusing on transit assets and state of good repair every year.
- Negotiated all five labor union contracts and settled before contracts expired and have 5-year contracts instead of three providing extended labor peace.
- Developed a working group of larger municipal operators to work together to consolidate fare rules throughout the region.
- Working with municipal operators, developed the "Ridership Growth Action Plan" to review causes of ridership decline and develop strategies to address major factors.
- Developed a plan to shut down and rebuild the Metro Blue Line.



Compliance Requirements

To determine Metro's compliance with requirements the review team identified key compliance requirements, discussed compliance requirements with Metro representatives, and gathered and reviewed evidence of compliance. Metro was found to be in compliance with all applicable requirements evaluated as part of this Triennial Performance Review.

Follow-Up of Prior Recommendations

The prior Triennial Performance Review completed in 2016 included no compliance recommendations and one functional recommendation.

1. Enhance coordination between the Office of Management and Budget (OMB) and Planning departments.

Status: Implemented – Coordination between OMB and Planning has improved.

Review of Metro Functions

The following sections discuss the results of the review of Metro functions.

Planning and Programming of Transportation Funds

The planning and programming of transportation funds in Los Angeles County has challenges unlikely to be found elsewhere including programming authority for 50 distinct local, state, and federal sources of funds; responsibility for allocating over \$6 billion annually in funds; a need to assess, refine, and program funding requests in a way that is fair, transparent, and consistent with multiple needs; political and public expectations to move quickly and boldly to increase capacity on a badly strained transportation system.

Within this context, successfully planning and programming transportation funds requires several key elements including accurately forecasting available funds, developing criteria for evaluating funding choices, evaluating capital funding requests, and balancing revenue and expenditures. The review team concluded Metro has planned and programmed transportation funds and addressed the challenges faced methodically, effectively, and efficiently over the triennial period.

Transportation Funds Administration

Metro administers several funds. Successful administration of these funds requires several elements including clear identification of guidelines or requirements, appropriate



tracking and certifying of the use of funds, reasonable flexibility, and coordination and assistance to municipal operators receiving funds. The review team concluded that Metro has developed approaches to each of these elements, and effectively and efficiently administered transportation funds for the region during the triennium.

Rail Construction Program

Metro is responsible for planning and building a rail transit system. This undertaking includes alternative analysis, design, construction, and pre-start-up operations of the project. Ultimately, the rail transit system will serve the San Fernando Valley, West Los Angeles; South-Central Los Angeles/Long Beach; South Bay/Harbor; Century Freeway Corridor; and the San Gabriel Valley. Since July 2015, Metro has opened one new line, greatly expanded a second, started construction on four others, and completed the draft environmental impact report on five more.

Metro has implemented several practices to accelerate rail construction including life cycle costing, project labor agreements, programs to work with communities affected by rail construction, involving operations in the early stages of project design, consolidating construction contracts, revised authority for certain change orders, implementation of strict ethics requirements for employees and contractors, and development of a detailed Project Management Plan.

The review team concluded Metro continues to be effective in planning, designing and constructing a rail transit system for Los Angeles County.

Legislative Proponent and Analysis (Government Relations)

Metro's ability to plan, program and deliver transportation services is greatly impacted by federal, state and local legislation. Having an effective legislative proponent and analysis program is essential to Metro's ongoing ability and success in delivering transportation services to Los Angeles County.

Metro has an effective government relations function that includes a clear scope and direction, active monitoring of legislative initiatives and activities and active pursuit and advocacy of legislative priorities and positions in coordination with others. The review team concluded Metro's Government Relations function provides a well-focused, well structured, comprehensive and effective legislative proponent and analysis for Metro.



Air Quality Management Plan (AQMP)

The Air Quality Management Plan is a regional blueprint for achieving the federal air quality standards and healthful air. The South Coast Air Quality Management District (SCAQMD) is responsible for clean air in the South Coast Air Basin, an area that includes Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties. The SCAQMD develops the AQMP every five years, with the most recent plan developed in 2016.

Metro's role in the AQMP is to develop and implement transportation strategies that reduce vehicle miles travelled and related emissions. These strategies are submitted to SCAG and included in the Regional Transportation Plan (RTP) developed by SCAG. The review team concluded Metro meets or exceeds its obligations to support and improve air quality in the Southern California region and the regional Air Quality Management Plan (AQMP).

Consolidated Transportation Services Agency (CTSA)

Consolidated Transportation Services Agencies were originally created by the Social Services Transportation Improvement Act in 1979 to coordinate and improve social service transportation services.

Metro has taken or directed several key actions to fulfill its CTSA responsibilities including designating Access as the CTSA for Los Angeles County in 1994, developing the *Public Transit-Human Services Transportation Action Plan for Los Angeles County* in 2008, developing the *Social Service Transportation Inventory and Survey* (through Access) in 2014, and adopted the *2016-2019 Coordinated Public Transit – Human Services Transportation Plan for Los Angeles County* in 2015. The review team concluded Metro has met legislatively mandated responsibilities related to planning for coordination and improvement of social service transportation services.

Management Performance

The review of Metro's management performance included a review of Metro's goal setting and monitoring including related policy decisions, Metro's governance structure and the role of the Board in providing leadership, and allocation of administrative funds.

Metro's goal setting and monitoring processes through the Metro Vision 2028 Strategic Plan and the Equity Platform Framework provide well-founded, well-structured and strong direction for the Metro Board and agency. These efforts and policy statements will serve Metro and those served by Metro over the next decade.



Metro's Board of Directors guides the agency's priorities, projects and activities, and includes 13 members who represent areas throughout Los Angeles County. The Metro Board's governance approach and structure, including the use of committees and advisory bodies, provides Metro with an effective leadership and decision-making system.

The review team concluded Metro's administrative funds were adequately and effectively allocated in order to achieve Metro's stated goals through the budget process.

Internal Administration

This review of Metro's internal administration included determining if the budget is being used as an effective management tool, if internal controls are adequate and provide appropriate information to management, if accounting procedures are adequate to make fund balances available, and if the organization and reporting structure could be improved.

A good budget process is a broadly defined process that has political, managerial, planning, communication, and financial dimensions. A good budget process incorporates a long-term perspective, establishes linkages to broad organizational goals, focuses budget decisions on results and outcomes, and involves and promotes effective communication with stakeholders. The review team concluded Metro's budget development process incorporates these key characteristics necessary to provide an effective budget for the organization.

Internal controls are designed to safeguard organization's assets from error, loss, theft, misuse, misappropriation, and fraud. Effective programs of internal controls provide reasonable assurance that these objectives are met consistently. The review team concluded Metro has multiple internal controls approaches and systems in place to safeguard its assets from error, loss, theft, misuse, misappropriation, and fraud.

Formal documentation of accounting policies and procedures is an essential component in providing effective controls over accounting and financial reporting, as well as providing a comprehensive framework of internal controls. The review team concluded Metro has adequate accounting procedures and properly accounts for and makes available on a monthly basis its fund balances.

An organization's structure should provide a framework of functional areas within which individuals can achieve the organization's goals. An effective organization structure clearly reflects the priorities of the organization, facilitates effective service delivery and problem solving, ensures consistency of direction and management control, minimizes obstacles and barriers to performance, and stimulates a culture of shared



accomplishment and teamwork. The review team concluded Metro has established a well thought out and focused organization structure that provides an effective framework of functional areas within which individuals can achieve the organization's goals.

Findings and Recommendations

We find the Los Angeles Metro, functioning as the RTPE, to be in compliance with the requirements of the Transportation Development Act. In addition, Metro generally functioned in an efficient, effective, and economical manner during the triennial period.

**Board Report**

File #: 2019-0246, **File Type:** Program**Agenda Number:** 10.

**FINANCE, BUDGET AND AUDIT COMMITTEE
JUNE 19, 2019****SUBJECT: HIGHLAND PARK BUSINESS IMPROVEMENT DISTRICT****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to sign the Petition to establish the Highland Park Business Improvement District (BID) for a period of five years commencing January 1, 2020 through December 31, 2024, for an estimated amount not to exceed \$9,239 over the life of the BID renewal.

ISSUE

Per established Metro Board Guidelines, all BIDs that have not yet been approved by the Metro Board of Directors require board authorization to participate. Thereafter, those BIDs less than \$500,000 may be re-authorized by the appropriate Metro official depending on financial authority limits required.

BACKGROUND

The Highland Park BID is one of the City of Los Angeles' 42 BIDs. Metro owns one parcel within the boundaries of the Highland Park BID which comprises a quarter of one percent of the total assessed property within the BID boundaries. Metro acquired this property as part of the purchase of the Pasadena Subdivision from the Southern Pacific Railroad (now Union Pacific Railroad) in 1992. The BID, first formed in 2010, is seeking authorization for an additional five years.

Annual assessment payments to the BID are made to the City of Los Angeles Clerk's Office as fiduciary collecting for all BIDs citywide.

DISCUSSION

Given Metro's marginal amount of assessed land (see Attachment A), staff had foregone submission to the Board of Directors for authorization of the Highland Park BID in 2010 and renewal in 2015. Even without Metro's return of a petition, the BID was approved by a majority of business owners and Metro was required to pay its annual assessment over the BID's authorized periods spanning ten years. However, for this petition cycle, the BID has asked Metro to return the petition to ensure representation of all BID stakeholders.

Per Metro's established guidelines (Attachment C), Real Estate has evaluated the property within the Highland Park BID and determined it is Tier 1 - No Benefit to Metro given the property use is operating right-of-way for the Gold Line light rail transit.

However, participation in the BID provides community benefit for local businesses impacted continually by Metro transit operations. But for the BID, the crucial community services may not be provided. Several owners have publicly stated that the community is well served with the BID services.

Equity Platform:

BID assessments support equity by providing for a general subsidy to support neighborhood cleanliness, hygiene, and safety.

DETERMINATION OF SAFETY IMPACT

Approval of participation in the BID will have no impact on safety to Metro operations or customers.

FINANCIAL IMPACT

Authorization and participation in the BID, if approved by a majority of businesses in the BID's extent, would have a total cost of \$9,239 over the life of the five-year term.

Impact to Budget

All BID payments are funded from the General Fund - Real Estate Lease Revenue. Costs are budgeted under Cost Center 0651 (ND Real-Estate), Account No. 50799 (Taxes).

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Participating in the BID provides responsive, accountable, and trustworthy governance as stated in Strategic Plan Goal #5 by demonstrating Metro's commitment to be civically engaged in the communities which it owns property.

ALTERNATIVES CONSIDERED

The board could choose not to participate in the BID at which point no additional steps would be required by Metro. Given the small proportion of Metro's land within the BID, Metro not participating in the petition would be unlikely to impact whether or not the BID petition is successful. However, this would be the first BID that Metro did not support and may cause ill will towards Metro from the community. If the BID passes, regardless of whether or not Metro supports it, Metro will still be responsible for the annual payments.

NEXT STEPS

-
1. Upon Board approval, Real Estate staff will return the petition to BID management and if the BID passes, will make annual payments as assessed by the City of Los Angeles Clerk's Office each year of the BID's five-year term.
 2. In fall 2019, staff will bring back to the Board a revised policy for participation in Business Improvement Districts to allow for authority to be delegated to the Metro CEO to sign petitions under an established threshold and to revise the Tier description language to ensure that the descriptions reflect the benefit received.

ATTACHMENTS

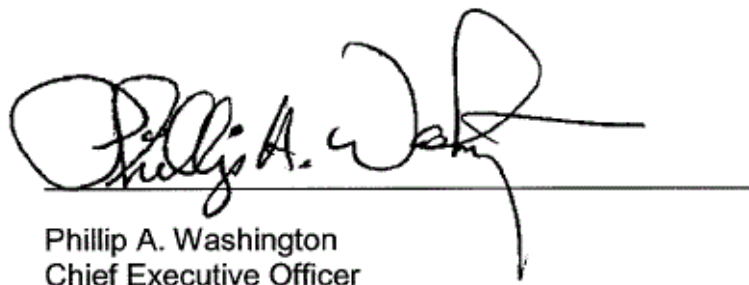
Attachment A - Map of Highland Park BID

Attachment B - Highland Park BID Renewal Documents

Attachment C - Guidelines on BID Participation

Prepared by: John Potts, Executive Officer, Countywide Planning & Development, (213) 928-3397
Holly Rockwell, Sr. Exec. Officer - Real Estate, Transit Oriented Communities and Demand, (213) 922-5585

Reviewed by: Laurie Lombardi, Interim Chief Planning Officer, (213) 418-3251



Phillip A. Washington
Chief Executive Officer

Highland Park BID



Metro Property within Proposed BID Assessment Area



Evaluation to MTA General Guidelines for the Participation in Proposed Assessment Districts

Metro Benefit

Tier 1 - No Benefit to MTA

Parcel Number

5492025902



North Figueroa Association

Highland Park Business Improvement District
Office: 323-255-5030 Security 800-350-1944 Maintenance 213-545-0812
Website: oldla.org Email: Misty@oldla.org

Executive Board

Tom Wilson
President
Southwest Shopping
Centers

Stuart Rapeport
VP /interim treasurer
Property Owner

Amy Inouye
Secretary
Future Studio

Board Members

Gina Alza
Alza Medical

Gustavo Alza
Alza Medical

Richard Calderon
Reina's Insurance

Cyrus Etemad
Property Owner

Dalton Gerlach
Property Owner

John Harb
Security Chair
The Shop

Dennis Hernandez
Antigua Bread

Irene Holguin
Arroyo Vista Health

Alex Rudisky
Property Owner

Misty Iwatsu
Executive Director

March 7, 2019

Dear Fellow Property Owner,

As I am sure you are aware, for the last 17 years the North Figueroa Association has been providing security patrols, sweeping, graffiti removal, trash pickup and many other services along the North Figueroa corridor. The NFA is a not for profit Business Improvement District that is run for and by the commercial property owners on Figueroa, from Avenue 50 to Piedmont Avenue. I would like to thank you for your support of this organization through your property tax assessments and for voting for its renewal over the years.

I am sure that like me, you have seen the changes brought about by the NFA. The streets are cleaner, violent crime is way down and the theft rate has dropped dramatically. People are coming to shop at the Farmers Market and attend events staged along Figueroa. Buildings are being renovated. People are coming to North Figueroa. The result of this is that our vacancy rates have dropped, and the sales at our businesses and tenant's businesses have increased.

In order to continue to provide security, safety and sanitation along our street, we must now renew the NFA's charter through the enactment of a new Management District Plan. This is a requirement of all Business Improvement Districts, one that we have all been through before. This plan continues the work of the NFA and extends its reach through York Boulevard. I have enclosed a copy of the plan, as well as our engineer's report and a petition for you to sign and return. This petition allows us to start the process of renewal, which will culminate in a vote of all property owners later this year, after the City of Los Angeles has given its approval.

The work of the North Figueroa Association has greatly benefitted my property, which is why I am proud to be on its volunteer Board of Directors along side the other North Figueroa property owners listed on the side of this letter. I urge you to sign this petition and return it as soon as possible so that we can continue this important work.

Thank you for all your help,

Thomas B. Wilson
Southwest Shopping Centers



North Figueroa Association

Highland Park Business Improvement District
 Office: 323-255-5030 Security 800-350-1944 Maintenance 213-545-0812
 Website: oldla.org Email: Misty@oldla.org

To Highland Park BID Property Owners:

Executive Board

Tom Wilson
 President
 Southwest Shopping
 Centers

Stuart Rapeport
 VP /interim treasurer
 Property Owner

Amy Inouye
 Secretary
 Future Studio

Board Members

Gina Alza
 Alza Medical

Gustavo Alza
 Alza Medical

Richard Calderon
 Reina's Insurance

Cyrus Etemad
 Property Owner

Dalton Gerlach
 Property Owner

John Harb
 Security Chair
 The Shop

Dennis Hernandez
 Antigua Bread

Irene Holguin
 Arroyo Vista Health

Alex Rudisky
 Property Owner

Misty Iwatsu
 Executive Director

The North Figueroa Association would like to thank all of you, our property owners, for supporting the Highland Park Business Improvement District (BID) through your BID assessment for the past 18 years.

This is how **your** Highland Park BID \$'s are working for you, these activities took place in 2018:

Maintenance (Clean Team):

	<u>2018</u>		<u>2020 if not renewed</u>
•	11,015	Number of trash bags removed	0
•	253,345	Lbs. of trash were removed	0
•	2,272	Graffiti tags were removed	0
•	952	Bulky items were removed	0

In addition to removing of weeds, tree and flower watering, sidewalk sweeping, tree trimming and any special maintenance requests requested by property owners. Maintenance Hotline is: 213-545-0812



Before

After



Security (Safe Team):

	<u>2018</u>		<u>2020 if not renewed</u>
•	356	patrol calls for service	0
•	1965	patrol client contacts	0
•	3280	public contacts	0

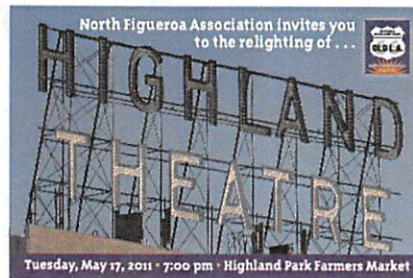
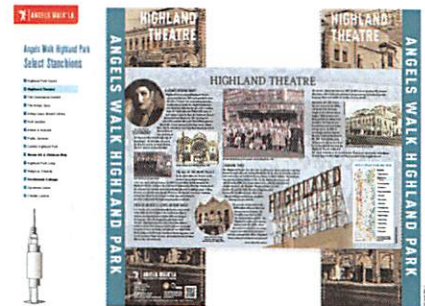
Security officers are patrolling 7 days per week. Security Hotline is: 800-350-1944



Marketing & Promotion:

- Quarterly newsletters
- Community awareness cards
- Old L.A. Certified Farmers Market- now accepts EBT and offers Market Match
- Special Events including Easter, Halloween, and Christmas to name a few.

With your ongoing support of the BID, the district has seen an increase in foot traffic and lower storefront vacancies, due in part to the Clean and Safe programs. We have partnered and received generous grants from L.A.N.I. (L.A. Neighborhood Initiative) for sidewalk mosaic tiles design and installation, Angels Walk for Angels Walk Self-Guided Historic Trail stanchions, and the National Park Service and community partners for the relighting of the historic Highland Theatre and Mannings Coffee Store rooftop signs to highlight the history and uniqueness of our commercial corridor.



As we move forward with the renewal of the Highland Park BID, enclosed is a petition from the North Figueroa Association. This is the first step in a multi-step process which culminates into a vote that you the property owner will vote on.

Please mark the petition "YES" to continue making Highland Park Clean and Safe. Send it as soon as possible by fax: 323-257-1036 or email: misty@oldla.org.

If you have any questions, please don't hesitate to reach out at 323-255-5030.

Sincerely,

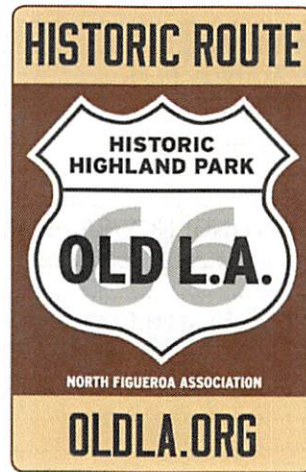
Tom Wilson

Misty Iwatsu

Tom Wilson, President

Misty Iwatsu, Executive Director

HIGHLAND PARK PROPERTY BUSINESS IMPROVEMENT DISTRICT



Los Angeles, California

MANAGEMENT DISTRICT PLAN

Presented by:
North Figueroa Association
Council District 1
Misty Iwatsu

DRAFT- MARCH 7, 2019

SECTION 1..... 3
MANAGEMENT DISTRICT PLAN..... 3
 EXECUTIVE SUMMARY 3
SECTION 2..... 5
HIGHLAND PARK PBID BOUNDARY 5
 GENERAL BOUNDARY DESCRIPTION..... 5
 Benefit Zones..... 5
 Detailed Boundary Description..... 5
 District Boundary Rationale 6
 Boundary Summation..... 7
SECTION 3..... 8
DISTRICT IMPROVEMENT AND ACTIVITY PLAN..... 8
 PROCESS TO ESTABLISH THE IMPROVEMENT AND ACTIVITY PLAN 8
 SIDEWALK OPERATIONS & BEAUTIFICATION (78%) 9
 SAFE PROGRAM..... 9
 CLEAN PROGRAM 9
 BEAUTIFICATION PROGRAM..... 10
 DISTRICT IDENTITY, ORGANIZATION & CONTINGENCY/RESERVE (22%)..... 10
 CITY BASELINE SERVICES..... 10
 GENERAL BENEFIT 11
 5 YEAR OPERATING BUDGET (SPECIAL AND GENERAL BENEFIT COSTS) 11
 IMPLEMENTATION TIMETABLE 12
 BUDGET ADJUSTMENTS 12
 DISTRICT ROLLOVER 12
 CAP 12
SECTION 4..... 12
ASSESSMENT METHODOLOGY 12
 CALCULATION OF ASSESSMENTS..... 12
 LINEAR STREET FRONTAGE DEFINED 13
 BUILDING AREA SQUARE FOOTAGE DEFINED 13
 LOT AREA SQUARE FOOTAGE DEFINED 13
 ASSESSMENT CALCULATION FORMULA 13
 MAXIMUM ANNUAL ASSESSMENT ADJUSTMENTS..... 13
 TOTAL ASSESSABLE FOOTAGE 13
 FUTURE DEVELOPMENT 13
 TIME AND MANNER FOR COLLECTING ASSESSMENTS..... 13
 PUBLIC AGENCY ASSESSMENTS 14
 RESIDENTIAL ASSESSMENTS 15
SECTION 5..... 15
DISTRICT RULES AND REGULATIONS..... 15
 RENEWAL 15
 BONDS 15
 DISTRICT FORMATION 15
 DURATION 15
 GOVERNANCE 15
 DISESTABLISHMENT 16
APPENDIX A 16
APPENDIX B..... 18

Section 1

Management District Plan

Executive Summary

The name of the assessment district is the Highland Park Property Business Improvement District (HPPBID). The district is being established pursuant to the Property and Business Improvement District Law of 1994 as amended (Streets & Highways Code Section 36600 et seq.; hereinafter the "State Law"). The HPPBID is the successor to the "Alpha BID," formed in 2011 and expired December 31, 2019. This document is the Management District Plan (MDP) required by Section 36622 of the State Law. It proposes improvements and activities that revitalize and enhance the area and convey special benefits to assessed properties located within the boundaries of the HPPBID.

Services and improvements provided by the HPPBID are designed to convey special benefits to the assessed parcels within the district in the form of improving the economic and environmental vitality while preserving and strengthening the historical nature of the district. HPPBID programs provide special benefits to assessed parcels with retail, mixed use commercial, parking, restaurant, art, industrial and office uses.

The HPPBID will provide improvements and activities, including but not limited to street cleaning, security, beautification, marketing, administration and other special programs like the Old L.A. Certified Farmers Market within the district boundaries. All of the services and activities provided are over and above the City of Los Angeles's (City) baseline of services, are not provided by the City, and are not provided outside of the District.

The City of Los Angeles (LA), is a major property owner in the district. The City parcels will be deriving special benefits since the peripheral cleaning of parking lots will attract more visitor and vehicular traffic, which creates additional sales tax and parking revenue for the City, which will in turn provide greater economic prosperity for the district. In addition, the current base level of services that exists in and around City parcels will be supplemented by the assessment district and will ensure a system of cleanliness, beautification and reduction of criminal activity around many of these vacant or underutilized City owned parcels. Only special benefits can be assessed and the inclusion of City parcels into the HPPBID will result in a cleaner, more attractive and inviting parking experience, which helps increase the number of visitors to the shopping areas, and directly relates to fulfilling its public service mission. Article XIII D of the California Constitution was added in November of 1996 to provide for these assessments. It specifically states in Section 4(a) that "Parcels within a district that are owned or used by any agency ... shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit."

Boundary Setting

Highland Park is a community that developed in the latter part of the nineteenth century along the axis provided by the Arroyo Seco and Figueroa Street, the principal transportation route between downtown Los Angeles, South Pasadena, and Pasadena to the north and east. Highland Park was the earliest artist colony in the emerging metropolis and a vibrant center of the Arts and Crafts movement in the early Twentieth Century. This history is represented by a rich architectural heritage. It includes a well-developed low-rise commercial strip on Figueroa Boulevard

Highland Park contains some of the oldest traces of urban development in Northeast Los Angeles, dating from the 1870's. This is a result of the proximity to the center of Los Angeles. special historic designation as one of the final legs of Route 66, which served as the first east-west freeway in the United States. It remains a major thoroughfare and is the anchor for the HPPBID boundaries. The district is located directly to the west of and running parallel to the historic Arroyo Seco freeway, (110).

HPPBID BOUNDARIES

General Boundary Description

The Highland Park PBID encompasses 13 blocks centered along N. Figueroa Street in Los Angeles between Avenue 50 on the south(west) and York Boulevard on the north (east). See section 2 for detailed boundary description.

Benefit Zones

There is one benefit zone within the proposed District.

Budget

The total District budget for the first year of operation is approximately \$627,850 and is composed of the following elements:

Sidewalk Operations & Beautification (78%)

Security (Safe), Street Maintenance (Clean), Beautification, Design Elements and any Right-of-Way consulting, etc.

Corporate Identity, Organization and Contingency/Reserve (22%)

Organization, marketing and promotions and contingency/reserve

Programs	% of Budget	Annual Cost (Year 1)
Sidewalk Operations & Beautification	78%	\$489,723
District Identity, Organization & Contingency/Reserve	22%	\$138,127
Total	100%	\$627,850

Source or Method of Financing

The basis of funding shall be through special benefit assessments levied on real property based on building square footage, parcel square footage and parcel front linear footage.

Benefit Zones

The State Law and State Constitution Article XIID require that special assessments be levied according to the special benefit each parcel receives from the improvements. There is one benefit zone.

Cost

Annual assessments are based upon an allocation of program costs and a calculation of assessable footage. Three property assessment variables, linear frontage, lot square footage, building square footage, will be used in the calculation.

District Formation

District formation requires submission of favorable petitions from property owners representing more than 50% of total assessments to be paid and the return of mail ballots evidencing a majority of ballots cast in favor of the assessment. Ballots are weighted by each property owner's assessment as proportionate to the total proposed District assessment amount.

Duration

The District will have a 5-year life beginning January 1, 2020 and ending December 31, 2024.

Governance

The North Figueroa Association will review District budgets and policies annually within the limitations of the Management District Plan. Annual and quarterly reports, financial statements and newsletters will be filed with the City of Los Angeles (City). The North Figueroa Association will oversee the day to day implementation of services as defined in the Management District Plan.

Section 2

Highland Park PBID Boundary

Highland Park is a community that developed in the latter part of the nineteenth century along the axis provided by the Arroyo Seco and Figueroa Street, the principal transportation route between downtown Los Angeles, South Pasadena, and Pasadena to the north and east. Highland Park was the earliest artist colony in the emerging metropolis and a vibrant center of the Arts and Crafts movement in the early Twentieth Century. This history is represented by a rich architectural heritage. It includes a well-developed low-rise commercial strip on Figueroa Boulevard

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The Highland Park Property Business Improvement District is being established for a five (5) year term. The proposed District is located in the northeast section of Los Angeles on North Figueroa. Generally, the District extends along North Figueroa from York Blvd east to Avenue 50 west. This area includes commercially and industrially zoned parcels that encompass a dynamic traditional shopping and dining business center surrounded by charming historic neighborhoods.

General Boundary Description

The Highland Park PBID encompasses 13 blocks centered along N. Figueroa Street in Los Angeles between Avenue 50 on the south(west) and York Boulevard on the north (east).

Benefit Zones

There is one benefit zone within the proposed District.

Detailed Boundary Description

The proposed HPPBID includes all parcels fronting along both sides of the N. Figueroa Street corridor between Avenue 50 and York Boulevard as well as 31 parcels (identified below) with non - N. Figueroa Street frontage. It is noted that the proposed HPPBID boundaries and the general grid street system within, lie at an angle of approximately 30 degrees to the northeast of north. For simplicity in describing the boundaries herein, the terms of north, east, south and west are used instead of northeast, southeast, southwest and northwest, respectively. This means that N. Figueroa Street will be assumed to lie on a "north/south" axis.

Northern Boundary

The northern boundary of the proposed HPPBID coincides with the centerline of York Boulevard.

Eastern Boundary

The eastern boundary of the proposed HPPBID is irregular and generally lies along the eastern boundaries of those parcels fronting along the east side of N. Figueroa Street between York Boulevard and Avenue 50 and also includes the following parcels starting from north to south:

York Blvd. to Marmion Way – one parcel deep plus, APN 5492-034-901

Marmion Way to Avenue 61 – one parcel deep only

Avenue 61 to Avenue 60 – one parcel deep plus, APN 5492-024-014

Avenue 60 to Avenue 59 – one parcel deep plus, APN 5492-015-007

Avenue 59 to Avenue 58 – one parcel deep plus, APNs 5492-011-900 & 901

Avenue 58 to Avenue 57 – one parcel deep plus, APNs 5492-002-008, 013, 028, 900 & 901

Avenue 57 to Avenue 56 – one parcel deep plus APNs 5468-032-901, 902 & 903

Avenue 56 to Roselawn Place – one parcel deep plus APNs 5468-025-017, 900 & 901

Roselawn Place to Avenue 50 – one parcel deep only

Southern Boundary

The southern boundary of the proposed HPPBID coincides with the centerline of Avenue 50.

Western Boundary

The western boundary of the proposed HPPBID is irregular and generally lies along the western boundaries of those parcels fronting on the west side of N. Figueroa Street between York Boulevard and Avenue 50 and also includes the following parcels starting from north to south:

York Blvd. to Avenue 59 – one parcel deep only

Avenue 59 to Avenue 58 – one parcel deep plus, APNs 5492-012-021 & 900

Avenue 58 to Avenue 57 – one parcel deep plus, APNs 5492-001-007, 900, 901 & 902

Avenue 57 to Avenue 56 – one parcel deep plus, APNs 5468-033-015, 900, 901, 902 & 903

Avenue 56 to Avenue 55 – one parcel deep plus APN 5468-024-006

Avenue 55 to Avenue 54 – one parcel deep plus APNs 5468-021-024 & 030

Avenue 54 to Avenue 50 – one parcel deep only

The boundary of the proposed HPPBID and parcels within it are shown on the map of the HPPBID attached as Appendix 2 to this Report.

There is one benefit zone within the proposed District.

District Boundary Rationale

The HPPBID boundaries encompass the commercial core parcels where the main economic activity of Historic Highland Park is centered along N. Figueroa Street (Old Route 66). These parcels showcase a unique array of uses - retail, restaurant, service, office, art studios, light industrial and commercial parking that form the “cohesive commercial fabric” of Highland Park.

The District boundaries were chosen to include all of the general commercial parcels that comprise the commercial core that attracts customers and visitors to the area centered along N. Figueroa Street between York Boulevard and Avenue 50.

As described earlier, for description simplicity, N. Figueroa Street will be assumed to lie on a “north/south” axis.

Northern Boundary

The northern boundary of the HPPBID is the centerline of York Boulevard. The area to the north of York Boulevard along N. Figueroa Street is comprised of commercial parcels with businesses that have different marketing needs and focus than the parcels within the HPPBID. It was determined during the boundary feasibility phase that HPPBID programs and services such as Sidewalk Operations, District Identity and Place Making, Administration and Contingency, Reserve & Uncollected Funds would not specially benefit the parcels and business north of York Boulevard. Therefore commercial parcels and businesses north of the northern boundary are not included in the HPPBID. No HPPBID services will be provided north of the northern boundary.

The HPPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided north of the northern District boundary.

Eastern Boundary

The eastern HPPBID boundary is irregular but includes all commercial parcels and uses along the east side of N. Figueroa Street generally only one parcel deep but inclusive of adjacent commercial parking lots and extended commercial uses. Parcels to the east of the eastern boundary are either zoned residential and/or parcels with residential uses. These parcels will not specially benefit from the HPPBID programs, improvements and services which are designed to improve commerce and economic vitality of assessed parcels within the HPPBID. Further, the Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states, "Properties zoned solely for residential use..... are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment" For these reasons, no residentially zoned parcels or residential uses east of the HPPBID eastern boundary are included in the District.

The HPPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided east of the eastern District boundary.

Southern Boundary

The southern boundary of the HPPBID is the centerline of Avenue 50. The area to the south of Avenue 50 along N. Figueroa Street is comprised of commercial parcels with businesses that have different marketing needs and focus than the parcels within the HPPBID. It was determined during the boundary feasibility phase that HPPBID programs and services such as Sidewalk Operations, District Identity and Place Making, Administration and Contingency, Reserve & Uncollected Funds would not specially benefit the parcels and business south of Avenue 50. Therefore commercial parcels and businesses south of the southern boundary are not included in the HPPBID.

The HPPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided south of the southern District boundary.

Western Boundary

The western HPPBID boundary is irregular but includes all commercial parcels and uses along the west side of N. Figueroa Street generally only one parcel deep but inclusive of adjacent commercial parking lots and extended commercial uses. Parcels to the west of the western boundary are either zoned residential and/or parcels with residential uses. These parcels will not specially benefit from the HPPBID programs, improvements and services which are designed to improve commerce and economic vitality of assessed parcels within the HPPBID. Further, the Property and Business Improvement District Law of 1994, California Streets & Highway Code § 36632 states, "Properties zoned solely for residential use..... are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment" For these reasons, no residentially zoned parcels or residential uses west of the HPPBID western boundary are included in the District. It is also noted that the Gold Line Metro Tracks form a natural boundary in parts along the eastern District Boundary.

The HPPBID will only provide services to the individual assessed parcels within the boundaries; services will not be provided to parcels that are not assessed. No District programs and services will be provided west of the western District boundary.

Boundary Summation

All identified assessed parcels within the above-described boundaries shall be assessed to fund supplemental special benefit programs, services and improvements as outlined in this Report and in the Management District Plan. All HPPBID funded services, programs and improvements provided within the above described boundaries shall confer special benefit to identified assessed parcels inside the District boundaries and none will be provided outside of the District. Each assessed parcel within the HPPBID will proportionately specially benefit from the District funded

programs and services (i.e. Sidewalk Operations, District Identity and Place Making, Administration and Contingency, Reserve & Uncollected Funds). These services, programs and improvements are intended to improve commerce, employment, occupancy rates and investment viability of assessed parcels and businesses within the HPPBID. The HPPBID confers special benefits on each and every individually assessed parcel by reducing crime, improving aesthetics and marketing goods and services available from individually assessed parcels and the businesses on them within the District, all considered necessary in a competitive properly managed business district. All District funded services programs and improvements are considered supplemental, above normal base level services provided by the City of Los Angeles and are only provided for the special benefit of assessed parcels within the boundaries of the proposed renewed HPPBID.

The District includes 162 parcels identified as assessable within one Benefit Zone and which are listed in the Assessment Roll included as Appendix 1. For further information, a District Boundary Map is included as Appendix 2.

Section 3

District Improvement and Activity Plan

Process to Establish the Improvement and Activity Plan

Through a series of property owner meetings, the Highland Park Business Improvement District Steering Committee collectively determined the priority for improvements and activities to be delivered by the business improvement district. The primary needs as determined by the property owners were:

- Right of Way programs, includes but is not limited to: Security (Safe), Street Maintenance (Clean) and Beautification, Design Elements and any Right-of-Way consulting, etc.
- District Identity, Organization & Contingency, includes but is not limited to: branding, organization operation, communication, image and contingency.

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. The Highland Park HPPBID shall have the right to reallocate up to 10% of the budget allocation by line item within the budgeted categories. Any change will be approved by the Highland Park HPPBID board of directors and submitted to the City of Los Angeles within its annual planning report. Pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this MDP.

Services and improvements provided by the Highland Park HPPBID are designed to provide special benefits in the form of improving the economic and environmental vitality while preserving and strengthening the historical nature of the District. Highland Park HPPBID programs provide special benefits to assessed parcels with retail, mixed use commercial, parking, restaurant, art, industrial and office each benefit specifically from the District's sidewalk operations and beautification which incorporate the clean and safe programs for assessed parcels.

In order to ensure that parcels outside of the District will not specially benefit from the improvements and services funded with the assessments, improvements and services will only be provided to each individually assessed parcel within the boundaries of the District. Specifically, cleaning personnel, and similar service providers employed in connection with the Highland Park HPPBID will only provide services to each individually assessed parcel within the District and will not provide services outside of District boundaries. Nor will Highland Park HPPBID promotional efforts, which are designed to increase economic activity for businesses within the assessed parcels, promote activities outside of District boundaries.

Special Benefit Definition- Please refer to Engineers Report
General Benefit Definition Please refer to Engineers Report

The service provider shall allocate the special benefit services based upon the assessments generated in each Benefit Zone. The percentages listed in Table 1.

**TABLE 1
 PROGRAMS & ACTIVITIES FUNDED (SPECIAL BENEFITS ONLY)**

Program or Activity funded by Highland Park HPPBID	Percent of Budget 2020	Annual Costs 2020
Sidewalk Operations & Beautification	78%	\$ 489,723
District Identity, Organization & Contingency/Reserve	22%	\$ 138,127
Total	100%	\$ 627,850

SIDEWALK OPERATIONS & BEAUTIFICATION (78%)

Safe Program

Private security will be provided based upon the proportionate amount assessed on parcels within each benefit zone.

Examples of these special benefit services include but are not limited to regular security patrols on foot, etc. These services are over and above those services currently provided by the Los Angeles Police Department.

Clean Program

Cleaning services, such as trash pickup and removal from the district; landscape services; and equipment expenses are included in this program. Clean services will be provided to assessed parcels within District boundaries. In order to consistently deal with cleaning issues, a multi-dimensional approach has been developed consisting of the following elements:

- **Sidewalk Cleaning:** Uniformed personnel sweep litter, debris and refuse from sidewalks, along fence lines, the public right of way, and gutters of the District. District personnel may pressure wash the sidewalks. Clean sidewalks support an increase in commerce and provide a special benefit to each individually assessed parcel in the district.
- **Trash Collection:** Collector truck personnel collect trash from sidewalk trash receptacles.
- **Graffiti Removal:** Painters remove graffiti tags by painting, using solvent and pressure washing. The District maintains a zero-tolerance graffiti tag policy.
- **Weed Abatement:** Weeds are removed as they become unsightly or as needed.
- **Landscape Maintenance:** Landscape maintenance is an important program that works to attract increased customers to the district. Landscape maintenance includes maintaining tree wells, planters and weed abatement. A well-landscaped district supports an increase in commerce and provides a special benefit to each individually assessed parcel in the district.
- Parcels that are under construction and/or vacant within the BID will be monitored for maintenance and security problems. For example, a broken security fence allowing access to the site would be reported to the property owner.
- **Paper Sign and Handbill Removal:** Paper signs and handbills scotch taped or glued on public and private property are removed by hand within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive this special benefit.
- **Special Collections:** Collector truck personnel are dispatched to collect large bulky items illegally dumped within the BID boundaries. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive this special benefit.
- **Maintenance Problems Requiring Third Party Intervention:** Blighted or unsafe conditions created within the District but that are not within the authority/jurisdiction of the BID to address will be monitored. Service requests are made to the responsible party/agency for service. Types of conditions include blocked or damaged sewers or drains, damaged sidewalks/streets/alleys, non-operating streetlights, damaged or missing street signs, etc., within the HPPBID boundaries. The above services will only be provided to the individual assessed parcels within the HPPBID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

Beautification Program

- **Design, Streetscape Strategies & Consulting:** Design, installation and maintenance of gateway signs; design, installation and maintenance of banner brackets and banner production; design and branding of logo; design, purchase, install and maintain street furniture and streetscape; purchase, installation, removal and maintenance of holiday decoration program. The above services will only be provided to the individual assessed parcels within the HPPBID boundaries and therefore parcels outside of the boundaries will not receive special benefit. Develop strategies for economic development and possible expansion; develop plan of action for the implementation of and strategies for traffic calming and pedestrian safety related to business attraction and retention, and promotion of the area to prospective businesses; seek private and public grant funds to facilitate the work of the HPPBID. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.
- **Special Projects:** Special projects are designed to enhance the assets and the image of the HPPBID, for example the Old LA Certified Farmers Market within the HPPBID boundaries. Special project funds will only be used to specially benefit parcels within the District. The benefit to individual parcels within the District from these services is increased commercial activity and increase in the attraction of pedestrians from transit ridership, which directly relates to increases in lease rates and enhanced commerce. The above services will only be provided to the individual assessed parcels within the BID boundaries and therefore parcels outside of the boundaries will not receive special benefit.

DISTRICT IDENTITY, ORGANIZATION & CONTINGENCY/RESERVE (22%)

It is important to not only provide the services needed in the District, but to tell the story of improvement in the District. The benefit to property owners from these services is increased commercial activity.

- **District Identity & Communications-** Advertising, Marketing and Promotions strategies such as website maintenance and maintenance, Communications like newsletters, signage, holiday decorations, phones, fax, internet and email & social media marketing will create an environment that provides a unique shopping experience for customers, tenants and employees. The special benefit to assessed parcels from these services is an increased likelihood of lease rates, increased sales, parking revenue and higher tenant occupancy because of an increase in commercial activity, and an overall increase in district activity.
- **Organization-** A professional management staff oversees the HPPBID services, which are delivered seven days per week. Management staff actively works on behalf of the HPPBID to insure City and County services and policies support the District. Included in this line item are management labor, corporate operations, office expenses and organizational expenses such as insurance and the cost to conduct a yearly financial review and tax filing. A well-managed District provides necessary HPPBID program oversight and guidance that produces higher quality and more efficient programs. The special benefit to assessed parcels from these services is an improved lease rates and tenant occupancy because of an increase in commercial activity, an increase in customers and residential serving businesses in part due to the work of the management staff as stated above.
- **Contingency/Reserve/City Costs-** Included in this budget item are City fees, delinquencies, no pays included are costs to renew the BID. Delinquencies- Up to ten percent (10%) of the budget is held in reserve to offset delinquent and/or slow payment from both public and private properties. City Fees- Assessments are budgeted in order to fund the expenses charged by the City of Los Angeles and County of Los Angeles for collection and distribution of HPPBID revenue. These reserves may be carried forward from year to year for a specific purpose or shall be reallocated to the designated budgetary categories found within the MDP.

City Baseline Services

All of the services provided to assessed parcels within the HPPBID are over and above the city baseline services.

General Benefit

As stipulated in Article XIID Section 4(b) of the California Constitution, assessment district programs and activities confer a combination of general and special benefits to properties, but the only program benefits that can be assessed are those that provide special benefit to the assessed properties. For the purposes of this analysis, a “general benefit” is hereby defined as: “A benefit to properties in the area and in the surrounding community or benefit to the public in general resulting from the improvement, activity, or service to be provided by the assessment levied”. “Special benefit” as defined by the California State Constitution means a distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.

The property uses within the boundaries of the District that will receive special benefits from District funded programs and services are currently a mix of general commercial, retail, office, entertainment, industrial, parking, residential, education and government facilities. Services, programs and improvements provided and funded by the District (i.e. Sidewalk Operations & Beautification; District Identity, Organization & Contingency) are primarily designed to provide special benefits to identified assessed parcels and the array of land uses within the boundaries of the HPPBID as described in the Special Benefits Details.

5 Year Operating Budget (Special and General Benefit Costs)

A projected five-year operating budget for the HPPBID is provided in Table 2. The projections are based upon a 5% maximum annual assessment rate increase: Revenues for specific programs may be reallocated from, year-to-year, among District activities within a 10% range. Budget reallocations above 10% must be approved by the City of Los Angeles. However, the overall budget shall remain consistent with this Management District Plan.

*Assumes 5% yearly increase on all budget

Note: Any accrued interest or delinquent payments will be expended in the above categories.

**Table 2
 Projected Budget for 2020-2024**

Projected Budget	% of Budget	2020	2021*	2022*	2023*	2024*
Sidewalk Operations & Beautification	78	\$486,640.00	\$ 514,209	\$539,919	\$566,915	\$595,261
District ID, Organization, Contingency/Reserve	22	\$140,885.47	\$ 145,033	\$152,285	\$159,899	\$167,894
Total Assessment	100	\$627,525.47	\$ 659,242	\$692,204	\$726,814	\$763,155

**Table 3
 Projected Annual Assessment Schedule**

Assessment Variable	2020	2021*	2022*	2023*	2024*
Lot Size (per square foot)	\$.137	\$.144	\$.151	\$.159	\$.167
Building Size (per square foot)	\$.22	\$.231	\$.243	\$.255	\$.268
Street Frontage (per linear foot)	\$11.95	\$12.55	\$13.18	\$13.84	\$14.53

**Table 4
 Assessable Benefit Units**

Assessment Variable	Lot sq/ft	Building sq/ft	Frontage by Linear ft
Total	2,151,189	904,811	11,220

**Table 5
 Amount Generated by Property Variable**

Assessment Variable	2020	2021*	2022*	2023*	2024*
Lot Size (per square foot)	\$294,713	\$309,449	\$324,921	\$ 341,167	\$358,225

Building Size (per square foot)	\$199,058	\$ 209,011	\$ 219,462	\$ 230,435	\$241,957
Street Frontage (per linear foot)	\$134,079	\$140,783	\$147,822	\$155,213	\$162,974
Total	\$627,850	\$659,243	\$692,205	\$726,815	\$763,156

Implementation Timetable

The HPPBID is expected to be established and begin implementation of the MDP on January 1, 2020. Pursuant to State Law the HPPBID will have a five-year life beginning January 1, 2020 through December 31, 2024.

Budget Adjustments

Any annual budget surplus will be rolled into the following year's District budget. The budget will be set accordingly, within the constraints of the MDP to adjust for surpluses that are carried forward.

District Rollover

Any unexpended funds at the end of the current HPPBID will be rolled over into the Highland Park HPPBID. A portion of remaining funding may be used for HPPBID renewal activities. Parcels that were not in the current Highland Park HPPBID but are in the proposed Highland Park HPPBID will not receive any services paid for by rolled over funds.

Parcels that are in the current HPPBID, but are not in the proposed HPPBID will receive a refund if any, unexpended funds that remain after paying all expenses of the current Highland Park HPPBID.

Cap

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments may be subject to annual increases not to exceed the assessment rates in Table 2 for any given year. Increases will be determined and approved by the North Figueroa Association and will vary between 0% and 5% in any given year. Any change will be submitted to the City within the annual planning report, pursuant to Section 36650 of the California Streets and Highways Code.

Section 4

Assessment Methodology

The methodology to levy assessments upon real property that benefit from the improvements and activities of the Highland Park Business Improvement District are Street Front Footage, Parcel Square Footage and Building Square Footage as the three assessment variables. See Attachment I, the Assessment Engineers Report, for a complete analysis of the assessment methodology.

Calculation of Assessments

As stipulated in Article XIID Section 4(b) of the California Constitution, assessment district programs and activities confer a combination of general and special benefits to properties, but only programs that provide special benefit to parcels can result in its assessment.

No assessment shall be imposed on any parcel, which exceeds the reasonable cost of the proportional special benefits conferred upon that parcel. Only special benefits are assessable and these benefits must be separated from any general benefits.

A general benefit is defined as a benefit to properties in the surrounding community or a benefit to the public in general resulting from improvement, activity or service to be provided by the assessment levied.

Linear Street Frontage Defined

Properties are assessed for all street frontages. Street frontage footage was obtained from the County Assessor's parcel maps and is a direct measure of the static utilization of each parcel and its corresponding impact or draw on HPPBID funded activities, many of which are linear in nature (i.e. Sidewalk Operations).

Building Area Square Footage Defined

Building square footage is defined as gross building square footage as determined by the outside measurements of a building. Building square footage is obtained from the County Assessor's parcel maps. It is relevant to the interim use of a property and is a direct measure of the static utilization of each parcel and its corresponding impact or draw on HPPBID funded activities.

Lot Area Square Footage Defined

Lot square footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are obtained from the County Assessor parcel maps and is a direct measure of the current and future development capacity of each parcel and its corresponding impact or draw on HPPBID funded activities.

Assessment Calculation Formula

Please refer to Engineers Report

Maximum Annual Assessment Adjustments

Assessment annual increases cannot exceed 5% per year. Increases will be determined and approved by the Owners' Association and will vary between zero and 5% in any fiscal year. The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services.

The District shall adhere to the budget and Management District Plan. While some variation is permissible to account for unexpected circumstance, the funding allocated to each funding category expressed as a percentage in the Management District Plan. Any proposed variation that exceeds 10% of total budget shall be subject to review and approval of the City of Los Angeles City Clerk office, pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this MDP.

Total Assessable Footage

There are no benefit zones or sub-districts within the proposed district. Properties or portions of properties used for residential purposes shall be exempt from being assessed until such time that the property use is converted to commercial/retail or other non-residential usage. All private, public and non-profit properties, excepting residential, shall be assessed.

Future Development

As a result of continued development, the District may experience the addition or subtraction of assessable commercial footage for parcels included and assessed within the District boundaries. The modification of parcel improvements assessed within the District may then change upwards or downwards the amount of total footage assessment for these parcels. In future years, the assessments for the special benefits bestowed upon the included BID parcels may change in accordance with the assessment methodology formula listed in the Management District Plan and Engineer's Report provided the assessment rate does not change. If the assessment formula changes, then a Proposition 218 ballot will be required for approval of the formula changes. Pursuant to Government Code section 53750.

Time and Manner for Collecting Assessments

As provided by State law, the District assessment will appear as a separate line item on annual property tax bills prepared by the County of Los Angeles. The Los Angeles City Clerk's office may direct bill the first year's assessment for all property owners and will direct bill any property owners whose special assessment does not appear on the tax rolls.

The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of Los Angeles. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax. However, assessments may be billed directly by the City for any fiscal year of operation and then by the County for subsequent years. Any delinquent assessments owed for a year for which the City billed will be added to the County property tax roll for the following year. The "property owner" means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the City.

Public Agency Assessments

The City of Los Angeles is a major property owner in the District. The City parcels will derive special benefits from the peripheral cleaning of City parking lots, which may attract more visitors and pedestrian traffic, and, in turn, generate additional parking revenue for the City. The additional parking usage and revenues may also yield greater sales tax revenues and provide greater economic prosperity for the City. In addition, HPPBID programs and services will supplement the current base level of services that exists in and around the City parcels to ensure a system of cleanliness and order around many of these vacant or underutilized City owned parcels. The HPPBID will convey a cleaner, more attractive and inviting environment, which will enhance the parking experience to visitors to the District shopping areas.

Each publicly owned parcel within the District will proportionately benefit from the District funded supplemental sidewalk operations (clean and safe) and beautification, district identity (newsletter and website) and organization (management). Each of these parcels specially benefit from District funded programs and services from cleaner and safer entrances and perimeters. In addition, the District funded marketing and district identity programs benefit publicly owned parcels by announcing public events and activities held at these public facilities and apprise employees of important District news, security issues and alerts and crime statistics. These services and programs are designed to improve the safety and cleanliness and usability of each publicly owned assessed parcel and facility within the District by reducing crime, litter and debris, all considered detractors to employment, visitation and use of public facilities.

APN	Public Agency Owner	Site Address	Use	2020 Assessment	% of Total
5468-025-900	L A CITY		Parking Lot	\$1,815.25	0.289%
5468-025-901	L A CITY		Parking Lot	\$586.36	0.093%
5468-032-901	L A CITY		Parking Lot	\$1,938.55	0.309%
5468-032-902	L A CITY	115 S AVE 56	Community Garden	\$1,438.50	0.229%
5468-032-903	L A CITY		Community Garden	\$569.92	0.091%
5468-033-900	L A CITY	119 N AVE 56	Parking Lot	\$1,395.76	0.222%
5468-033-901	L A CITY		Parking Lot	\$1,395.76	0.222%
5468-033-902	L A CITY	117 N AVE 56	Parking Lot	\$630.20	0.100%
5468-033-903	L A CITY		Parking Lot	\$1,356.30	0.216%
5468-033-905	L A CITY	5601 N FIGUEROA ST	Office	\$3,901.80	0.621%
5492-001-900	L A CITY	5712 MARMION WAY	Parking Lot	\$2,996.88	0.477%
5492-001-901	L A CITY		Parking Lot	\$1,027.50	0.164%
5492-001-902	L A CITY		Parking Lot	\$1,284.38	0.205%
5492-002-900	L A CITY		Parking Lot	\$1,246.70	0.199%
5492-002-901	L A CITY		Parking Lot	\$163.03	0.026%
5492-011-900	L A CITY	117 S AVE 58	Parking Lot	\$959.00	0.153%
5492-011-901	L A CITY	113 S AVE 58	Parking Lot	\$959.00	0.153%
5492-012-900	L A CITY	5826 MARMION WAY	Parking Lot	\$1,849.50	0.295%
5492-013-900	L A CITY	5921 N FIGUEROA ST	LA City Fire Dept	\$4,595.00	0.732%
5492-024-900	L A CITY	6000 N FIGUEROA ST	Office	\$8,857.80	1.411%

Attachment B - Highland Park BID Renewal Documents
Highland Park Business Improvement District

5492-025-900	L A CITY		LA City Playground	\$43,494.01	6.927%
5492-025-901	L A CITY	6145 N FIGUEROA ST	LA City Library	\$9,095.49	1.449%
5492-034-900	L A CITY		Triangle Park	\$1,115.10	0.178%
5492-034-901	L A CITY	6152 N FIGUEROA ST	Senior Citizen Center	\$17,442.67	2.778%
5492-034-902	L A CITY		Senior Citizen Center	\$13,017.87	2.073%
SUBTOTAL LA CITY				\$123,132.33	19.612%
5492-025-902	LACMTA		Transit Corridor	\$1,672.20	0.266%
SUBTOTAL LACMTA				\$1,672.20	0.266%
GRAND TOTAL PUBLIC AGENCIES				\$124,804.53	19.878%

Residential Assessments

In accordance with Section 36632 (c) of the California Streets and Highways Code, properties zoned solely for single family residential or agricultural use are conclusively presumed not to receive special benefit from the improvements and service funded through the assessments of the District and are not subject to any assessment pursuant to Section 36632 (c). Therefore, properties zoned solely for residential or agricultural use within the boundaries of the District, if any, will not be assessed.

Section 5

District Rules and Regulations

Pursuant to the Property and Business Improvement law of 1994, as amended, a business improvement district may establish rules and regulations that uniquely apply to the District. The District has adopted the following rules:
Competitive Procurement Process

The Owner's Association shall develop a policy for competitive bidding when purchasing substantial amounts of services, products and/or equipment. The policy will aim to maximize service, quality, efficiency and cost effectiveness.

Renewal

District funds may be used for renewing the district.

Bonds

The District will not issue any bonds to finance any services or improvements in the district.

District Formation

District formation requires submission of petitions from property owners representing over 50% of the total weighted assessments. Once the petitions have been submitted to the City Clerk's office, the Los Angeles City Council will adopt an Ordinance of Intention to establish the district and mail out ballots to all affected property owners. The district is formed if the weighted majority of returned ballots support the district formation.

Duration

The HPPBID shall have a five-year term, which shall commence on January 1, 2020 and expire on December 31, 2024.

Governance

The Owners' Association, as defined by Ordinance No. 173167 amending Los Administrative Code Chapter 9, Sections 6.600 to 6.620 will review the District Budget and policies annually within the limitations of the MDP as

defined in Section 6.616 of Chapter 9 of the Administrative Code. Annual and quarterly reports will be filed with the City Clerk's office.

The Owners' Association may contract with the City of Los Angeles to implement the improvements and activities and oversee the day-to-day implementation of the MDP as well as submit recommendations to the City on issues including the annual budget and work plan.

Disestablishment

California State Law Section 36670 provides for the disestablishment of a District. Upon the termination of this District any remaining revenues shall be transferred to the renewed District, if one is established, pursuant to Streets and Highways Code Section 36660 (b). If disestablished, unexpended funds will be returned to property owners based upon each parcel percentage contribution.

Appendix A

Property Owner Parcel Information

APN	2020 Assessment	% of Total
5468003004	\$643.50	0.102%
5468003005	\$624.36	0.099%
5468003007	\$2,151.63	0.343%
5468003008	\$2,209.95	0.352%
5468003020	\$5,162.66	0.822%
5468003021	\$2,020.72	0.322%
5468004006	\$5,412.46	0.862%
5468004009	\$4,875.68	0.777%
5468004022	\$8,917.00	1.420%
5468005032	\$3,080.70	0.491%
5468005042	\$4,622.30	0.736%
5468005044	\$7,071.27	1.126%
5468005045	\$38,237.03	6.090%
5468014001	\$1,758.35	0.280%
5468014002	\$1,689.58	0.269%
5468014003	\$2,659.78	0.424%
5468014028	\$9,058.49	1.443%
5468015001	\$2,990.09	0.476%
5468015002	\$2,653.97	0.423%
5468015003	\$2,465.43	0.393%
5468015015	\$1,712.59	0.273%
5468015016	\$3,421.46	0.545%
5468015033	\$2,275.26	0.362%
5468016001	\$6,397.56	1.019%
5468016002	\$1,787.50	0.285%
5468016040	\$2,706.91	0.431%
5468016044	\$3,713.54	0.591%
5468017001	\$1,654.20	0.263%
5468017023	\$2,548.47	0.406%
5468017024	\$2,058.55	0.328%
5468017025	\$1,782.57	0.284%
5468017027	\$2,030.10	0.323%

5468017028	\$712.80	0.114%
5468017031	\$2,543.94	0.405%
5468020002	\$2,229.70	0.355%
5468020003	\$2,362.35	0.376%
5468020013	\$2,976.40	0.474%
5468020014	\$2,020.94	0.322%
5468020015	\$6,435.55	1.025%
5468020025	\$4,333.26	0.690%
5468021014	\$2,586.62	0.412%
5468021024	\$2,107.23	0.336%
5468021025	\$6,118.26	0.974%
5468021030	\$5,684.11	0.905%
5468021031	\$20,569.13	3.276%
5468024006	\$892.54	0.142%
5468024007	\$5,593.85	0.891%
5468024008	\$7,468.68	1.190%
5468024009	\$4,076.80	0.649%
5468024010	\$6,134.40	0.977%
5468025001	\$3,056.63	0.487%
5468025002	\$988.30	0.157%
5468025003	\$3,506.78	0.559%
5468025004	\$1,290.06	0.205%
5468025005	\$1,770.37	0.282%
5468025016	\$3,195.43	0.509%
5468025017	\$586.36	0.093%
5468025027	\$1,846.47	0.294%
5468025900	\$1,815.25	0.289%
5468025901	\$586.36	0.093%
5468026001	\$1,942.39	0.309%
5468026012	\$5,119.69	0.815%
5468026021	\$1,688.28	0.269%
5468026023	\$2,813.67	0.448%
5468026030	\$7,730.79	1.231%
5468032001	\$8,018.12	1.277%

Attachment B - Highland Park BID Renewal Documents
 Highland Park Business Improvement District

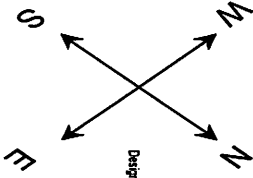
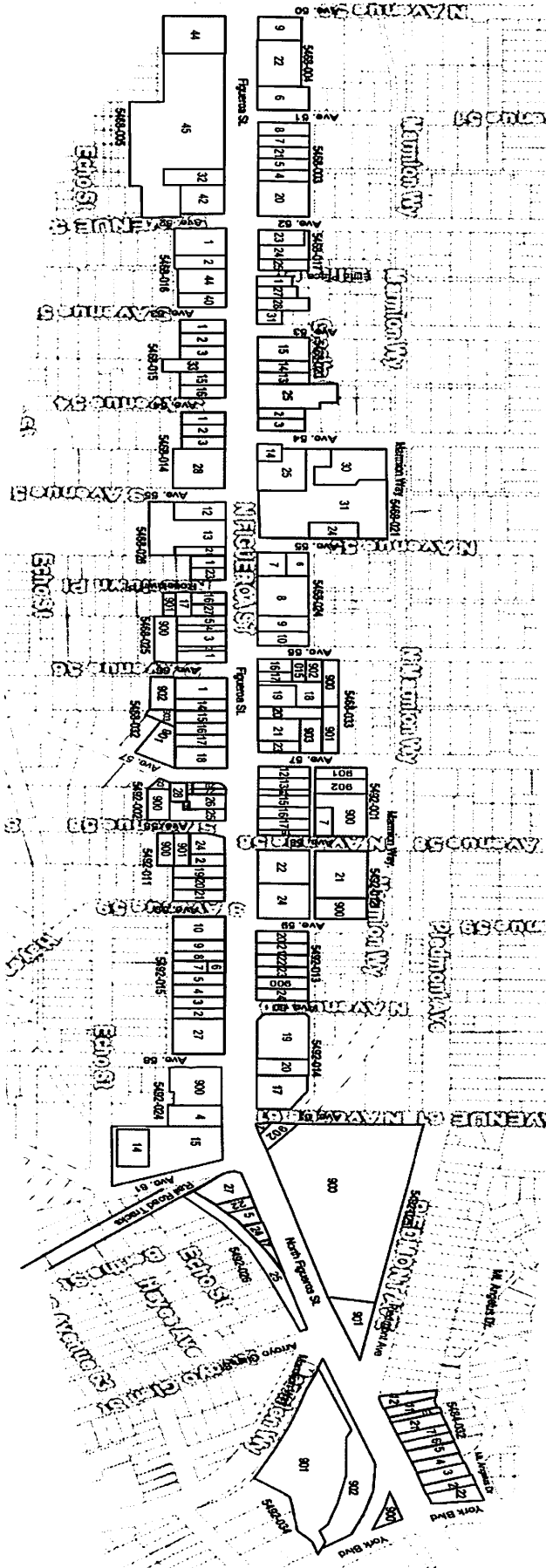
5468032014	\$3,039.99	0.484%
5468032015	\$2,159.58	0.344%
5468032016	\$2,291.99	0.365%
5468032017	\$2,831.24	0.451%
5468032018	\$5,024.11	0.800%
5468032901	\$1,938.55	0.309%
5468032902	\$1,438.50	0.229%
5468032903	\$569.92	0.091%
5468033015	\$830.72	0.132%
5468033017	\$1,906.00	0.304%
5468033018	\$1,420.87	0.226%
5468033019	\$5,469.66	0.871%
5468033020	\$3,763.44	0.599%
5468033021	\$4,379.00	0.697%
5468033023	\$3,399.50	0.541%
5468033900	\$1,395.76	0.222%
5468033901	\$1,395.76	0.222%
5468033902	\$630.20	0.100%
5468033903	\$1,356.30	0.216%
5468033905	\$3,901.80	0.621%
5484032002	\$2,245.12	0.358%
5484032003	\$3,455.68	0.550%
5484032004	\$2,120.00	0.338%
5484032005	\$2,351.88	0.375%
5484032006	\$360.80	0.057%
5484032007	\$319.44	0.051%
5484032010	\$650.00	0.104%
5484032011	\$467.28	0.074%
5484032012	\$320.54	0.051%
5484032021	\$564.08	0.090%
5484032022	\$1,766.88	0.281%
5492001007	\$856.25	0.136%
5492001012	\$2,725.00	0.434%
5492001013	\$2,615.00	0.417%
5492001014	\$1,302.00	0.207%
5492001015	\$3,275.00	0.522%
5492001016	\$3,165.00	0.504%
5492001017	\$2,786.60	0.444%
5492001018	\$1,931.20	0.308%
5492001900	\$2,996.88	0.477%
5492001901	\$1,027.50	0.164%
5492001902	\$1,284.38	0.205%
5492002008	\$86.53	0.014%
5492002013	\$68.50	0.011%
5492002025	\$5,048.18	0.804%
5492002026	\$3,060.18	0.487%
5492002027	\$927.18	0.148%
5492002028	\$690.48	0.110%
5492002029	\$2,036.30	0.324%

5492002900	\$1,246.70	0.199%
5492002901	\$163.03	0.026%
5492011002	\$1,941.20	0.309%
5492011019	\$3,078.54	0.490%
5492011020	\$2,340.00	0.373%
5492011021	\$2,370.58	0.378%
5492011024	\$3,432.37	0.547%
5492011900	\$959.00	0.153%
5492011901	\$959.00	0.153%
5492012021	\$13,615.34	2.169%
5492012025	\$17,988.25	2.865%
5492012900	\$1,849.50	0.295%
5492013020	\$3,239.30	0.516%
5492013021	\$2,196.06	0.350%
5492013022	\$2,322.40	0.370%
5492013023	\$2,729.62	0.435%
5492013024	\$2,355.40	0.375%
5492013900	\$4,595.00	0.732%
5492014017	\$7,485.66	1.192%
5492014019	\$9,080.69	1.446%
5492014020	\$3,865.55	0.616%
5492015002	\$1,611.30	0.257%
5492015003	\$2,407.32	0.383%
5492015004	\$2,780.00	0.443%
5492015005	\$2,416.12	0.385%
5492015006	\$1,135.50	0.181%
5492015009	\$2,835.00	0.452%
5492015010	\$7,315.38	1.165%
5492015027	\$7,809.04	1.244%
5492015028	\$4,028.50	0.642%
5492024004	\$5,243.66	0.835%
5492024014	\$5,926.20	0.944%
5492024015	\$8,984.68	1.431%
5492024900	\$8,857.80	1.411%
5492025001	\$806.52	0.128%
5492025900	\$43,494.01	6.927%
5492025901	\$9,095.49	1.449%
5492025902	\$1,672.20	0.266%
5492026005	\$2,275.87	0.362%
5492026007	\$2,586.47	0.412%
5492026022	\$1,657.33	0.264%
5492026024	\$2,485.99	0.396%
5492026025	\$6,537.94	1.041%
5492026027	\$5,657.34	0.901%
5492034900	\$1,115.10	0.178%
5492034901	\$17,442.67	2.778%
5492034902	\$13,017.87	2.073%
Total	\$627,850.31	100%

Appendix B

Map of Highland Park PBID

Highland Park PBID



Designed by Mandy Matus ©2018



PETITION to ESTABLISH the Highland Park Business Improvement District

PURSUANT TO (SECTION 36600 ET. SEQ OF THE
CALIFORNIA STREETS AND HIGHWAYS CODE)

LEGAL OWNER LACMTA

APN NUMBER	SITE ADDRESS	ASSESSMENT AMOUNT	PERCENTAGE
5492-025-902		\$1,672.20	0.266%
TOTALS		\$1,672.20	

YES, I want my property(ies) to be included in this Business Improvement District.

Property Owner's Name
(Please Print or Type)

Signature

Property Owner's OR Duly Authorized Representative's

Title

(Please Print or Type)

Date

STATEMENT OF AUTHORITY TO SIGN THIS PETITION – (Must be completed by petition signer)

I, , hereby certify (or declare) under penalty of perjury under the laws of the
PRINT NAME CLEARLY
 State of California that I am legally authorized as owner, or legal representative of owner, to accept the levy of liens
 (assessment amounts) on the property(ies) listed above. This statement is true, correct, and complete to
 the best of my knowledge as of / / . Petitioner Signature:
MONTH DAY YEAR

NOTE: ALL FIELDS MUST BE COMPLETED. PETITIONS WITH EMPTY FIELDS WILL BE REJECTED.

Return to us ASAP

Please Return To:
 By mail: North Figueroa Assn, 5651 Fallston St., Los Angeles, CA 90042
 By Fax: 323-257-1036
 By Email: misty@oldla.org

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 Tel
metro.net

REVISED
FINANCE, BUDGET AND AUDIT COMMITTEE
MAY 14, 2014

**SUBJECT: GUIDELINES ON LACMTA'S PARTICIPATION IN PROPOSED
BENEFIT ASSESSMENT DISTRICTS (BID)**

ACTION: DELEGATION OF AUTHORITY

RECOMMENDATION

Delegate authority to the Chief Executive Officer to determine the Los Angeles County Metropolitan Transportation Authority's ("LACMTA") participation in Benefit Assessment District where the total assessment over the term of the BID does not exceed \$500,000, **and where the action represents a renewal of a BID previously approved by the Board.**

BACKGROUND

The MTA Board adopted Guidelines on LACMTA Participation in Proposed Assessment Districts ("Guidelines") in June 1998 (See Attachment A). The Guidelines require staff to analyze each assessment district and/or improvement based on whether they improve MTA property or facility, benefit MTA employees, benefit Metro's passengers, or reduce costs for the agency. Staff is to provide the Board with an analysis, on a case by case basis, that determines whether MTA property benefits from the proposed services or improvements; and whether the benefit to the property exceeds the cost of the assessment. Based on the guidelines, the Board must determine whether or not to participate in the proposed district.

DISCUSSION

The existing policy specifically requires that staff analyze each new assessment district's services and provide the MTA Board with an analysis, on a case by case basis. Many of the BIDS are at levels that are significantly below the current delegated authority of the Chief Executive Officer of \$500,000. In addition, the analysis of the benefit to LACMTA is routine and warrants the agency's participation. **Staff would prepare the same level of review and analysis of the benefits of participation in the BID and submit to the CEO for review and approval.** In any case where the total assessment **for a BID's renewal** exceeds \$500,000 over the term of the BID, the

analysis will be completed and submitted to the Board for approval. **Any participation in a newly proposed BID will be subject to Board approval.** ~~Staff would still prepare the same level of review and analysis of the benefits of participation in the BID and submit to the CEO for review and approval.~~

DETERMINATION OF SAFETY IMPACT

The Board action will not have an impact on safety standards for Metro. However, generally a BID's safety program will increase safety and crime prevention in the area around LACMTA owned properties.

FINANCIAL IMPACT

LACMTA currently participate in 40 ~~40~~ **41** BIDs and street lighting districts. The annual budget as of FY14 is approximately \$517,000.00. Funding to participate in the established BIDs is included in Cost Center 0651, Account No. 50799 (Taxes). Funds are budgeted for each fiscal year. **Funding for the BIDS are allocated from the revenue generated from the General Fund - Right of Way Lease Revenue.**

ALTERNATIVES CONSIDERED

The Board could not approve this recommendation to delegate authority to the Chief Executive Officer and staff would continue to bring **BID renewals** ~~these requests~~ to the Board for approval. The efficiency and the time involved in agendaing the request on the Board's agenda is often constrained by the timeline established by the BID to obtain MTA's approval. In those cases, MTA would not **be able to sign** the petition circulated to property owners affected by the BID **for renewals.**

ATTACHMENTS

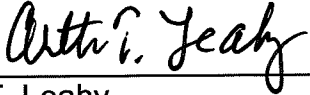
Attachment A Guidelines on MTA Participation in Proposed Assessment District dated June 18, 1998

Prepared by: Velma C. Marshall, Deputy Executive Officer – Real Estate
(213) 922-2415

Calvin E. Hollis, Managing Executive Officer- Countywide Planning
and Development
(213) 922-7319



Martha Welborne, FAIA
Chief Planning Officer



Arthur T. Leahy
Chief Executive Officer

ATTACHMENT A

ATTACHMENT 1



**GENERAL GUIDELINES
for MTA Participation in Proposed Assessment Districts**

1. MTA Participation in Assessment Districts

Assessment districts can provide a wide variety of services and improvements. However, the MTA must decide individually whether or not specific MTA property benefits from such services and improvements. Such determination shall be dependent upon:

- the use of MTA property, and
- the services or improvements provided by the assessment district.

2. Evaluation Criteria

The following criteria shall be used to evaluate whether or not an assessment district services and/or improvements will benefit MTA is the extent that the services or improvements specifically:

- improve MTA property or facilities,
- benefit MTA employees,
- benefit the MTA riding public, or
- reduce costs for the MTA.

3. Determination of Benefit

Each proposed assessment district containing MTA property will be analyzed on a case-by-case basis; however, general guidelines for determining benefit to MTA properties are as outlined in the following:

TIER 1 - NO BENEFIT

- Subsurface easements
- Aerial easements
- Rights of Way

TIER 2 - MINOR OR NO POTENTIAL BENEFIT

- Vacant Land
- Parking Lots

- **Bus Layovers**

TIER 3 - MINOR OR SOME POTENTIAL BENEFIT

- **Bus Divisions**
- **Bus Terminals**
- **Customer Service Centers**
- **USG Headquarters Building**
- **Maintenance Facilities**
- **Rail Division**
- **Rail Terminus**
- **Stations**

TIER 4 - ACTUAL BENEFIT

- **Joint Development Projects**

[cfo_proposalcost-optimization-fairness-policy.doc](#)

**Board Report**

File #: 2019-0293, **File Type:** Contract**Agenda Number:** 11.

**FINANCE, BUDGET AND AUDIT COMMITTEE
JUNE 19, 2019****SUBJECT: INFORMATION TECHNOLOGY SERVICES BENCH****ACTION: APPROVE ADDITIONAL FUNDING****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. INCREASE authorized funding in the amount of \$13 million for the Information Technology Services Bench (IT Bench) to perform information technology support services on an as-needed task order basis with multiple approved firms (see Attachment C) increasing the cumulative total authorized funding from \$17 million to \$30 million; and
- B. AWARD and EXECUTE task orders for a not to exceed amount of \$30 million.

ISSUE

The Information and Technology Services (ITS) department manages multiple programs to support the Agency's technology goals and objectives. Each program utilizes specialized technical services to support governance, planning, implementation, maintenance and enhancement services.

When delivering technology projects, based on project schedule needs, multiple support from various technical disciplines are required throughout the lifecycle. The number of concurrent resources required for limited durations may exceed the number of available budgeted full-time equivalents in the ITS department. To meet these resource demands, use of contracted resources on an as-needed basis is the most cost-effective method to fulfill the varied project support requirements in a timely manner. An IT Bench was developed in 2015 through a competitive process, establishing prequalified vendors to enable small/mid-scale task orders to be awarded more efficiently.

The IT Bench has been successful by quickly providing temporary resources to support many of the technology programs and enterprise systems including the Agency's Business Financial & Transit Operations Systems, Measures M & R Construction Projects, SCADA and TAP. Technology service coverage is needed in areas such as IT Governance & Strategic Planning, Network & Data Communications Infrastructure, Cyber Security, Programming & database services and Project Management Services.

The success of the IT Bench has exhausted the Bench's funds faster than anticipated. To meet the delivery of both current and approved planned technology initiatives which support the goals of Metro's Vision 2028 Strategic Plan, additional funds are being requested to add to the IT Bench contract. The IT Services Bench will support the following current projects that are in process:

- Connect Bus, Rail and Facilities cellular/WiFi Project
- Technology Expansion for all new facilities supporting Measures M & R
- Enterprise Asset Management Project
- Payroll Program Replacement Project
- Real Estate Replacement Project
- Enterprise Safety Management System Project
- Enterprise HR/Human Capital Systems Project
- Enterprise Unified Communications/Phone System Project
- Enhancing Camera/Video/ technology to improve Video Surveillance Project
- Nextrip Digital Signage Project
- Agency Information Security & Compliance Project
- Windows 10 Upgrade Project
- Technology Experience for the Customer Enhancement

BACKGROUND

In August 2015, using the IT Bench, the ITS Department issued 27 contracts for part time staff resources and professional services to support many of the Agency's technology initiatives.

DISCUSSION

The IT bench consists of vendors deemed qualified to participate in IT requirements for the following 16 technical disciplines. The IT bench was established for a five-year period to perform professional services for a cumulative total value of \$17 million. Individual task orders will continue to be awarded based on competition via the Request for Proposal (RFP) process.

1. Platform / End User Computing Systems
2. Database Services / Data Management

3. Storage Services
4. Telecom and Network Communication Services
5. Applications and Web Development
6. Business Intelligence and Analytics
7. Content Management
8. Mobile Solutions
9. Oracle E-business Suite
10. Transit Operations and Automated Fare Collection Systems
11. Asset Material and Management Systems
12. Intelligent Transportation/Transit services
13. Project / Program Management
14. IT Strategy Planning / Enterprise Architecture / Governance
15. Agency-Wide Information Security and Compliance
16. SCADA Control Systems Cyber Security

The IT Bench model has proven to be a successful method in reducing staff resources expended on the procurement of service contracts and has allowed for projects to be completed in a more efficient manner.

The IT Bench supports the core services provided by the ITS Department.

- The Business Application Services (BAS) program provides functional, business, and technical programming services to support approximately 145 business applications used daily for Transit Operations, Financial, Administrative Services, and other business units in Metro.
- The Operations and Service Delivery (OSD) program provides 24x7 installation and maintenance services for Metro's enterprise technology infrastructure including over 4,000 desktop/laptop/kiosk computers, 55 telephone PBX/VOIP systems, 9,000 phone devices, 2,100 telecommunications data lines and audio-visual services covering

the USG facility, over 35 divisions and other Metro locations.

- The Information Security Services program provides the Agency's cyber security activities protection and ensures the confidentiality, integrity and availability of the agency's critical information assets while ensuring its goals and objectives are being met.
- The Systems Architecture and Technology Integration program provides system administration, 24/7 data center operations, and disaster recovery services for Metro's enterprise technology network communications and database infrastructure.
- The ITS Program Office provides Strategic Planning, Governance, Project Management and technology support for Measure M & R construction projects.
- The Research and Records Information Management program administers the well-regarded transportation research library, as well as creates and governs policy on storage of Metro records.
- The Digital Strategy and Innovation Services program develops the roadmap for investment in technology to meet Metro's customers' needs.

AWARDS

Since the start of the IT Bench, 31 task orders have been issued. Of the initial \$17M total contract value, approximately \$15.5M (91%) in task orders have been awarded, leaving a balance of \$1.5M with 15 months (of the original 60 months) remaining for the period of performance. The IT Bench consists of 27 vendors, 11 of which are SBE's.

DETERMINATION OF SAFETY IMPACT

A critical role of effective transit service is the prompt and accurate dissemination of information to the public and to provide a safe environment for the public to travel. Many current IT projects, supported through the IT Bench, facilitate this effort.

FINANCIAL IMPACT

Funding for FY19 is included in the department, cost center budgets. Each task order awarded to a Contractor will be funded with the source of funds identified for that project. Since this is a multi-year contract, the departmental cost center managers will be responsible for budgeting costs in future years.

Impact to Budget

The funding for these task orders is dependent upon the specific project.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended action supports GOAL 5: Provide responsive, accountable, and trustworthy governance within the Metro organization. The IT Bench allows the Agency to be efficient and agile in acquiring professional services that support many of the Agency's key technology initiatives.

ALTERNATIVES CONSIDERED

1. Solicit competitive proposals for each individual task as it becomes due. This is not recommended as it would require extensive additional staff time to process each request and result in project delays due to the lead time required to complete each procurement cycle. Additionally, procuring these services on a per assignment basis does not provide opportunities for economies of scale.
2. Utilize the existing ITS staff to provide the required technical support. This is not feasible as the current budgeted ITS capacity is fully utilized to maintain Metro's existing computer and network systems. There would not be sufficient existing staff to re-assign to provide technical support to the various ITS capital projects.

NEXT STEPS


Upon Board approval, staff will increase funding to the IT Bench Contracts for the continuation of the IT services.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - Firms by Discipline IT Services Bench
Attachment D - List of Task Orders and Values
Attachment E - DEOD Summary

Prepared by: William Balter, Sr. Director ITS - Program Management Office (213) 922-4511

Reviewed by: Bryan Sastokas, Chief Information Technology Officer, (213) 922-5510
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Phillip A. Washington
Chief Executive Officer

PROCUREMENT SUMMARY

INFORMATION TECHNOLOGY SERVICES BENCH

1.	Contract Number: Various			
2.	Contractor: IT Bench (multiple contractors – see Attachment C)			
3.	Mod. Work Description: Continue IT services			
4.	Contract Work Description: IT services work related to 16 technical disciplines			
5.	The following data is current as of: May 14, 2019			
6.	Contract Completion Status		Financial Status	
	Contract Awarded:	July 23, 2015	Contract Funding Amount:	\$17,000,000
	Notice to Proceed (NTP):	N/A	Total of Modifications Approved:	\$0.00
	Original Complete Date:	August 5, 2020	Pending Modifications (including this action):	\$13,000,000
	Current Est. Complete Date:	August 5, 2020	Current Contract Funding (with this action):	\$30,000,000
7.	Contract Administrator: Victor Zepeda		Telephone Number: (213) 922.1458	
8.	Project Manager: William Balter		Telephone Number: (213) 922.4511	

A. Procurement Background

This Board Action is to approve additional funding in the amount of \$13,000,000 to the IT Bench Contract, issued in support of the ITS department for information technology support services.

Future Task Orders will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed price.

On July 23, 2015, the Board of Directors authorized the Chief Executive Officer to establish the IT Bench Contract with qualified firms for IT support services for a period of five years.

Please refer to Attachment B for Contract Modification/Change Order Log, and Attachment D for List of Task Orders and Values.

B. Cost/Price Analysis

All future task orders and modifications will be determined to be fair and reasonable in accordance with Metro's Acquisition Policy at the time of issuance and award.

ATTACHMENT B

**CONTRACT MODIFICATION/CHANGE ORDER LOG
INFORMATION TECHNOLOGY SERVICES BENCH**

Mod. No.	Description	Status (approved or pending)	Date	Amount
1	Additional Contract Authority	Pending	06/27/19	\$13,000,000
	Modification Total:			\$13,000,000
	Original Contract Funding:			\$17,000,000
	Total Funding:			\$30,000,000

ATTACHMENT C

**FIRMS BY DISCIPLINE
IT SERVICES BENCH**

A. Platform/End User Computing Systems
22nd CENTURY TECHNOLOGIES INC (DBE)
EPLUS TECHNOLOY INC
INTRATEK COMPUTER INC
INTUEOR CONSULTING INC (DBE/SBE)
SIERRA CYBERNETICS INC
VISION TECHNOLOGIES INC
ZENSAR TECHNOLOGIES INC

B. Database Services/Data Management
AURIGA CORPORATION (DBE/SBE)
INFORMATION MANAGEMENT RESOURCES (DBE/SBE)
INTRATEK COMPUTER INC
PI TECHNOLOGY INC (SBE)
ZENSAR TECHNOLOGIES INC

C. Storage Services
22nd CENTURY TECHNOLOGIES INC (DBE)
BIRDI & ASSOCIATES INC (DBE/SBE)
EPLUS TECHNOLOY INC
INTUEOR CONSULTING INC (DBE/SBE)
SIDEPATH INC
ZENSAR TECHNOLOGIES INC

D. Telecom and Network Communication Svcs.
AURIGA CORPORATION (DBE/SBE)
BLACK BOX NETWORK SERVICES
CH2M HILL INC
EPLUS TECHNOLOY INC
WEST COAST CABLE INC (SBE)

E. Applications and Web Development
22nd CENTURY TECHNOLOGIES INC (DBE)
ECO & ASSOCIATES (DBE/SBE)
INTRATEK COMPUTER INC
INTUEOR CONSULTING INC (DBE/SBE)
PI TECHNOLOGY INC (SBE)
ZENSAR TECHNOLOGIES INC

F. Business Intelligence and Analytics
22nd CENTURY TECHNOLOGIES INC (DBE)
AURIGA CORPORATION (DBE/SBE)
INTRATEK COMPUTER INC
VIVA USA INC (DBE)
ZENSAR TECHNOLOGIES INC

G. Content Management
HERSHEY TECHNOLOGIES
INFORMATION MANAGEMENT RESOURCES (DBE/SBE)
INTRATEK COMPUTER INC
MYTHICS
PI TECHNOLOGY INC (SBE)
ZENSAR TECHNOLOGIES INC

H. Mobile Solutions
AEON GROUP LLC (DBE/SBE)
ALINC CONSULTING INC (DBE/SBE)
BIRDI & ASSOCIATES INC (DBE/SBE)
CIVIC RESOURCE GROUP (CRG)
PI TECHNOLOGY INC (SBE)
ZENSAR TECHNOLOGIES INC

I. Oracle E-business Suite
AURIGA CORPORATION (DBE/SBE)
INTRATEK COMPUTER INC
MYTHICS
PI TECHNOLOGY INC (SBE)
ZENSAR TECHNOLOGIES INC

J. Transit Operations and Automated Fare Collection Systems
ALINC CONSULTING INC (DBE/SBE)
AURIGA CORPORATION (DBE/SBE)
CH2M HILL INC
E DEMAND INC (SBE)
INFORMATION MANAGEMENT RESOURCES (DBE/SBE)

K. Asset Material and Management Systems
22nd CENTURY TECHNOLOGIES INC (DBE)
CH2M HILL INC
INTUEOR CONSULTING INC (DBE/SBE)
PI TECHNOLOGY INC (SBE)
TSTREET SOLUTIONS LLC

L. Intelligent Transportation/Transit Services
AEON GROUP LLC (DBE/SBE)
AURIGA CORPORATION (DBE/SBE)
CH2M HILL INC
INFORMATION MANAGEMENT RESOURCES (DBE/SBE)
INTUEOR CONSULTING INC (DBE/SBE)

M. Program / Project Management
AEON GROUP LLC (DBE/SBE)
E DEMAND INC (SBE)
INTUEOR CONSULTING INC (DBE/SBE)
PI TECHNOLOGY INC (SBE)
PLANTE MORAN PLLC
ZENSAR TECHNOLOGIES INC

N. IT Strategy Planning/Enterpriser Architecture/Governance
AEON GROUP LLC (DBE/SBE)
CH2M HILL INC
E DEMAND INC (SBE)
INFORMATION MANAGEMENT RESOURCES (DBE/SBE)
INTUEOR CONSULTING INC (DBE/SBE)
PLANTE MORAN PLLC

O. Agency-Wide Information Security and Compliance
22nd CENTURY TECHNOLOGIES INC (DBE)
DIGITAL SCEPTER (SBE)
EPLUS TECHNOLOY INC
PI TECHNOLOGY INC (SBE)
PLANTE MORAN PLLC

P. SCADA Control Systems Cyber Security
AURIGA CORPORATION (DBE/SBE)
DIGITAL SCEPTER (SBE)
EPLUS TECHNOLOY INC
INFORMATION MANAGEMENT RESOURCES (DBE/SBE)
VAN ASSOCIATES

**IT BENCH
LIST OF TASK ORDERS AND VALUES**

Task Order #	IT Bench Consultant	Contract No.	Project Description	Total Task Order
1	Pi Technology	PS3547800	Systems Support Staff Augmentation	\$ 487,680.00
2	Black Box	PS3629500	Telecomm Support	\$ 377,992.00
3	eDemand	PS3546600	UFC Update	\$ 696,791.27
4	Pi Technology	PS3547800	Sharepoint Staff Augmentation	\$ 392,679.00
5	Pi Technology	PS3547800	System Architect Support (for TAP)	\$ 366,928.00
6	N/A	N/A	CANCELED	\$ -
7	IMRI	PS3609000	ORACLE APEX CONSULTANT	\$ 264,022.00
8-pc	eDemand	PS3546600	Project Coordinator	\$ 470,005.00
8-spm	Pi Technology	PS3547800	Sr. Project Manager	\$ 806,400.00
8-brm	AEON	PS6609400	Business Relationship Manager	\$ 773,556.00
8-pmo	AEON	PS6609400	Project Manager Officer	\$ 881,416.41
9	N/A	N/A	CANCELED	\$ -
10	eDemand	PS3546600	Cyber Security	\$ 678,661.00
11	N/A	N/A	CANCELED	\$ -
12	N/A	N/A	CANCELED	\$ -
13	Pi Technology	PS3547800	Financial Applications (Apex Oracle Developer)	\$ 314,800.00
14	CH2M	PS36700000	Systems Analyst (for CFO)	\$ 182,474.40
15-3	Zensar West Coast	ps3547000	Salesforce Software Services	\$ 349,200.00
16	Cable	PS3555900	Cabling Services	\$ 747,500.00
17	N/A	N/A	CANCELED	\$ -
18	Digital Scepter	PS3549500	Palo Alto Firewall Support	\$ 352,650.00
19	Pi Technology	PS3547800	PM Salesforce	\$ 252,000.00
20	Pi Technology	PS3547800	Net Developer	\$ 399,821.00
21	Intueor	ps3546500	PM Support Services (for Regional Connector)	\$ 224,999.68
22	T-Street	PS3550000	Oniqua OAS Support	\$ 27,762.50
23	Pi Technology	PS3547800	Accounts/Email Support	\$ 365,457.00
24	eDemand	PS3546600	UFS Support Services	\$ 865,558.00
25	Pi Technology	PS3547800	Sharepoint Support Services	\$ 471,500.00
26	Auriga	ps3546200	VDI Support (SCADA)	\$ 248,712.00
27	N/A	N/A	CANCELED	\$ -
28	eDemand West Coast	ps3546600	Taleo Systems PM	\$ 352,879.00
29	Cable	ps3559000	POE CABLING SERVICES	\$ 1,750,000.00
30	Auriga	ps3546200	SCADA SUPPORT SERVICES	\$ 120,696.00
31	Pi Technology	PS3547800	Apex	\$ 99,000.00
32	Pi Technology	PS3547800	Database Configuration	\$ 991,000.00
33	Intueor	ps3546500	PM Support for EAM	\$ 953,030.00
34		solicitation in-progress	IT SECURITY - Engineer	\$ -
35		solicitation in-progress	IT SECURITY - Analyst Lead	\$ -
36	Pi Technology	PS3547800	IT SECURITY - ORG Chart/Comm Specialist	\$ 220,400.00
			Total Task Order Values:	\$15,485,570.26

DEOD SUMMARY

INFORMATION TECHNOLOGY SERVICES BENCH

A. Small Business Participation

DEOD established an overall 12% goal for this Task Order/Bench contract for the participation of Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) certified firms. The overall 12% goal is applied to all task orders issued and the type of participation is based on the funding source. Each bench participant met or exceeded the 12% DBE or SBE commitment. The overall DBE/SBE participation is based on the cumulative value of all task orders issued. There are twenty-seven (27) Primes on the Bench; of which nine (9) are DBE firms and eleven (11) are SBE firms.

To date, thirty-one (31) task orders have been awarded to twelve (12) primes on the bench. Listed below are the bench participants that have been awarded task orders and their current level of DBE/SBE participation. Based on payments, the cumulative DBE participation of all task orders awarded is 88.50%, and the aggregate SBE participation is 81.59% which exceeds the DBE/SBE commitment.

Small Business Commitment	12% DBE/SBE	Small Business Participation	88.50% DBE 81.59% SBE
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DBE/SBE Primes & Subcontractors		Current Participation	
		DBE	SBE
1	AEON Group LLC (DBE/SBE Prime)	100%	-
Total		100%	-
2	Auriga Corporation (DBE/SBE Prime)	-	48.35%
Total		-	48.35%
3	Black Box	-	-
Total		-	-
4	CH2M	-	-
Total		-	-
5	Digital Scepter (SBE Prime)	-	51.54%
Total		-	51.54%
6	eDemand Inc. (SBE Prime)	-	92.97%
Total		-	92.97%
7	Information Management Resources (DBE/SBE Prime)	-	10.71%
Total		-	10.71%

8	Intueor Consulting Inc. (DBE/SBE Prime)	-	100%
	Total	-	100%
9	PI Technology (DBE/SBE Prime)	-	100%
	Total	-	100%
10	T-Street	-	-
	Total	-	-
11	West Coast Cable (SBE Prime)	-	17.97%
	Total	-	17.97%
12	Zensar Technologies	0%	-
	Trunorm Inc. (DBE Subcontractor)	14.66%	-
	Total	14.66%	-

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.



Board Report

File #: 2019-0254, File Type: Plan

Agenda Number: 12.

FINANCE, BUDGET AND AUDIT COMMITTEE JUNE 19, 2019

SUBJECT: FY20 AUDIT PLAN

ACTION: ADOPT AUDIT PLAN

RECOMMENDATION

ADOPT the FY20 Proposed Audit Plan.

ISSUE

Management Audit Services' (Management Audit) must provide its Annual Audit Plan to Metro's Board of Directors for input and approval.

BACKGROUND

At its January 2008 meeting, the Board adopted modifications to the FY07 Financial Stability Policy. The Financial Stability Policy requires Management Audit Services (Management Audit) to develop a risk assessment and an audit plan each year and present it to the Board. It also requires that the Finance, Budget and Audit Committee, as the audit committee for the agency, provide input and approval of the audit plan.

DISCUSSION

Instrumental to the development of the FY20 Audit Plan was the completion of the FY19 agency-wide risk assessment. The agency-wide risk assessment is continually being refined and adjusted based upon events, issues identified during audits and agency priorities. The risk assessment continues to place a strong emphasis on the agency's internal control framework and vulnerability to fraud. We believe this year's risk assessment portrays the agency's risks in light of the changes to our risk environment and the challenges the agency faces in the next few years. The result is the FY20 Proposed Audit Plan (Attachment A).

This is the fifteenth year an audit plan has been developed and presented to the Board for input and adoption.

Policy Implications

An audit plan defines the work that will be completed or directed by Management Audit each fiscal year. It indicates both the depth and breadth of audit activities addressing financial, operational and compliance risks for the agency. The audit plan also identifies the extent to which controls are being assessed by routine audit activities, addressed proactively through advisory services, or as a result of concerns from management.

The annual audit plan is driven by two key factors: (1) risk assessment results, and (2) audit resources. The goal in drafting the audit plan is to address the highest risk areas at the agency given the resources available to complete the audits. In addition, urgent requests may arise that need audit support. When this occurs, the plan must be reassessed and Management Audit may supplement internal resources with outside consultants as long as there is funding and consultants available for the task. Therefore, not all planned audit work may be completed and the audit plan may be reassessed and adjusted during the year for unanticipated risks and work.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not impact the safety of Metro patrons or employees.

FINANCIAL IMPACT

Funding for the annual audit plan has already been included in the FY20 budget in Management Audit's cost center and the appropriate projects throughout the agency.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this item supports Metro Vision 2028 Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization. However, the projects included in the plan directly or indirectly support all five Vision 2028 goals identified in Metro's Strategic Plan.

ALTERNATIVES CONSIDERED

One option would be not to complete an annual audit plan. This is not recommended since the audit plan is a management tool to systematically assign resources to areas that are a concern or high risk to the agency. Communicating the audit plan to the Board is required by audit standards.

NEXT STEPS


Upon Board approval, Management Audit will develop the audit schedule for FY20. Management Audit will report to the Board quarterly on its progress in completing the annual audit plan.

ATTACHMENTS

Attachment A - FY20 Annual Business Plan and Proposed Audit Plan

Prepared by: Alfred Rodas, Sr. Director, Audit, (213) 922-4553
Monica Del Toro, Audit Support Manager, (213) 922-7494

Reviewed by: Diana Estrada, Chief Auditor, (213) 922-2161



Phillip A. Washington
Chief Executive Officer

**FISCAL YEAR 2020
ANNUAL BUSINESS PLAN
AND
PROPOSED AUDIT PLAN**



Metro

Management Audit Services

Fiscal Year 2020 Annual Business Plan
And Proposed Audit Plan

Table of Contents

	<u>Page</u>
Part I: EXECUTIVE SUMMARY	1
Overview	1
Risk Assessment.....	1
Audit Plan.....	6
Audit Plan Strategy.....	6
Allocation of Audit Resources	7
Audit Plan Areas	8
Internal Audits	8
Contract, Pre-Award & Incurred Cost Audits	8
External Financial and Compliance Audits	8
Special Request Audits	8
Other Planned Activities.....	9
Audit Tracking and Follow-up.....	9
Small and Disadvantaged Business Enterprises Training ...	9
Management Audit Services Framework	9
Mission	9
Standards	9
Objectives and Core Functions	10
Part II: APPENDIX.....	11
Appendix A: FY20 Proposed Audit Plan	12

Executive Summary

OVERVIEW

Annually, the Board requires Management Audit Services (Management Audit) to complete an agency-wide risk assessment and submit an audit plan to the Board for its input and approval.

An agency-wide risk assessment is the process of understanding an organization's strategic, operational, compliance and financial objectives to identify and prioritize threats/risks that could inhibit successful achievement of these objectives. Risk assessments provide management with meaningful information needed to understand factors that can negatively influence operations and outcomes.

An audit plan is driven by two key factors: 1) risk assessment results, and 2) audit resources. The goal of preparing an audit plan is to address the highest risk areas at the Agency given the resources available to complete the audits.

RISK ASSESSMENT

Instrumental to the development of the FY20 Audit Plan was completion of the FY19 agency-wide risk assessment. The agency-wide risk assessment is continually being refined and adjusted based upon events, issues identified during audits and agency priorities. The categorization of risks used corresponds with the current five Vision 2028 goals identified in Metro's Strategic Plan:

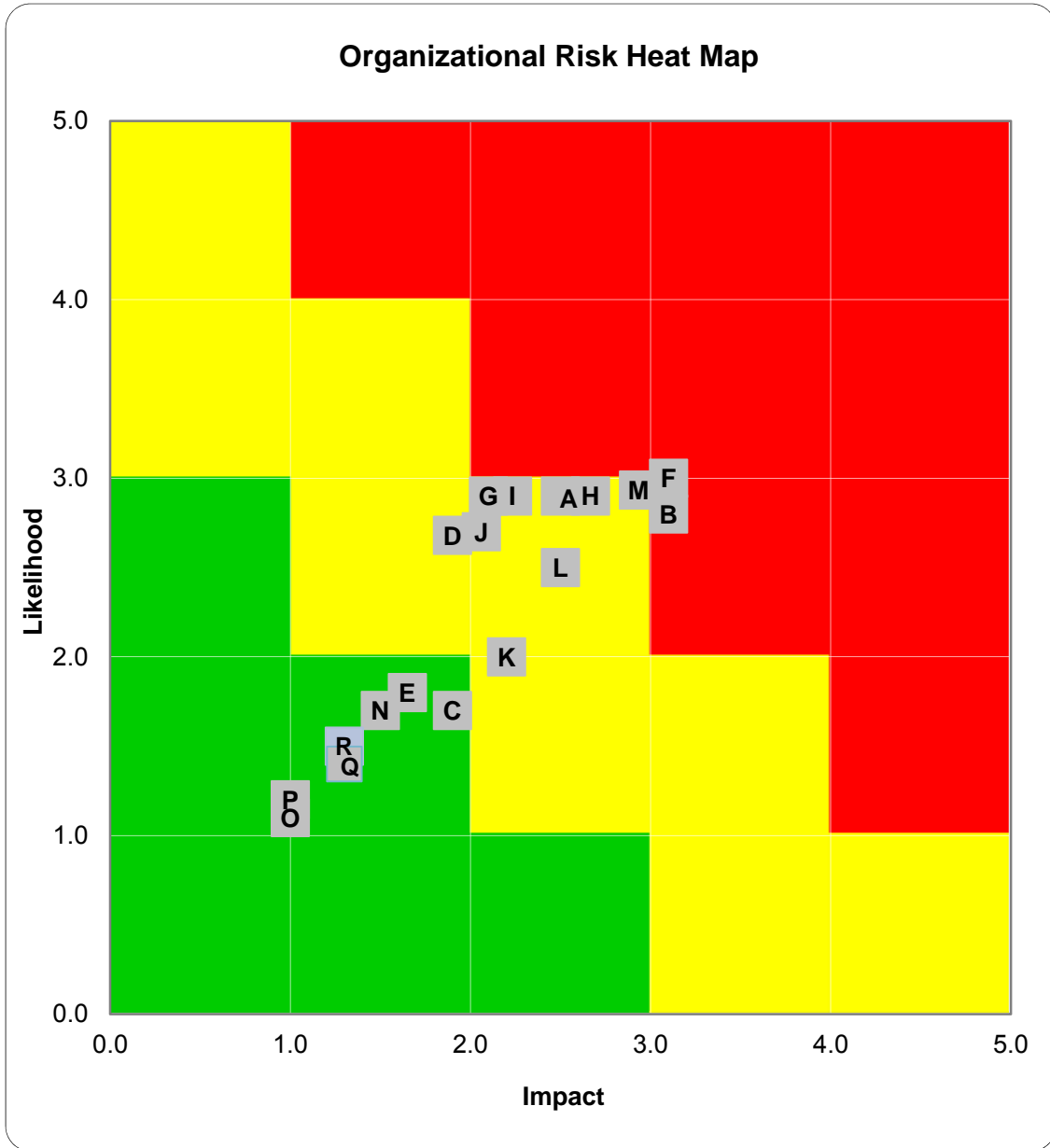
1. Provide high-quality mobility options that enable people to spend less time traveling.
2. Deliver outstanding trip experiences for all users of the transportation system.
3. Enhance communities and lives through mobility and access to opportunity.
4. Transform Los Angeles County through regional collaboration and national leadership.
5. Provide responsive, accountable, and trustworthy governance within the LA Metro Organization.

The risk assessment continues to place a strong emphasis on the Agency's internal control framework and vulnerability to fraud. We believe this year's risk assessment portrays the agency's risks in light of the changes to our risk environment and the challenges the agency faces in the next few years.

The risk environment evolves while the Agency prioritizes based on its Strategic Plan and continues to strive to achieve all of its goals successfully with available funding and staffing.

The agency-wide risk assessment process began by reviewing and analyzing key documents such as the annual budget, the Comprehensive Annual Financial Report (financial statements), Strategic Plan, Annual Program Evaluation, Board/Committee Reports, status reports on major construction projects, past audit reports and industry journals and trends. We conducted interviews with key personnel to obtain additional information. All of this information was used to identify risks and concerns specific to

individual cost centers as well as risks impacting the entire agency. In addition, similar to last year we evaluated risks related to five outside agencies that receive significant funding from Metro: Access Services, Metrolink, High Speed Rail, Pasadena Foothill Extension Authority (Foothill), and Alameda Corridor East (ACE). Risks were then scored using two factors, magnitude of impact and likelihood of occurrence. As in prior years, a heat map is still being used to display the overall risk assessment of the agency.



A.	Human Capital & Development	J.	Information Technology
B.	Security & Law Enforcement	K.	Communications
C.	Congestion Reduction	L.	Extraordinary Innovation
D.	Vendor/Contract Management	M.	Metro Operations
E.	Civil Rights & EEO	N.	Pasadena Gold Line Con. Authority
F.	Program Management	O.	Alameda Corridor East
G.	Planning & Development	P.	Metrolink
H.	Risk, Safety & Asset Mgmt.	Q.	Access Services
I.	Finance & Budget	R.	High Speed Rail

High Risk Areas

The top internal risks continue to be acquisition of qualified staff and contractors, completion of multiple mega projects, safety and security, declining ridership, fiscal discipline, aging infrastructure and deferred maintenance, dated information systems, and a lengthy procurement process.

- 1) The ability to hire qualified technical staff and contractors to complete projects, while improving overall performance, continues to be a pervasive concern throughout the Agency. Given competitive current market conditions, the agency is challenged to hire top talents. The scope and magnitude of the projects that the agency is undertaking requires a delicate balance of investing the right staff resources to our existing and emerging priorities. Metro is employing a combination of long and short term strategies such as: Career Pathways, the Expose, Educate, Employ (E3) Initiative, Transportation School, expanding the veteran hiring initiative, implementing the Workforce Initiative Now (WIN-LA) Program, establishing the Women and Girls Governing Council, partnering with local institutions, promoting internal and external leadership training opportunities to establish our reputation as an employer of choice and develop tomorrow's workforce. To address the shortage of qualified contractors Metro continues to improve various programs that assist small, medium and large contractors to efficiently do business with Metro, with the goal of expanding the pool of qualified contractors.
- 2) Metro is undertaking one of the largest transportation capital programs in the nation, with the number of mega-projects including the completion of 28 key projects in time for the 2028 Summer Olympics. The risk is further compounded by the growing level of uncertainty due to emerging regulatory policy changes that impact our purchasing and project delivery ability. Management is closely monitoring regulatory and funding source changes (e.g. New Starts Transit Program) to determine the potential impacts to Metro with regards to possible Federal ban to purchase rail cars from China and the impact of the steel tariff. To address the shortage of qualified contractors the Agency has employed efforts including Small Business Prime (Set-Aside), Medium-Size Business Enterprise, and Contracting, Outreach & Mentoring Plan (COMP). To address the schedule and cost challenges associated with the completion of multiple capital projects, management is taking mitigating measures including conducting an Annual Program Evaluation (APE) of our capital program to ensure that current factors are always considered when assessing project risks associated with costs and schedules. In addition, Program Management is implementing various strategic initiatives to improve the planning and consistency of project delivery including: implementing a systematic approach to quality assurance, enhancing its project management procedures, establishing a new training program and employing best practices. In its efforts to ensure quality is maintained throughout all projects, Metro has multi-year quality assurance contract to develop the new quality oversight program. Although we have made certain developments regarding utility relocations there are still challenges outside of the Agency's control pertaining to certain cities' complex and lengthy processes.
- 3) Terrorism and other crimes continue to be potential threats to the Agency and ridership. System Security and Law Enforcement has started to implement innovative ways to use technology and has partnered with the Sheriff's Department, Los Angeles Police Department, Long Beach Police Department, and the community

to secure high risk areas. Increased law enforcement visibility, since the multi-agency contracts began, has resulted in a significant reduction in crime. In addition, System Security is exploring the use of various technological improvements such as motion detection lasers, “dark screen” monitoring and drones to assist them in improved monitoring and intrusion detection throughout our system. Systems Security has completed, through use of experts, a risk assessment of physical security of Metro facilities to create a prioritization plan to ensure the safety and security of staff and assets.

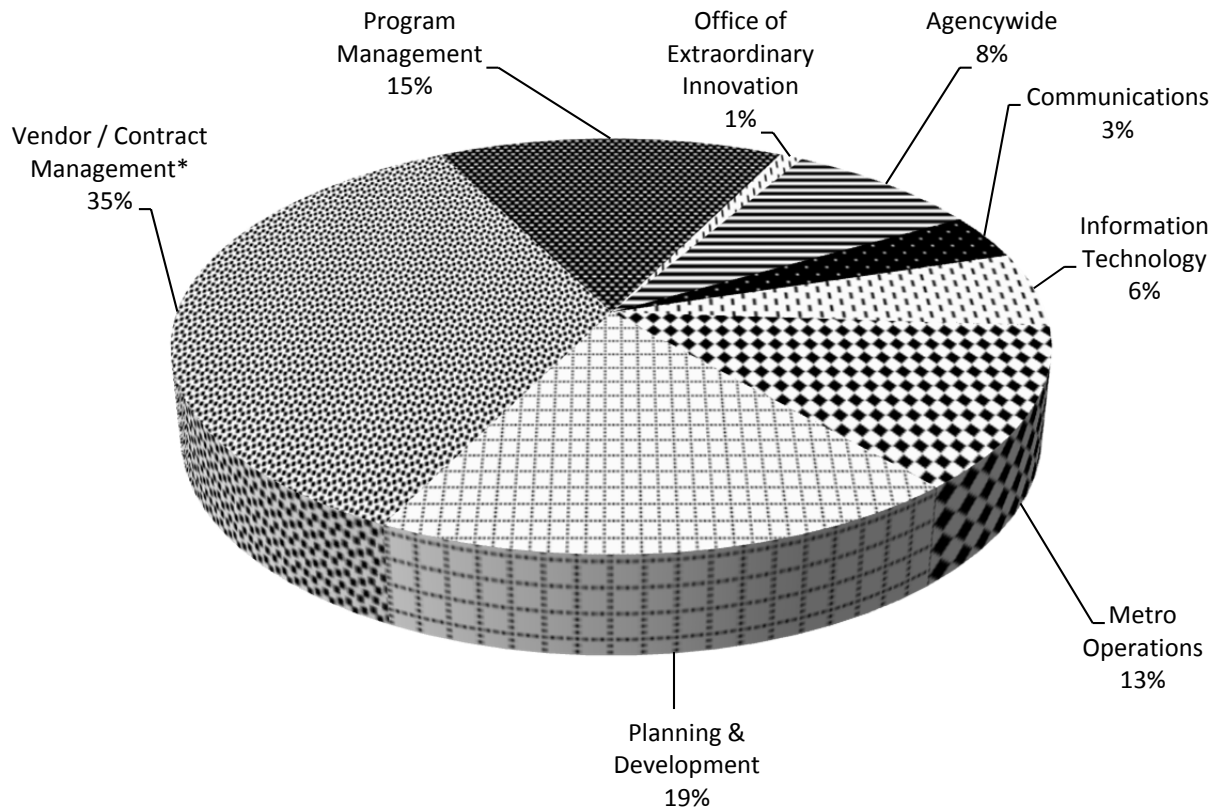
- 4) The Agency, like many transit agencies in the country, has suffered from a steady decline in ridership. To address the declining ridership, management has undertaken a comprehensive analysis of all existing bus service (NextGen) to identify the needs of current and potential riders in order to restructure routes and schedules most effectively. Also, the Agency is evaluating all aspects of conditions to improve the overall customer experience and is employing various strategies such as utilization of digital signage, systemwide Wi-Fi, expansion of Transit Oriented Development, First/Last Mile Program, MicroTransit Pilot Program, and reduced-fare discounted pass programs. The Agency has created a task force and continues to partner with local jurisdictions to address the challenge of homelessness which impacts the customer experience. Additionally, we have increased security presence in focused areas using data that is regularly analyzed for incidents. Metro is undertaking an extensive modernization of the Blue Line which will extend the service life of the Blue Line, improve reliability and resiliency, and enhance safety.
- 5) Metro’s ability to provide a world-class transportation system necessitates both effective fiscal management and prioritization of financial resources. This is heightened by current market conditions resulting in higher than anticipated material and labor costs which impact the costs of construction and operations. In addition, a continued decline in ridership could jeopardize our share of valuable state and federal funds. In addition, Agency closely monitors potential changes in Federal and State policies that may impact available funding for both Construction and Operations. The Agency is aware of project cost increases due to higher cost than initial cost estimates. As a result, the Agency adopted an annual Work Program, which initiates future quarterly updates on significant projects and programs to assist with the direction and decisions about significant policy and planning efforts. The Agency continues to explore a combination of funding strategies that will both ease congestion and assist with funding for potential project acceleration. Management continuously assess and improve various fiscal management tools such as the 10-year budget process, Performance Management System, and Long Range Transportation Plan Update in order to effectively plan, allocate resources, monitor performance, strengthen fiscal discipline, and ensure accountability. The Agency completed the 10-Year Strategic Plan which will be continuously used to drive the prioritization of our projects and funds.
- 6) Although condition assessments of equipment, rolling stock, infrastructure, and facilities are ongoing to address the needs for State of Good Repair the resulting prioritization, based on needs, will require balancing of available resources. The Agency is making its best effort to take advantage of the innovations available while ensuring that deferred maintenance needs are addressed in a timely manner to minimize disruptions. Additionally, competing priorities such as technological

upgrades and short and long-term maintenance work pose challenges to Operations' resources. For example, the Agency is in the process of replacing outdated/unsupported key systems including the Material and Maintenance Management System (M3) which is a multiyear process. In addition, management is actively pursuing ways to expedite acquisition of rolling stock to replace aging assets. The Agency continues to employ an integrated approach to ensure that key business units and appropriate external partnerships explore the best methodologies and approaches for effective project delivery.

- 7) Information Technology risk continues to be driven by the need to integrate key systems and upgrade and replace aging systems. Having reliable, complete and timely information is becoming more critical in order to achieve efficiencies and allow informed decision-making. Management has developed a plan to upgrade and/or replace aging systems. Concerns over cyber security vulnerabilities require a more robust approach to monitor and keep up with our security strategy in ensuring system reliability and data integrity. The Agency is also monitoring implications of General Data Protection Regulation (GDPR) and California Consumer Privacy Act (CCPA) to our data protection practices. Information Technology and Risk, Safety and Asset Management are collaborating on the business continuity disaster recovery plan to resume operations in the aftermath of a catastrophic event. Also, management has established an Information Technology governance framework to ensure the administering of IT resources by the processes of strategic planning, prioritization, decision-making, and performance measurement. The Agency is also investing in transforming its culture to achieve an integrated data approach as we replace and upgrade legacy systems.
- 8) Procurement of goods and services is expected to increase due to our expansive capital program projects. In addition, the expansion of P3 projects such as West Santa Ana Branch, Sepulveda Transit Corridor, requires a more innovative contract approach. Management has prioritized streamlining the procurement process such as expediting the change order process to improve the timely awarding of contracts to meet agency needs. This streamlining effort also includes simplifying the process for Small and Disadvantaged Businesses. In addition, Vendor / Contract Management is continuously reviewing policies and processes to improve the procurement process.

AUDIT PLAN

For purposes of the audit plan, the agency has been organized into 13 departmental functions and 5 other agencies funded by Metro. The audits in the FY20 proposed audit plan are distributed across the organizational structure as follows:



* Includes audit requests generated by Vendor / Contract Management that support various business units.

A detailed list of audits is included in Appendix A.

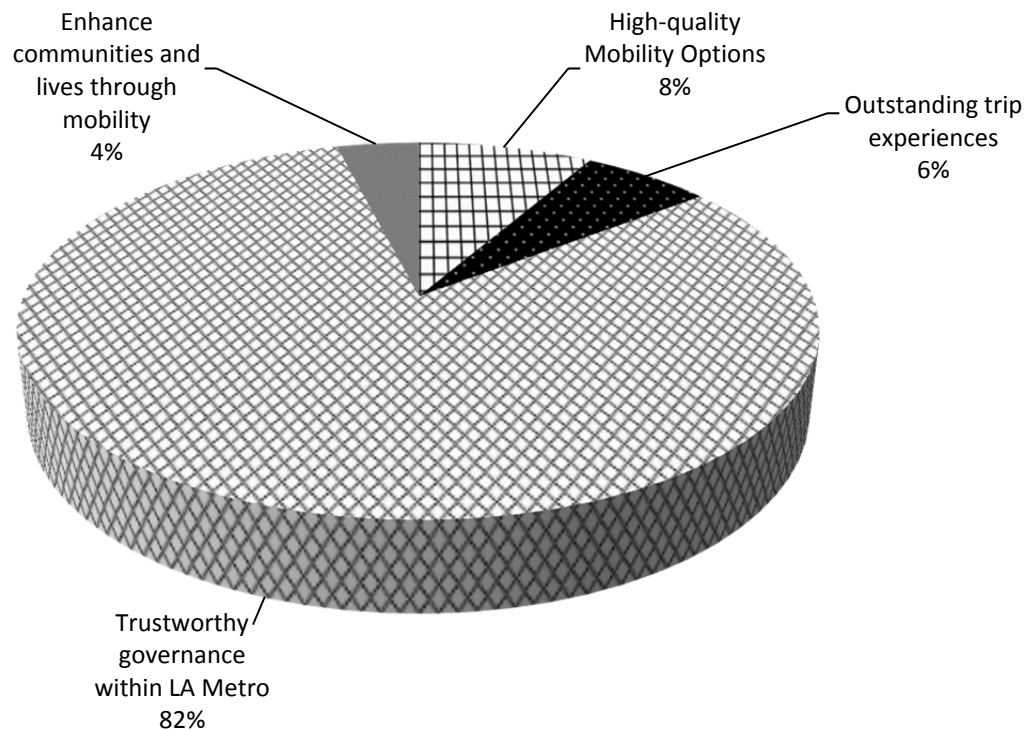
Audit Plan Strategy

The audit plan is based on the information obtained during the agency-wide risk assessment process and includes audits in those areas identified as high risk to the agency.

The projects proposed in the audit plan directly or indirectly support the five Vision 2028 goals identified in Metro's Strategic Plan:

1. Provide high-quality mobility options that enable people to spend less time traveling.
2. Deliver outstanding trip experiences for all users of the transportation system.
3. Enhance communities and lives through mobility and access to opportunity.
4. Transform Los Angeles County through regional collaboration and national leadership.
5. Provide responsive, accountable, and trustworthy governance within the LA Metro Organization.

The following chart summarizes the audits by the primary Vision 2028 goal.



ALLOCATION OF AUDIT RESOURCES

Our FY20 proposed audit plan is based on 25,500 audit hours to be provided by staff and contracted subject matter experts. The audit hours are allocated as follows:

- 23,000 hours for audits identified in the plan, and
- 2,500 hours for CEO requested projects.

Urgent requests from the CEO or Executive Management may arise that require audit support. When this occurs, Management Audit will reassess the plan and may supplement internal resources with outside consultants, pending available funding. Management Audit may also use external consultants to provide subject matter expertise when necessary.

The FY20 proposed audit plan included in Appendix A attempts to provide a balanced and effective review of the entire agency constrained by Management Audit resource limitations.

The CEO has the discretion based on agency need or Board direction to reprioritize audit resources. We are dedicated to completing our audit plan while continuing to be flexible and responsive to the agency's needs.

AUDIT PLAN AREAS

Internal Audits

The audits identified for the FY20 proposed audit plan were selected based on one of the following four strategic audit objectives:

1. Support agency-wide goals and objectives
2. Evaluate governance, risk and internal control environment
3. Review efficiency and effectiveness of operations
4. Validate compliance to regulatory requirements

We strive to identify business process improvements and innovative ways to support the agency's strategic initiatives on every audit. This is in addition to our traditional assurance work on "hard controls", such as segregation of duties, safeguarding agency assets, reliability of financial and operational information, and compliance with regulations, contracts, and memorandums of understanding (MOUs). Since the agency is currently undertaking numerous major IT system enhancements and development, audit resources will also provide assurance that the internal controls of critical systems are adequate and working effectively.

Contract Pre-Award & Incurred Cost Audits

Incurred Cost Audits review costs associated with MOUs issued under the Call for Projects, Transit Oriented Development programs and Measure R Highway Capital or contract incurred costs. Contract Pre-award Audits review costs proposed for contracts and change orders issued by Vendor/Contract Management. The audits included in the FY20 proposed plan are based on discussions with project managers and contract administration staff.

The highest priority for FY20 are contract audits for large construction, corridor, and rolling stock regulatory projects followed by pre-award audits for all other projects. This is followed by incurred cost and closeout audits in the priority list. External resources will be used if there are available funds to meet critical project deadlines.

External Financial and Compliance Audits

In 2009, Management Audit assumed the responsibility for managing the agency's planned audits by external auditors. The FY20 proposed audit plan includes hours to ensure that these audits are completed within the scope and schedule of the contracts.

Special Request Audits

The FY20 proposed audit plan also includes 2,500 hours for special projects requested by the CEO. These hours provide some flexibility in the audit plan to respond to emerging issues where the CEO may need audit resources to address an unanticipated issue or heightened concern.

In order to comply with Government Accountability Office's Generally Accepted Government Auditing Standards and the Institute of Internal Auditor's (IIA) International Standards for the Professional Practice of Internal Auditing Standards, internal audit must adopt a process to monitor and assess the overall effectiveness of the audit quality process. This self-assessment measures compliance to the Standards and to Management Audit's Charter, mission statement, objectives, audit policy manual,

supervision, and staff development. In addition, the internal quality assurance review assesses our effectiveness and promotes continuous improvement within Management Audit.

OTHER PLANNED ACTIVITIES

Audit Tracking and Follow-up

In compliance with the Standards, Management Audit tracks and follows up on the implementation of all audit recommendations from both internal and external audit groups including OIG, State of California, FTA, etc. Management Audit also reports all outstanding audit issues to the CEO and Board of Directors on a quarterly basis to ensure that any significant risks to the agency are addressed in a timely manner.

Small and Disadvantaged Business Enterprises Training

In our continuous audit streamlining efforts to support SBE/DBE goals, Management Audit Services will continue to provide ongoing training in conjunction with Vendor/Contract Management. A minimum of two half-day training sessions will be conducted annually.

MANAGEMENT AUDIT SERVICES FRAMEWORK

Metro's vision is excellence in service and support. Management Audit is committed to providing essential support to achieve this vision. To do this we have developed our department vision which is to deliver value by driving positive change through partnership and trust. In order to ensure the reliability, independence and objectivity of our work, Management Audit follows the framework of our Board approved Audit Charter. The Audit Charter includes Management Audit's mission, the standards we must comply with, and our department's objectives and core function.

Mission

Our mission is to provide highly reliable, independent, objective assurance and consulting services designed to add value and improve operations. The department accomplishes this by understanding LACMTA's strategies and by bringing a systematic, disciplined, and risk-based approach in evaluating and recommending improvements to the effectiveness of risk management, controls and governance processes.

Standards

The Institute of Internal Auditors (IIA) defines internal auditing as: "independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

To meet our client's expectations and for us to function with reliability and credibility, Management Audit must ensure our audits are independent and objective. Therefore, Management Audit follows the ethical and professional standards promulgated by the Government Accountability Office, Generally Accepted Government Auditing Standards (GAGAS) and the Institute of Internal Auditor's International Professional Practices Framework. Depending on the type of audit being done, Management Audit also follows the standards promulgated by the American Institute of Certified Public

Accountants (AICPA) and by the Information Systems Audit and Control Association (ISACA).

Objectives and Core Functions

As summarized in our Audit Charter, the primary objective of Management Audit is to assist the CEO and his management team with their important business and financial decisions by:

- Monitoring and verifying key regulatory and legislative compliance;
- Assessing internal controls' design and effectiveness;
- Evaluating cost reasonableness of contracts and grants;
- Identifying and recommending business process improvements;
- Evaluating and recommending efficiencies and effectiveness of programs and functions;
- Evaluating safety and security of agency systems, assets and other resources; and
- Tracking and reporting on all outstanding external and internal audit findings and status of corrective actions.

In addition, Management Audit's objective is to foster a system and environment that supports the highest level of integrity and ethical conduct and provides assurance of an acceptable level of risk to management for all key business processes.

APPENDIX A

DETAILED LISTING OF AUDITS

Vision 2028 Goal #1 – Provide high-quality mobility options that enable people to spend less time traveling

	Title	Objective	Area
1.	Performance Audit of Expanded Discount Programs	Determine the adequacy and effectiveness of internal controls over expanded discount programs.	Communications
2.	Performance Audit of M3 System Replacement	Evaluate the adequacy of project management over the System Development Life Cycle Early Stage to replace M3.	Information Technology
3.	Audit to Support Microtransit Contract	Evaluate the contractor’s compliance and data reliability of information reported for Microtransit.	Office of Extraordinary Innovation

Vision 2028 Goal #2 – Deliver outstanding trip experiences for all users of the transportation system

	Title	Objective	Area
1.	Performance Audit of Customer Experience KPI	Determine the reliability of data used to report on customer experience KPI.	Agencywide
2.	Performance Audit of Wayside Training Curriculum and Methodologies	Evaluate the completeness of Wayside training curriculum and effectiveness of methodologies	Metro Operations
3.	Performance Audits of Continuity of Operations Plan – Bus/Rail Operations	Evaluate the adequacy of Bus Operations’ / Rail Operations’ COOP and Standard Operating Procedures (SOPs) to support their mission essential functions during emergencies.	Metro Operations

Vision 2028 Goal #3 – Enhance communities and lives through mobility and access to opportunity

	Title	Objective	Area
1.	Performance Audit of Low Income Housing Targets/Goals	Determine adequacy of monitoring the compliance with Low Income Housing Targets/Goals.	Planning & Development

Vision 2028 Goal #5 – Provide responsive, accountable, and trustworthy governance within the Metro organization

	Title	Objective	Area
1.	Pre-Award Audits	Pre-award audits for procurements and modifications.	Vendor / Contract Management
2.	Incurred Cost Contract Audits	Incurred cost audits to verify costs are reasonable, allowable and allocable on cost reimbursable contracts for contractors.	Vendor / Contract Management
3.	Incurred Cost Grant Audits	Grant audits to verify costs are reasonable, allowable and allocable on cost reimbursable contracts for Caltrans, Cities & County MOUs.	Planning & Development / Program Management
4.	Financial and Compliance External Audits	Complete legally mandated financial and compliance audits.	Agencywide
5.	Buy America Post-Award and Post-Delivery	Conduct Buy America Post-Award / Post- Delivery Audits for rolling stock procurements.	Vendor / Contract Management
6.	US Employment and Local Employment Program	Determine vendor's compliance with the US Employment and Local Employment Program terms and conditions.	Vendor / Contract Management

FY20 Proposed Audit Plan

Appendix A

	Title	Objective	Area
7.	Follow-up Audit of Contracted Bus Service Project Management	Evaluate if prior Contracted Bus Service Project Management corrective actions were implemented.	Metro Operations
8.	Performance Audit of Pre-Award Cost-Price Analysis	Evaluate adequacy of the process performed by contract administrators for pre-award cost-price analysis.	Vendor / Contract Management
9.	Performance Audit of Training and Personal Protective Equipment for Maintenance Employees	Determine adequacy of training and utilization of personal protective equipment by Metro workers performing clean-ups of Metro facilities impacted by activities of homeless individuals.	Metro Operations
10.	Performance Audit of IT Security Awareness	Evaluate the extent of security awareness for selected business units within the Agency.	Information Technology
11.	Follow-up Audit of Information Security	Evaluate if prior Information Security corrective actions were implemented.	Information Technology
12.	Annual Audit of Business Interruption Fund	Evaluate compliance with Business Interruption Fund administrative guidelines and fund and disbursement procedures.	Vendor / Contract Management
13.	Performance Audit of Advertising Contract	Determine contractor's compliance with the contract terms pertaining to Metro's revenue share.	Communications

**Board Report**

File #: 2019-0182, **File Type:** Program**Agenda Number:** 13.

**FINANCE, BUDGET AND AUDIT COMMITTEE
JUNE 19, 2019****SUBJECT: EXCESS LIABILITY INSURANCE PROGRAM****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to negotiate and purchase Public Entity excess liability policies with up to \$300 million in limits with an \$8 million self-insured retention at a cost not to exceed \$6.9 million for the 12-month period effective August 1, 2019 to August 1, 2020.

ISSUE

The Public Entity (which includes transit rail and bus operations) excess liability insurance policies expire August 1, 2019. Insurance underwriters will not commit to final pricing until roughly six weeks before our current program expires on August 1st. Consequently, we are requesting a not-to-exceed amount for this renewal pending final pricing and carrier selection. Without this insurance, Metro would be subject to unlimited liability for bodily injury and property damage claims resulting from, primarily, bus and rail operations.

DISCUSSION

Our insurance broker, USI Insurance Services ("USI"), is responsible for marketing the excess liability insurance programs to qualified insurance carriers. Quotes are in the process of being received for our Public Entity program by our broker from carriers with A.M. Best ratings indicative of acceptable financial soundness and ability to pay claims.

Staff and USI developed a 2019 - 2020 Public Entity excess liability insurance renewal strategy with the following objectives. First, our insurance underwriter marketing presentations emphasized the low risk of light rail and bus rapid transit services in addition to safety enhancements and pilot programs added over the past years in order to mitigate insurer's concerns with increased operating exposures. Second, we desired to maintain a continuing diversified mix of international and domestic insurers to maintain competition and reduce our dependence on any single insurance carrier. Third, we desired to maintain total limits of \$300 million while maintaining an \$8 million self-insured retention but were open to increasing our self-insured retention if needed to retain reasonable premium pricing. The 2015 Fixing America's Surface Transportation (FAST) Act raised the liability cap for commuter rail transit providers for passenger liability to \$295 million. Metro's total limits of \$300 million meet the FAST minimum requirements.

USI is presenting Metro's submission to competing insurers in order to create competition in the layers of our insurance program. Our broker communicated with principals in the markets in April, May and June. Insurance executives both nationally and internationally expressed continuing increased underwriting discipline particularly for transportation risks. Insurers asked for detailed loss information on Metro risks and perform detailed actuarial valuations on our book of business to establish their premiums. We are awaiting final insurance quotes from carriers for the Public Entity policies from our broker.

Since Metro has a newer rail system, implemented industry leading safety enhancements before other transit agencies, and a robust claims management process, we benefit from favorable acceptance of our risk in the marketplace which differentiates us from other transit risk profiles. Last year, we obtained \$300 million in Public Entity coverage with \$8 million retention for \$4.1 million. We have enjoyed a relatively calm market for over 16 years; however, substantial loss development specifically related to auto liability, has caused the market to "harden" significantly in the past year. "Commercial insurance buyers are facing upward pricing pressure across most lines of business in 2019, driven in part by escalating losses in the casualty insurance market", according to a report released by Willis Towers Watson (Marketplace Realities 2019). Consequently, we are anticipating a significant rate increase in our Public Entity general liability program premiums given the present state of the insurance marketplace.

To put the insurance marketplace in perspective, our insurance broker's recent Market Update describes the current marketplace succinctly-- "Following a relatively subdued January 1st renewal season, the property and casualty insurance market's push for rate increases has shifted into high gear. Under the weight of back-to-back years of loss accumulation and despite the abundant capacity, property insurers are questioning the adequacy of rates. Similarly, casualty insurers are reevaluating their book of business, driven by the protracted soft market and adverse loss trends. The primary carriers are not only demanding higher rates but tightening underwriting guidelines and exiting specific classes of businesses in certain cases." (USI Property & Casualty Insurance Market Update | Q1 2019)

One person accidents that previously would have settled for \$3 million to \$8 million, are now settling for \$30 million to \$45 million in California and upwards of \$75 million in New York. Carrier results from public agencies, particularly in California, have been significantly worse than other states and carriers have been leaving this niche consistently for the past 8-10 years. A very limited pool of carriers is willing to even consider writing public entity policies including Metro. This is primarily due to the size of our system and the fact that we are in Los Angeles County (widely considered to be the most plaintiff-friendly jurisdiction in the country). The loss development the carriers are experiencing on their accounts this year resulted in many of the carriers ceasing operations entirely in California, with some of them pulling out of the U.S. entirely.

Metro's August 1st insurance placement will reflect higher insurance premiums resulting from tightened underwriting guidelines, the need to replace carriers who exited our class of business and negative developments in auto liability losses. Metro is not alone in facing rate increases. Douglas O'Brien, USI National Practice Division Manager, Casualty and Alternative Risk, said, "Since January 1st a bigger percentage of large risk management and upper middle market companies across

different industries have faced rate increases and capacity reduction. This cuts across industry classifications and is regardless of loss history or tenure with their insurance carriers. A handful of companies have also been non-renewed," O'Brien said. (USI Property & Casualty Insurance Market Update | Q1 2019)

Attachment A provides an overview of the current Public Entity program, renewal options and estimated associated premiums, and the agency's loss history. The Recommended Program, Option A, includes total limits of \$300 million with \$8 million retention and provides terrorism coverage at all levels. Attachment B shows the tentative Public Entity program carriers selected and program structure.

DETERMINATION OF SAFETY IMPACT

Approval of this recommendation will not impact the safety of Metro's patrons or employees.

FINANCIAL IMPACT

Funding for eleven months of \$6.3 million for this action is included in the FY20 budget in cost center 0531, Risk Management - Non Departmental Costs, under projects 300022 - Rail Operations - Blue Line, 300033 - Rail Operations - Green Line, 300044 - Rail Operations - Red Line, 300055 - Gold Line, 300066 - Rail Operations - Expo Line, 301012 - Metro Orange Line, 306001 - Operations Transportation, 320011 - Union Station, and 405533 - Commuter Rail in account 50602 (Ins Prem For Gen Liability). Additional funds required to cover premium costs beyond FY20 budgeted amounts will be addressed by fund reallocations during the year.

The remaining month of premiums will be included in the FY21 budget request, cost center 0531, Risk Management - Non Departmental Costs, under projects under projects 300022 - Rail Operations - Blue Line, 300033 - Rail Operations - Green Line, 300044 - Rail Operations - Red Line, 300055 - Gold Line, 300066 - Rail Operations - Expo Line, 301012 - Metro Orange Line, 306001 - Operations Transportation, 320011 - Union Station, and 405533 - Commuter Rail in account 50602 (Ins Prem For Gen Liability). In FY19, an estimated \$4.5 million will be expensed for excess liability insurance.

Impact to Budget

The current fiscal year funding for this action will come from the Enterprise, General and Internal Service funds paralleling funding for the actual benefiting projects charged. No other sources of funds were considered because these are the activities that benefit from the insurance coverage. This activity will result in an increase to operating costs from the prior fiscal year.

ALTERNATIVES CONSIDERED

Various deductibles and limits of coverage options were considered as outlined in Attachment A for the Public Entity program of insurance. Option A maintains \$300 million limits and maintains the current self-insured retention (SIR) at \$8 million. Option B maintains \$300 million limits but increases the SIR to \$10 million. Option A is recommended to maintain the current SIR. Option B is not recommended because the estimated cost savings of retaining a loss exceeds the cost benefit of

decreasing the total premium.

NEXT STEPS

Upon Board approval of this action, we will advise USI to proceed with placement of the excess liability insurance program outlined herein effective August 1, 2019.

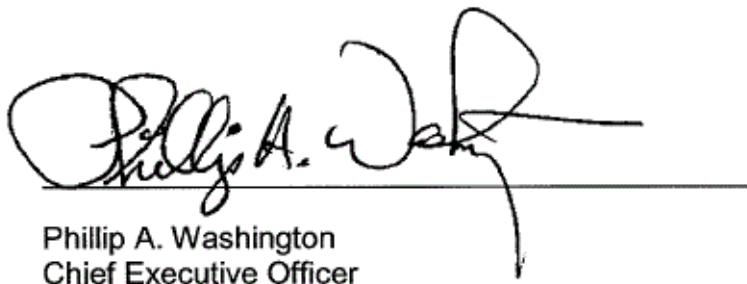
ATTACHMENTS

Attachment A - Options, Premiums and Loss History

Attachment B - Proposed Public Entity Carriers and Program Structure

Prepared by: Tim Rosevear, Manager, Financing Manager, (213) 922-6354

Reviewed by: Vijay Khawani, Interim Chief Risk, Safety and Asset Management Officer, (213) 922-4035



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

Options, Premiums and Loss History

Public Entity Program Insurance Premium and Proposed Options

	CURRENT PROGRAM	OPTIONS (Estimated)	
		A	B
Self-Insured Retention	\$8.0 mil	\$8.0 mil	\$10.0 mil
Limit of Coverage	\$300 mil	\$300 mil	\$300 mil
Terrorism Coverage	Yes	Yes	Yes
Premium	\$4.1 mil	\$6.9 mil	\$6.5 mil

**Premium History for Public Entity Excess Liability Policies
Ending in the Following Policy Periods**

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Self-Insured Retention	\$4.5 mil	\$5.0 mil	\$5.0 mil	\$7.5 mil	\$7.5 mil	\$7.5 mil	\$7.5 mil	\$7.5 mil	\$8.0 mil
Insurance Premium	\$3.8 mil	\$3.9 mil	\$3.9 mil	\$3.6 mil	\$3.7 mil	\$3.6 mil	\$3.7 mil	\$4.1 mil	\$4.1 mil
Claims in Excess of Retention	0	0	2	1	0	0	1	2	0 (est.)
Estimated Amount in Excess of Retention	\$0	\$0	\$5.4 mil	\$1.3 mil	\$0	\$0	TBD	TBD	TBD

ATTACHMENT B

PROPOSED CARRIERS AND PROGRAM STRUCTURE



**USI Insurance Services
Proposed Liability Insurance Summary 2019 - 2020
Los Angeles County Metropolitan Transportation Authority**

Excess Limit		Layer(s)	Carrier	Participation	Premium *
\$300M	Excess Liability	\$50M xs \$250M	Hiscox	\$10,000,000	\$193,500
			ATL	\$5,000,000	
			PENDING *	\$35,000,000	
\$250M	Excess Liability	\$50M xs \$200M	Argo	\$35,000,000	\$258,000
			Swiss Re	\$15,000,000	
\$200M	Excess Liability	\$100M xs \$100M	Argo	\$10,000,000	\$709,500
			Aspen	\$25,000,000	
			IronStarr	\$25,000,000	
			Endurance (SOMPO)	\$12,500,000	
			PENDING *	\$27,500,000	
\$100M	Excess Liability	\$50M xs \$50M	Great American	\$15,000,000	\$645,000
			Allied World (AWAC)	\$15,000,000	
			XL/AXA	\$15,000,000	
			Apollo	\$2,500,000	
			ATL	\$2,500,000	
\$50M	Excess Liability	\$10M xs \$40M	XL/AXA	\$10,000,000	\$211,302
\$40M	Excess Liability	\$10M xs \$30M	Great American	\$10,000,000	\$261,612
\$30M	Excess Liability	\$10M xs \$20M	Endurance (SOMPO)	\$10,000,000	\$361,200
\$20M	Excess Liability	\$10M xs \$10M	London (PEELS)	\$10,000,000	\$928,800
\$10M	Excess Liability	\$5M xs \$5M	Scion	\$5,000,000	\$1,146,552
\$5M	Primary Liability	\$5M Primary	Peleus (Alteris)	\$5,000,000	\$1,439,640
Total Limits		\$300,000,000			

Estimated Program Premiums * \$6,155,106

Contingency for carrier premium, tax and fee adjustments \$744,894

Estimated Program Not-To-Exceed Total \$6,900,000

" Subject to finalization of on-going negotiations with carriers

Terrorism pricing is included above.



Board Report

File #: 2019-0243, File Type: Budget

Agenda Number: 14.

FINANCE, BUDGET AND AUDIT COMMITTEE JUNE 19, 2019

SUBJECT: FISCAL YEAR 2020 TRANSIT FUND ALLOCATIONS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING \$2.4 billion in FY20 Transit Fund Allocations for Los Angeles County jurisdictions, transit operators and Metro operations as shown in Attachment A. These allocations comply with federal, state and local regulations and LACMTA Board approved policies and guidelines;
- B. APPROVING fund exchange of Federal Section 5307 discretionary funds awarded to the Southern California Regional Transit Training Consortium (SCRTTC) through Long Beach Transit in the amount of \$300,000 with Metro's TDA Article 4 allocation;
- C. APPROVING fund exchanges in the amount totaling \$13.8 million of Metro's Federal Section 5307 share with Municipal Operators' shares of Federal Sections 5337 and 5339;
- D. AUTHORIZING the Chief Executive Officer to adjust FY20 Federal Section 5307 (Urbanized Formula), Section 5339 (Bus and Bus Facilities) and Section 5337 (State of Good Repair) allocations upon receipt of final apportionments from the Federal Transit Authority and amend FY20 budget as necessary to reflect the aforementioned adjustment;
- E. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements to implement the above funding programs; and
- F. ADOPTING a resolution designating Transportation Development Act (TDA) and State Transit Assistance (STA) fund allocations are in compliance with the terms and conditions of the allocations (Attachment C).

ISSUE

The Los Angeles County Metropolitan Transportation Authority (LACMTA), as the Regional Transportation Planning Entity for Los Angeles County, is responsible for planning, programming and allocating transportation funding to Los Angeles County jurisdictions, transit operators, and Metro

Operations. LACMTA Board approval will allow the continued funding of transportation projects, programs and services in Los Angeles County.

Each year, transit operating and capital funds consisting of federal, state and local revenues are allocated to Metro operations, transit operators and Los Angeles County local jurisdictions for programs, projects and services according to federal guidelines, state laws and established funding policies and procedures. The Board of Directors must approve allocations for FY20 before funds can be disbursed.

The municipal operators are requesting fund exchanges of their Federal Sections 5339 and 5337 allocations with Metro's share of Federal Section 5307 allocation in order to minimize the impact on administrative processes associated with these funding programs.

DISCUSSION

Pursuant to PUC 99233.1 of the Transportation Development Act (TDA), Metro shall be allocated funds necessary to administer TDA funding. TDA planning and administrative funding for Metro has not increased since FY12, while demand for planning and administration has continued to grow over the last eight years. In order to keep pace with the growing planning needs, expansion of transit, and regional coordination throughout LA County, Metro will increase TDA Administration allocation by sales tax growth each year.

Pursuant to section 130004, up to 1 percent of annual TDA revenues shall be allocated to Metro and up to $\frac{3}{4}$ percent shall be allocated to Southern California Association of Governments (SCAG) for transportation planning and programming process. Starting FY20, Metro will increase TDA planning allocation to 1 percent of annual TDA revenues.

FY18 AMENDMENT

On June 2018, the FY18 Transit Fund Allocations was amended to include the increased STA funds and the allocation of new SB1 funds. This amendment resulted in additional allocations for Foothill Transit Mitigation and Zero-fare Compensation program recipients in the amount of \$513,331 and is included in FY20 Transit Fund Allocations.

TRANSIT FUND ALLOCATIONS

The recommended FY20 Transit Fund Allocations are developed according to federal, state and local requirements, as well as policies and guidelines previously approved by LACMTA Board. Details of significant information, methodologies and assumptions are described in Attachment B.

The Tier 2 Operators Funding Program will continue to be funded with \$6.0 million from Proposition A 95% of 40% Discretionary growth over inflation.

At its April 18, 2017 meeting, the Bus Operations Subcommittee awarded \$300,000 a year for three years of Federal Section 5307 15% Discretionary fund to the Southern California Regional Transit Training Consortium (SCR TTC) through Long Beach Transit. FY20 is the final year of allocation. Funds will be exchanged with Metro's share of the Transportation Development Act (TDA) fund.

Staff has reviewed the recommended allocations, related methodologies and assumptions with Metro operations, transit operators, Los Angeles County local jurisdictions, Technical Advisory Committee (TAC), Bus Operations Subcommittee (BOS) and the Local Transit Systems Subcommittee (LTSS). The TAC, BOS and LTSS have all formally adopted the recommended FY 2020 Transit Fund Allocations.

DETERMINATION OF SAFETY IMPACT

Adoption of this item will provide funding for increased safety efforts.

FINANCIAL IMPACT

The FY20 Transit Fund Allocations are included in the FY20 Budget in multiple cost centers and multiple projects. Approval of these recommendations authorizes LACMTA to disburse these funds to the Los Angeles County jurisdictions and transit operators.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Goal 3: Enhance Communities and lives through mobility and access to opportunity

Goal 4: Transform Los Angeles County through regional collaboration and national leadership

Goal 5: Provide responsive, accountable, and trustworthy governance within the LA Metro organization

ALTERNATIVES CONSIDERED

The Board may choose not to approve the FY20 Transit Fund Allocations. This alternative is not recommended because federal, state and local requirements, as well as prior LACMTA Board policies and guidelines require us to annually allocate funding to Los Angeles County jurisdictions, transit operators, and Metro Operations for programs, projects and services. Allocation methodologies and assumptions comply with federal, state and local requirements, as well as policies and guidelines previously approved by LACMTA Board.

NEXT STEPS

After the Board of Directors approves the recommended allocations and adopts the resolution, we will work with Los Angeles County jurisdictions, transit operators, Southern California Association of Governments (SCAG) and Metro Operations to ensure the proper disbursement of funds.

ATTACHMENTS

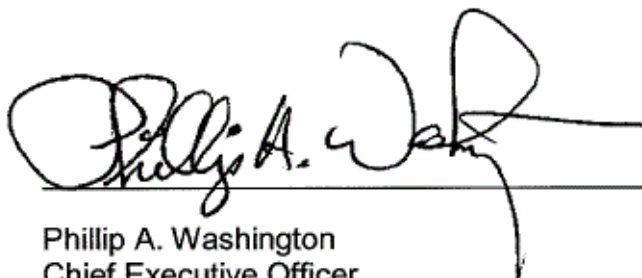
Attachment A - FY20 Transit Fund Allocations

Attachment B - Summary of Significant Information, Methodologies and Assumptions

Attachment C - TDA and STA Resolution

Prepared by: Manijeh Ahmadi, Manager, Transportation Planning, (213) 922-3083
Michelle Navarro, EO, Finance, (213) 922-3056

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer



Los Angeles County Metropolitan Transportation Authority

Fiscal Year 2020
Proposed
TRANSIT FUND ALLOCATIONS

July 1, 2019 – June 30, 2020

05/16/2019

FY 20

Proposed

Transit Fund Allocations

Table of Contents

I. BUS TRANSIT SUBSIDIES

State and Local Funds:

Revenue Estimates	1-2
State and Local Funds Summary.....	3
Bus Transit Funding % Shares.....	4
Included and Eligible Operators Estimated Funding Levels.....	5
Senate Bill 1 STA and SGR Funding Allocations.....	6
Proposition C 5% Transit Security Funding Allocation	7
Proposition C 40% Discretionary Programs.....	8-9
Municipal Operators Service Improvement Program (MOSIP) .	
Zero-Fare Compensation for Commerce . Foothill Transit Mitigation .	
Transit Service Expansion . Discretionary Base Restructuring .	
BSIP Overcrowding Relief. Proposition 1B Bridge Funds - PTMISEA & SECURITY	
Proposition 1B Bridge Funding - PTMISEA (Worksheet)	10
Proposition 1B Bridge Funding - Security (Worksheet)	11
Measure R	12
Measure M	13
Tier 2 Operators Estimated Funding Levels	14

Federal Formula Grants:

Revenue Estimates	15
Summary	16
Capital Allocation Procedure - % Share Calculation	17-18
Federal Section 5307 Urbanized Formula Program	19
Federal Section 5337 State of Good Repair.....	20
Federal Section 5339 Bus and Bus Facilities	21

II. LOCAL SUBSIDIES

Incentive Programs	22-24
Local Returns, TDA Articles 3 & 8	25-27

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Bus Transit Subsidies

STATE AND LOCAL FUNDS

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

REVENUE ESTIMATES

STATE AND LOCAL		FY20 Estimated Revenue	Carryover FY18 Budget vs Actual	Interest FY18 Actual	FY20 Total Funds Available	NOTE	FY19 Total Funds Available
Transportation Development Act:							
Planning & Administration:							
1	Planning - Metro	\$ 4,365,000			\$ 4,365,000		\$ 2,000,000
2	Planning - SCAG	3,273,750			3,273,750		3,194,760
3	Administration - Metro	3,417,618			3,417,618		3,305,240
4	Sub-total	11,056,368			11,056,368		8,500,000
5	Article 3 Pedestrian & Bikeways	2.0000% 8,508,873	213,440		8,722,313		8,190,639
6	Article 4 Bus Transit	91.4022% 388,864,956	9,781,278	4,180,100	402,826,334		377,811,236
7	Article 8 Streets & Highways	6.5978% 28,069,804	677,292		28,747,096		25,832,364
8	Total	436,500,000	10,672,010	4,180,100	451,352,110	a	420,334,239
Proposition A:							
9	Administration	5.0000% 43,650,000	4,255,688		47,905,688		41,882,086
10	Local Return	25.0000% 207,337,500	n/a		207,337,500	b	200,450,000
11	Rail Development	35.0000% 290,272,500	28,300,328		318,572,828		278,515,874
Bus Transit:							
12	95% of 40% Capped at CPI 2.2800%	249,884,011	n/a		249,884,011	c	244,313,659
13	95% of 40% Over CPI	65,268,989	n/a		65,268,989	d	60,370,341
14	Sub-total	315,153,000	-		315,153,000		304,684,000
15	5% of 40% Incentive	16,587,000	1,617,162		18,204,162		15,915,193
16	Total	873,000,000	34,173,178		907,173,178	a	841,447,153
Proposition C:							
17	Administration	1.5000% 13,095,000	518,181		13,613,181		12,563,535
18	Rail/Bus Security	5.0000% 42,995,250	1,701,362		44,696,612		41,250,275
19	Commuter Rail	10.0000% 85,990,500	3,402,724		89,393,224		82,500,550
20	Local Return	20.0000% 171,981,000	n/a		171,981,000	b	166,268,000
21	Freeways and Highways	25.0000% 214,976,250	8,506,811		223,483,061		206,251,374
22	Discretionary	40.0000% 343,962,000	13,610,897		357,572,897	e	330,002,198
23	Total	873,000,000	27,739,976		900,739,976	a	838,835,932
State Transit Assistance:							
24	Bus (PUC 99314 Rev Base Share)	66,175,749	12,978,370	301,617	79,455,736	f	61,485,106
25	Rail (PUC 99313 Population Share)	51,830,263	9,756,859	157,099	61,744,221		42,285,854
26	Total	118,006,012	22,735,229	458,716	141,199,957		103,770,960
SB 1 State Transit Assistance:							
27	Bus (PUC 99314 Rev Base Share)	54,854,073	489,221	156,947	55,500,241	g,f	38,826,260
28	Rail (PUC 99313 Population Share)	42,962,883	364,936	79,765	43,407,584	h	29,204,175
29	Total	97,816,955	854,157	236,712	98,907,824		68,030,435
SB 1 State Of Good Repair							
30	Bus (PUC 99314 Rev Base Share)	16,861,025	1,809,075	23,388	18,693,488	g,f	18,085,788
31	Rail (PUC 99313 Population Share)	13,205,917	1,425,503	17,676	14,649,096	h	13,603,692
32	Total	30,066,941	3,234,578	41,064	33,342,583		31,689,480

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

REVENUE ESTIMATES (continued)

STATE AND LOCAL		FY20 Estimated Revenue	Carryover FY18 Budget vs Actual	Interest FY18 Actual	FY20 Total Funds Available	N O T E	FY19 Total Funds Available
Measure R:							
33	Administration	1.5000%	13,095,000	520,818	458,001		12,498,839
34	Transit Capital - "New Rail"	35.0000%	300,966,750	11,970,127	846,522		289,119,183
35	Transit Capital - Metrolink	3.0000%	25,797,150	1,026,011	415,921		25,915,175
36	Transit Capital - Metro Rail	2.0000%	17,198,100	684,007	(581,024)		16,150,117
37	Highway Capital	20.0000%	171,981,000	6,840,073	3,073,700		166,264,617
38	Operations "New Rail"	5.0000%	42,995,250	1,710,018	91,199		41,335,567
39	Operations Bus	20.0000%	171,981,000	6,840,073	(206,767)		164,684,961
40	Local Return	15.0000%	128,985,750	3,990	9,902	b	124,701,077
41	Total		873,000,000	29,595,117	4,107,454	a	840,669,537
Measure M:							
Local Return Supplemental & Administration:							
42	Administration	0.5000%	4,495,950	335,105	(5,284)		4,346,600
43	Supplemental transfer to Local Return	1.0000%	8,599,050	n/a	n/a	b,i	8,313,400
44	Sub-total		13,095,000	335,105	(5,284)		12,660,000
45	Local Return Base	16.0000%	137,584,800	n/a	n/a	b,i	133,014,400
46	Metro Rail Operations	5.0000%	42,995,250	3,204,645	3,042		41,567,000
47	Transit Operations (Metro & Municipal Providers)	20.0000%	171,981,000	12,818,580	(53,858)		166,268,000
48	ADA Paratransit/Metro Discounts for Seniors & Students	2.0000%	17,198,100	1,281,858	(27,634)		16,626,800
49	Transit Construction	35.0000%	300,966,750	22,432,516	(80,559)		290,969,000
50	Metro State of Good Repairs	2.0000%	17,198,100	1,281,858	65,788		16,626,800
51	Highway Construction	17.0000%	146,183,850	10,895,793	(233,298)		141,327,800
52	Metro Active Transportation Program	2.0000%	17,198,100	1,281,858	(960)		16,626,800
53	Regional Rail	1.0000%	8,599,050	640,929	48,831		8,313,400
54	Total		873,000,000	54,173,143	(283,932)	a	844,000,000
55	Total Funds Available		\$ 4,174,389,909	\$ 183,177,388	\$ 8,740,114		\$ 3,988,777,736
Total Planning & Admin Allocations:							
56	(Lines 4, 9, 17, 27 and 36)		\$ 85,392,318	\$ 5,629,793	\$ 452,717		\$ 79,791,060

Notes:

- a) The revenue estimate is 3.4% over the FY19 revenue estimate based on several economic forecasts evaluated by MTA.
- b) Local Return Subfunds do not show carryover balances. These funds are distributed in the same period received. Carryover represents the funds that had not been spent, and past the lapsing period and will be re-allocated to all the cities based on the formula.
- c) Consumer price index (CPI) of 2.28% represents the average estimated growth rate based on various forecasting sources and historical trends applied to Prop A discretionary allocated to Included operators.
- d) Proposition A 95% of 40% Bus Transit growth over CPI estimate will be used to fund Eligible and Tier 2 operators. The carryover is not shown since it has been converted into Proposition C 40% discretionary to fund various Board-approved discretionary programs.
- e) FY18 Transit Fund allocations were amended, resulting in an adjustment to reallocate \$513,331 to Foothill Transit Mitigation and Zero-fare Compensation fund recipients.
- f) STA Revenue estimate from the State Controller's office is reduced by 5% for the revenue base share and population-base share due to anticipated shortfall of FY20 revenue.
- g) The SGR program is one of two programs that allocate Senate Bill (SB) 1, known as the Road Repair and Accountability Act of 2017, to transit agencies through the State Transit Assistance (STA) formula. The first program augments the base of the State Transit Assistance program with a portion of the new sales tax on diesel fuel and does not require pre-approval of project list. The second portion - State of Good Repair - is a new program funded from the increase in Vehicle License Fee. In order to be eligible for SGR funding, eligible agencies must comply with various reporting requirements.
- h) STA and SGR portion of SB1 will be allocated based on Measure R allocation methodology.
- i) Measure M provides for a total of 17% net revenues for Local Return. Supplement of 1% to be funded by 1.5% Administration.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

STATE AND LOCAL FUNDS

Operators	Formula Allocation Procedure				Proposition C 5% Security	Proposition C 40% Discretionary	Measure R		Measure M	Senate Bill 1		Total
	TDA Article 4 + Interest	STA + Interest	Proposition A 95% of 40 % Discretionary	Sub-Total FAP			20% Bus Operations	Clean Fuel & Facilities		STA	State of Good Repair	
Included Operators:												
1 Metro Bus Ops	\$ 296,500,297	\$ 58,542,563	\$ 184,113,208	\$ 539,156,068	\$ 32,634,277	\$ 23,368,663	\$ 122,693,057	\$ 6,596,834	\$ 126,904,826	\$ 38,124,013	\$ 12,666,297	\$ 902,144,036
Municipal Operators:												
2 Arcadia	361,705	71,345	224,375	657,425	6,630	104,793	149,524	17,409	154,657	46,461	15,436	1,152,335
3 Claremont	139,086	27,434	86,279	252,799	2,650	50,124	57,496	5,779	59,470	17,866	5,936	452,120
4 Commerce	469,201	92,548	291,058	852,806	42,323	1,241,555	193,961	33,048	200,619	60,269	20,024	2,644,606
5 Culver City	5,749,508	1,134,065	3,566,575	10,450,148	404,087	2,154,335	2,376,766	141,775	2,458,354	738,525	245,367	18,969,357
6 Foothill Transit	26,695,630	5,265,596	16,560,017	48,521,244	1,042,060	10,010,062	11,035,597	838,277	11,414,423	3,429,055	1,139,267	87,429,985
7 Gardena	5,845,949	1,153,088	3,626,399	10,625,436	256,444	2,589,260	2,416,633	123,656	2,499,590	750,912	249,483	19,511,414
8 La Mirada	108,550	21,411	67,336	197,297	3,523	24,614	44,873	6,427	46,413	13,943	4,632	341,722
9 Long Beach	25,485,868	4,967,803	15,623,472	46,077,142	1,978,899	10,306,518	10,411,483	618,031	10,768,885	3,235,126	1,074,836	84,470,920
10 Montebello	8,840,232	1,743,697	5,483,834	16,067,763	479,886	3,826,638	3,654,427	186,899	3,779,875	1,135,528	377,267	29,508,284
11 Norwalk	3,400,348	670,704	2,109,327	6,180,378	121,378	886,560	1,405,656	67,180	1,453,909	436,775	145,114	10,696,949
12 Redondo Beach	805,958	158,972	499,958	1,464,888	31,052	243,991	333,172	32,682	344,609	103,525	34,395	2,588,314
13 Santa Monica	21,599,175	4,260,343	13,398,549	39,258,067	1,095,506	7,215,446	8,928,794	457,486	9,235,299	2,774,415	921,770	69,886,783
14 Torrance	6,824,827	1,346,167	4,233,624	12,404,619	310,866	3,717,603	2,821,287	140,463	2,918,136	876,649	291,257	23,480,880
15 Sub-Total	106,326,037	20,913,173	65,770,803	193,010,012	5,775,304	42,371,498	43,829,668	2,669,112	45,334,240	13,619,050	4,524,784	351,133,668
Eligible Operators:												
16 Antelope Valley	-	-	5,640,301	5,640,301	202,892	2,109,405	2,851,883	183,390	2,949,781	886,156	294,416	15,118,224
17 LADOT	-	-	23,983,643	23,983,643	1,392,629	7,658,544	5,454,803	362,859	5,642,054	1,694,953	563,130	46,752,615
18 Santa Clarita	-	-	5,093,227	5,093,227	221,849	2,399,593	2,575,268	187,805	2,663,671	800,205	265,859	14,207,477
19 Foothill BSCP	-	-	5,318,480	5,318,480	-	928,624	1,209,627	-	1,251,151	375,863	124,877	9,208,623
20 Sub-Total	-	-	40,035,652	40,035,652	1,817,370	13,096,166	12,091,580	734,054	12,506,657	3,757,177	1,248,282	85,286,939
Tier 2 Operators:												
21 LADOT Community Dash	-	-	4,824,381	4,824,381	-	-	-	-	-	-	-	4,824,381
22 Glendale	-	-	701,316	701,316	-	-	-	-	-	-	-	701,316
23 Pasadena	-	-	348,922	348,922	-	-	-	-	-	-	-	348,922
24 Burbank	-	-	125,382	125,382	-	-	-	-	-	-	-	125,382
25 Sub-Total	-	-	6,000,000	6,000,000	-	-	-	-	-	-	-	6,000,000
26 Lynwood Trolley	-	-	-	-	-	226,796	-	-	-	-	-	226,796
27 Total Excluding Metro	106,326,037	20,913,173	111,806,455	239,045,664	7,592,674	55,694,460	55,921,249	3,403,166	57,840,896	17,376,227	5,773,066	442,647,403
28 County of Los Angeles											254,124	254,124
29 Grand Total	\$ 402,826,334	\$ 79,455,736	\$ 295,919,663	\$ 778,201,732	\$ 40,226,951	\$ 79,063,124	\$ 178,614,306	\$ 10,000,000	\$ 184,745,722	\$ 55,500,241	\$ 18,693,488	\$ 1,345,045,563

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

BUS TRANSIT FUNDING PERCENTAGE SHARES

Operators	Vehicle Service Miles (VSM) ⁽¹⁾	Passenger Revenue (\$) ⁽¹⁾	Base Fare (\$)	Fare Units	Fare Units Prior to Fare Increase/ decrease	Fare Units Used in FAP ⁽²⁾	Sum 50% VSM + 50% Fare Units	Proposition A Base Share	DAR Cap Adjustment ⁽³⁾	TDA/STA Share
Included Operators										
1 Metro Bus Ops.(4)	72,653,000	212,840,000	\$ 1.75	121,622,857	197,161,600	197,161,600	134,907,300	73.6795%	0.0000%	73.6795%
2 Arcadia DR	86,608	5,730	0.50	11,460	72,829	72,829	79,719	0.0435%	0.0000%	0.0435%
3 Arcadia MB	154,997	7,192	0.50	14,384	-	14,384	84,691	0.0463%	0.0000%	0.0463%
4 Claremont	44,600	45,600	2.50	18,240	81,840	81,840	63,220	0.0345%	0.0000%	0.0345%
5 Commerce	426,540	-	-	-	-	-	213,270	0.1165%	0.0000%	0.1165%
6 Culver City	1,553,543	2,844,747	1.00	2,844,747	3,673,208	3,673,208	2,613,376	1.4273%	0.0000%	1.4273%
7 Foothill	10,047,408	13,444,608	1.50	8,963,072	14,221,000	14,221,000	12,134,204	6.6271%	0.0000%	6.6271%
8 Gardena	1,610,823	2,228,499	1.00	2,228,499	3,703,600	3,703,600	2,657,212	1.4512%	0.0000%	1.4512%
9 La Mirada	64,692	33,988	1.00	33,988	-	33,988	49,340	0.0269%	0.0000%	0.0269%
10 Long Beach	6,923,461	13,769,460	1.25	11,015,568	15,972,456	15,972,456	11,447,959	6.2523%	0.0000%	6.2523%
11 Montebello	2,180,904	4,024,999	1.10	3,659,090	5,855,556	5,855,556	4,018,230	2.1946%	0.0000%	2.1946%
12 Norwalk	997,113	1,155,621	1.25	924,497	2,094,068	2,094,068	1,545,591	0.8441%	0.0000%	0.8441%
13 Redondo Beach DR	54,042	10,980	1.00	10,980	-	10,980	32,511	0.0178%	0.0000%	0.0178%
14 Redondo Beach MB	366,851	300,806	1.00	300,806	-	300,806	333,829	0.1823%	0.0000%	0.1823%
15 Santa Monica	4,974,000	11,603,000	1.25	9,282,400	14,661,333	14,661,333	9,817,667	5.3619%	0.0000%	5.3619%
16 Torrance	1,694,300	2,025,800	1.00	2,025,800	4,510,000	4,510,000	3,102,150	1.6942%	0.0000%	1.6942%
17 Sub-Total	103,832,882	264,341,030		162,956,388		262,367,648	183,100,265	100.0000%	0.0000%	100.0000%
Eligible Operators										
18 Antelope Valley	3,166,832	4,849,941	1.50	3,233,294	3,543,241	3,543,241	3,355,037	1.7126%	0.0000%	1.7126%
19 Santa Clarita	2,866,266	3,192,972	1.00	3,192,972	-	3,192,972	3,029,619	1.5465%	0.0000%	1.5465%
20 LADOT Local	1,695,256	3,229,770	0.50	6,459,540	6,727,520	6,727,520	4,211,388	2.1497%	0.0000%	2.1497%
21 LADOT Express	1,258,765	3,220,511	1.50	2,147,007	3,152,832	3,152,832	2,205,799	1.1260%	0.0000%	1.1260%
22 Foothill - BSCP	1,216,905	1,505,991	1.50	1,003,994	1,650,000	1,650,000	1,433,453	0.7264%	0.0000%	0.7264%
23 Sub-Total	10,204,024	15,999,185		16,036,807		18,266,565	14,235,295	7.2612%	0.0000%	7.2612%
24 Total	114,036,906	280,340,215		178,993,195		280,634,213	197,335,560			

Notes:

(1) Operators' statistics exclude BSIP, TSE, Base Restructuring and MOSIP services that are funded from PC 40% Discretionary. Also excluded are services funded from other sources (CRD, FTA, etc.)

(2) Fare units used are frozen to the level prior to fare change in accordance with the Funding Stability Policy, adopted by the Board in November 2007.

(3) TDA cap of 0.25% is applied for DAR operators - Arcadia, Claremont, La Mirada and Redondo Beach DR.

(4) MTA Statistics include contracted services with LADOT for Lines 422, 601 and 602 (Consent Decree Lines), Glendale and Palos Verdes Peninsula Transit Authority (PVPTA).

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

INCLUDED & ELIGIBLE OPERATORS ESTIMATED FUNDING LEVELS

Operators	TDA & STA % Shares	TDA Article 4 plus interest			STA Rev Base Share Plus Interest	Prop A Disc % Shares	Proposition A Discretionary ⁽¹⁾	Total Formula Funds
		Allocated	Fund Exchange	Net				
Included Operators								
1 Metro Bus Ops	73.6795%	\$ 296,800,297	\$ (300,000)	\$ 296,500,297	\$ 58,542,563	73.6795%	\$ 184,113,208	\$ 539,156,068
2 Arcadia DR	0.0435%	175,383		175,383	34,594	0.0435%	108,795	318,772
3 Arcadia MB	0.0463%	186,322		186,322	36,751	0.0463%	115,580	338,653
4 Claremont	0.0345%	139,086		139,086	27,434	0.0345%	86,279	252,799
5 Commerce	0.1165%	469,201		469,201	92,548	0.1165%	291,058	852,806
6 Culver City	1.4273%	5,749,508		5,749,508	1,134,065	1.4273%	3,566,575	10,450,148
7 Foothill	6.6271%	26,695,630		26,695,630	5,265,596	6.6271%	16,560,017	48,521,244
8 Gardena	1.4512%	5,845,949		5,845,949	1,153,088	1.4512%	3,626,399	10,625,436
9 La Mirada	0.0269%	108,550		108,550	21,411	0.0269%	67,336	197,297
10 Long Beach	6.2523%	25,185,868	300,000	25,485,868	4,967,803	6.2523%	15,623,472	46,077,142
11 Montebello	2.1946%	8,840,232		8,840,232	1,743,697	2.1946%	5,483,834	16,067,763
12 Norwalk	0.8441%	3,400,348		3,400,348	670,704	0.8441%	2,109,327	6,180,378
13 Redondo Beach DR	0.0178%	71,525		71,525	14,108	0.0178%	44,369	130,002
14 Redondo Beach MB	0.1823%	734,433		734,433	144,864	0.1823%	455,589	1,334,886
15 Santa Monica	5.3619%	21,599,175	-	21,599,175	4,260,343	5.3619%	13,398,549	39,258,067
16 Torrance	1.6942%	6,824,827		6,824,827	1,346,167	1.6942%	4,233,624	12,404,619
17 Sub-Total	100.0000%	402,826,334	-	402,826,334	79,455,736	100.0000%	249,884,011	732,166,080
Formula Equivalent Funded from Proposition A 95% of 40% Growth over CPI ⁽²⁾								
Eligible Operators								
18 Antelope Valley	1.7126%	-	-	-	1,360,766	1.7126%	4,279,535	\$ 5,640,301
19 Santa Clarita	1.5465%	-	-	-	1,228,780	1.5465%	3,864,447	5,093,227
20 LADOT Local	2.1497%	8,659,723		8,659,723	1,708,093	2.1497%	5,371,859	15,739,675
21 LADOT Express	1.1260%	4,535,703		4,535,703	894,648	1.1260%	2,813,618	8,243,969
22 Foothill - BSCP	0.7264%	2,926,145		2,926,145	577,169	0.7264%	1,815,166	5,318,480
23 Sub-Total	7.2612%	16,121,571	-	16,121,571	5,769,455	7.2612%	18,144,626	40,035,652
24 Total FAP		\$ 402,826,334		\$ 402,826,334	\$ 79,455,736	107.2612%	\$ 249,884,011	\$ 772,201,732
Proposition A Discretionary (95% of 40%) Growth Over CPI:								
25 Revenue								\$ 65,268,989
Uses of Fund:								
26 Eligible Operators - Formula Equivalent Funds								40,035,652
27 Tier 2 Operators								6,000,000
28 Total Uses of Funds								46,035,652
29 Proposition A Discretionary (95% of 40%) GOI Surplus (Shortfall)								19,233,337
30 Backfill from (Transfer to) PC40% Discretionary								(19,233,337)
								\$ -

Notes:

(1) Prop A Discretionary funds, (95% of 40%) allocated to Included Operators have been capped at 2.28% CPI for FAP allocation.

(2) Formula Equivalent funds are allocated by formula to Eligible Operators in lieu of Section 9, TDA, STA and Prop A 40% Discretionary funds. Fund source is Prop A 95% of 40% growth over CPI.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

Senate Bill 1 - Road Repair and Accountability Act of 2017

Operators	Measure R %Share ⁽¹⁾	SB1 - STA Allocation	SB1 - SGR Allocation ⁽²⁾	Total
<u>Included Operators:</u>				
1 Metro Bus Ops	68.6916%	\$ 38,124,013	\$ 12,666,297	\$ 50,790,311
2 Arcadia	0.0837%	46,461	15,436	61,897
3 Claremont	0.0322%	17,866	5,936	23,801
4 Commerce	0.1086%	60,269	20,024	80,293
5 Culver City	1.3307%	738,525	245,367	983,892
6 Foothill	6.1785%	3,429,055	1,139,267	4,568,322
7 Gardena	1.3530%	750,912	249,483	1,000,395
8 La Mirada	0.0251%	13,943	4,632	18,576
9 Long Beach	5.8290%	3,235,126	1,074,836	4,309,962
10 Montebello	2.0460%	1,135,528	377,267	1,512,795
11 Norwalk	0.7870%	436,775	145,114	581,889
12 Redondo Beach DR	0.0166%	9,187	3,052	12,240
13 Redondo Beach MB	0.1700%	94,338	31,343	125,681
14 Santa Monica	4.9989%	2,774,415	921,770	3,696,185
15 Torrance	1.5795%	876,649	291,257	1,167,907
<u>Eligible Operators:</u>				
16 Antelope Valley	1.5967%	886,156	294,416	1,180,572
17 Santa Clarita	1.4418%	800,205	265,859	1,066,064
18 LADOT Local	2.0042%	1,112,342	369,564	1,481,906
19 LADOT Express	1.0497%	582,611	193,566	776,178
20 Foothill BSCP	0.6772%	375,863	124,877	500,740
21 Total Municipal Operators	31.3084%	17,376,227	5,773,066	23,149,294
22 County of Los Angeles			254,124	254,124
23 Total Funds Allocated	100.0000%	\$ 55,500,241	\$ 18,693,488	\$ 74,193,728

Notes:

(1) STA and SGR portion of SB1 will be allocated based on Measure R allocation methodology.

(2) Preliminary estimates. Subject to the submittal of eligible projects.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

PROPOSITION C 5% TRANSIT SECURITY FUNDING ALLOCATION

Operators	FY18 Unlinked Passengers	Percent of Total Unlinked Passengers	Total ⁽¹⁾
1 Antelope Valley	2,442,282	0.5044%	\$ 202,892
2 Arcadia	79,809	0.0165%	6,630
3 Claremont	31,900	0.0066%	2,650
4 Commerce	509,461	0.1052%	42,323
5 Culver City	4,864,138	1.0045%	404,087
6 Foothill	12,543,650	2.5905%	1,042,060
7 Gardena	3,086,911	0.6375%	256,444
8 LADOT Local/Express	16,763,577	3.4619%	1,392,629
9 La Mirada	42,407	0.0088%	3,523
10 Long Beach	23,820,716	4.9193%	1,978,899
11 Montebello	5,776,558	1.1929%	479,886
12 Norwalk	1,461,068	0.3017%	121,378
13 Redondo Beach DR/MB	373,790	0.0772%	31,052
14 Santa Clarita	2,670,472	0.5515%	221,849
15 Santa Monica	13,187,000	2.7233%	1,095,506
16 Torrance	3,742,000	0.7728%	310,866
17 Sub-Total	91,395,739	18.8746%	7,592,674
18 Metro Bus/Rail Ops ⁽²⁾	392,830,493	81.1254%	32,634,277
19 Total	484,226,232	100.0000%	\$ 40,226,951

Notes:

(1) Total funding is 90% of Prop C 5% Transit Security:

Estimated Revenue: \$	44,696,612
90% Thereof: \$	40,226,951

(2) Metro operations data includes unlinked passengers for bus and rail.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

PROPOSITION C 40% DISCRETIONARY PROGRAMS

Operators	MOSIP			Zero-fare Compensation ⁽¹⁾	Foothill Transit Mitigation	Transit Service Expansion	Discretionary Base Restructuring	BSIP Overcrowding Relief	Prop 1B Bridge Funding		Total
	Prop A % Share	% Share	\$ Allocation						PTMISEA	SECURITY	
<u>INCLUDED OPERATORS</u>											
1 Metro Bus Ops			\$ -	\$ -	\$11,223,858	\$ -	\$ -	\$ 12,144,805	\$ -	\$ -	\$ 23,368,663
2 Arcadia	0.0898%	0.2674%	68,280	-	13,596	-	-	22,917	-	-	104,793
3 Claremont	0.0345%	0.1028%	26,256	-	5,294	-	-	-	15,138	3,436	50,124
4 Commerce	0.1165%	0.3468%	88,572	872,970	17,732	-	262,281	-	-	-	1,241,555
5 Culver City	1.4273%	4.2502%	1,085,352	-	217,384	252,811	-	176,666	344,025	78,097	2,154,335
6 Foothill	6.6271%	19.7342%	5,039,417	-	-	349,912	2,099,785	977,602	1,257,810	285,536	10,010,062
7 Gardena	1.4512%	4.3215%	1,103,558	-	220,836	726,670	-	184,424	288,321	65,452	2,589,260
8 La Mirada	0.0269%	0.0802%	20,491	-	4,123	-	-	-	-	-	24,614
9 Long Beach	6.2523%	18.6181%	4,754,414	-	951,907	2,399,092	-	865,966	1,088,123	247,015	10,306,518
10 Montebello	2.1946%	6.5350%	1,668,798	-	334,214	-	1,197,790	228,588	323,752	73,495	3,826,638
11 Norwalk	0.8441%	2.5136%	641,894	-	128,324	-	-	59,144	46,615	10,582	886,560
12 Redondo Beach DR/MB	0.2001%	0.5958%	152,143	-	30,436	-	-	4,198	46,628	10,585	243,991
13 Santa Monica	5.3619%	15.9667%	4,077,343	-	816,279	-	-	837,826	1,209,442	274,556	7,215,446
14 Torrance	1.6942%	5.0451%	1,288,344	-	258,023	850,852	762,154	252,966	248,786	56,477	3,717,603
15 Sub-Total	26.3205%	78.3775%	20,014,863	872,970	2,998,149	4,579,337	4,322,010	3,610,297	4,868,640	1,105,232	42,371,498
<u>ELIGIBLE OPERATORS</u>											
16 Antelope Valley	1.7126%	5.0998%	1,302,315	-	46,261	396,211	-	50,287	256,175	58,155	2,109,405
17 Santa Clarita	1.5465%	4.6052%	1,175,999	-	42,606	207,230	-	53,790	749,763	170,204	2,399,593
18 LADOT Local/Express	3.2757%	9.7544%	2,490,941	-	465,544	2,846,487	-	157,670	1,383,771	314,131	7,658,544
19 Foothill BSCP	0.7264%	2.1631%	552,377	-	-	-	-	-	306,637	69,610	928,624
20 Sub-Total	7.2612%	21.6225%	5,521,633	-	554,410	3,449,928	-	261,748	2,696,347	612,100	13,096,166
21 City of Lynwood Trolley						226,796	-	-			226,796
22 Total Municipal Operators	33.5818%	100.0000%	25,536,495	872,970	3,552,560	8,256,062	4,322,010	3,872,045	7,564,987	1,717,331	55,694,460
23 Total	33.5818%	100.0000%	\$ 25,536,495	\$ 872,970	\$ 14,776,417	\$ 8,256,062	\$ 4,322,010	\$ 16,016,851	\$ 7,564,987	\$ 1,717,331	\$ 79,063,124

Last Year	\$24,792,714	\$8,072,020	\$ 4,225,665	\$ 15,659,807
% Increase (2)	3.00%	2.280%	2.280%	2.280%
Current Year	\$25,536,495	\$8,256,062	\$ 4,322,010	\$ 16,016,851

Note:

(1) Allocated as part of FAP to Commerce as compensation for having zero passenger revenues.

(2) CPI of 2.28% is applied to Proposition C Discretionary programs: Transit Service Enhancement (TSE), Bus Service Improvement Program (BSIP), and Discretionary Base Restructuring program. Municipal Operators Service Improvement Program (MOSIP) receives 3% increase from FY2019 allocation.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

**Proposition C 40% Discretionary Programs
FISCAL YEAR 2020**

Operators	Zero-fare Compensation			Foothill Transit Mitigation			Total Carryover from FY18
	FY18 ⁽¹⁾	FY20	Total FY20 allocation	FY18 ⁽¹⁾	FY20	Total FY20 allocation	
<u>INCLUDED OPERATORS</u>							
1 Metro Bus Ops				366,644	10,857,213	11,223,858	366,644
2 Arcadia				364	13,231	13,596	364
3 Claremont				206	5,088	5,294	206
4 Commerce	20,163	852,806	872,970	568	17,164	17,732	20,731
5 Culver City				7,062	210,322	217,384	7,062
6 Foothill				-	-	-	-
7 Gardena				6,986	213,850	220,836	6,986
8 La Mirada				152	3,971	4,123	152
9 Long Beach				30,586	921,321	951,907	30,586
10 Montebello				10,831	323,383	334,214	10,831
11 Norwalk				3,937	124,388	128,324	3,937
12 Redondo Beach DR/MB				953	29,483	30,436	953
13 Santa Monica				26,163	790,117	816,279	26,163
14 Torrance				8,365	249,658	258,023	8,365
15 Sub-Total	20,163	852,806	872,970	96,174	2,901,975	2,998,149	116,337
<u>ELIGIBLE OPERATORS</u>							
16 Antelope Valley				7,478	38,783	46,261	7,478
17 Santa Clarita				7,585	35,021	42,606	7,585
18 LADOT Local/Express				15,286	450,258	465,544	15,286
19 Foothill BSCP				-	-	-	-
20 Sub-Total				30,349	524,061	554,410	30,349
22 Total Municipal Operators	20,163	852,806	872,970	126,523	3,426,037	3,552,560	126,523
23 Total	20,163	852,806	\$ 872,970	493,167	14,283,250	14,776,417	513,331

Notes:

- (1) FY18 Transit Fund allocations were amended, resulting in additional allocations of \$513,331 to Foothill Transit Mitigation and Zero-fare Compensation funds recipients.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

BRIDGE FUNDING FOR PROPOSITION 1B PTMISEA FUND

Allocation Basis - FY15

	Operators	[A]	[B]	[C]	[D]	[E]	[F]	[G]
		PTMISEA FUND	FY15 STA % Share	FAP Allocation	FAP Allocation Over (Under) STA Allocation	Bridge Funding	Total Funds	FY20 Bridge Funding (3rd of 3 Installments) (1)
					(C-A)		(A+E)	(E) /3
<u>Included Operators</u>								
1	Arcadia	\$ 132,924	0.0891%	\$ 117,917	\$ (15,007)	\$ -	\$ 132,924	\$ -
2	Claremont	40,609	0.0650%	86,023	45,414	45,414	86,023	15,138
3	Commerce	282,048	0.0921%	121,887	(160,161)	-	282,048	-
4	Culver City	873,391	1.4398%	1,905,465	1,032,074	1,032,074	1,905,465	344,025
5	Foothill	4,323,936	6.1185%	8,097,366	3,773,430	3,773,430	8,097,366	1,257,810
6	Gardena	1,014,034	1.4198%	1,878,996	864,962	864,962	1,878,996	288,321
7	La Mirada	107,067	0.0333%	44,070	(62,997)	-	107,067	-
8	Long Beach	4,904,330	6.1724%	8,168,698	3,264,368	3,264,368	8,168,698	1,088,123
9	Montebello	2,004,725	2.2487%	2,975,982	971,257	971,257	2,975,982	323,752
10	Metro Bus Ops	103,154,440	74.1778%	98,168,631	(4,985,809)	-	103,154,440	-
11	Norwalk	946,553	0.8209%	1,086,398	139,845	139,845	1,086,398	46,615
12	Redondo Beach	120,697	0.1969%	260,582	139,885	139,885	260,582	46,628
13	Santa Monica	3,529,674	5.4087%	7,158,000	3,628,326	3,628,326	7,158,000	1,209,442
14	Torrance	1,525,960	1.7170%	2,272,318	746,358	746,358	2,272,318	248,786
15	Sub-Total	122,960,388	100.0000%	132,342,333	9,381,945	14,605,919	137,566,307	4,868,640
<u>Eligible Operators</u>								
16	Antelope Valley	1,265,840	1.5372%	2,034,366	768,526	768,526	2,034,366	256,175
17	Santa Clarita	-	1.6996%	2,249,290	2,249,290	2,249,290	2,249,290	749,763
18	City of Los Angeles	-	3.1368%	4,151,314	4,151,314	4,151,314	4,151,314	1,383,771
19	Foothill BSCP	-	0.6951%	919,912	919,912	919,912	919,912	306,637
20	Sub-Total	1,265,840	7.0687%	9,354,882	8,089,042	8,089,042	9,354,882	2,696,347
21	Total Municipal Operators	124,226,228	107.0687%	141,697,215	17,470,987	22,694,961	146,921,189	7,564,987
22	SCRRA	8,116,105	-	-	-	-	8,116,105	-
23	Grand Total	\$ 132,342,333	107.0687%	\$ 141,697,215	\$ 17,470,987	\$ 22,694,961	\$ 155,037,294	\$ 7,564,987

Note:

(1) The final appropriation of Prop 1B PTMISEA fund was made in FY 2014-15 state budget; therefore, FY20 will be the last year of prop 1B Bridge Funding.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

BRIDGE FUNDING FOR PROPOSITION 1B SECURITY FUND

Allocation Basis - FY15

Operators	[A]	[B]	[C]	[D]	[E]	[F]
	SECURITY FUND	FY15 STA % Share	FAP Allocation	FAP Allocation Over (Under) STA Allocation (C-A)	FY20 Bridge Funding (1)	Total (A+E)
Included Operators						
1 Arcadia	\$ 10,058	0.0891%	\$ 8,923	\$ (1,136)	\$ -	\$ 10,058
2 Claremont	3,073	0.0650%	6,509	3,436	3,436	6,509
3 Commerce	21,343	0.0921%	9,223	(12,119)	-	21,343
4 Culver City	66,090	1.4398%	144,187	78,097	78,097	144,187
5 Foothill	327,193	6.1185%	612,729	285,536	285,536	612,729
6 Gardena	76,732	1.4198%	142,184	65,452	65,452	142,184
7 La Mirada	8,102	0.0333%	3,335	(4,767)	-	8,102
8 Long Beach	371,112	6.1724%	618,127	247,015	247,015	618,127
9 Montebello	151,698	2.2487%	225,193	73,495	73,495	225,193
10 Metro Bus Ops	7,805,715	74.1778%	7,428,438	(377,277)	-	7,805,715
11 Norwalk	71,626	0.8209%	82,208	10,582	10,582	82,208
12 Redondo Beach	9,133	0.1969%	19,718	10,585	10,585	19,718
13 Santa Monica	267,091	5.4087%	541,647	274,556	274,556	541,647
14 Torrance	115,470	1.7170%	171,947	56,477	56,477	171,947
15 Sub-Total	9,304,435	100.0000%	10,014,368	709,933	1,105,232	10,409,667
Eligible Operators						
16 Antelope Valley	95,786	1.5372%	153,941	58,155	58,155	153,941
17 Santa Clarita	-	1.6996%	170,204	170,204	170,204	170,204
18 City of Los Angeles	-	3.1368%	314,131	314,131	314,131	314,131
19 Foothill BSCP	-	0.6951%	69,610	69,610	69,610	69,610
20 Sub-Total	95,786	7.0687%	707,886	612,100	612,100	707,886
21 Total Municipal Operators	9,400,221	107.0687%	10,722,254	1,322,033	1,717,331	11,117,552
22 SCRRRA	614,147	-	-	-	-	614,147
23 Grand Total	\$ 10,014,368	107.0687%	\$ 10,722,254	\$ 1,322,033	\$ 1,717,331	\$ 11,731,700

Note:

(1) The final appropriation of Prop 1B Security fund was made in FY 2014-15 state budget; therefore, FY20 will be the last year of Prop 1B Bridge Funding.

MEASURE R 20% BUS OPERATIONS AND CAPITAL ALLOCATIONS

Operators	20% Bus Operations			Clean Fuel Bus Capital Facilities and Rolling Stock Fund (1)	
	Proposition A Base Share %	MR Percentage Share	Bus Operations Allocation	Federal Section 5307 Capital Allocation Formula Share	\$ Allocation
<u>Included Operators:</u>					
1 Metro Bus Ops	73.6795%	68.6916%	\$122,693,057	65.9683%	\$ 6,596,834
2 Arcadia	0.0898%	0.0837%	149,524	0.1741%	17,409
3 Claremont	0.0345%	0.0322%	57,496	0.0578%	5,779
4 Commerce	0.1165%	0.1086%	193,961	0.3305%	33,048
5 Culver City	1.4273%	1.3307%	2,376,766	1.4177%	141,775
6 Foothill	6.6271%	6.1785%	11,035,597	8.3828%	838,277
7 Gardena	1.4512%	1.3530%	2,416,633	1.2366%	123,656
8 La Mirada	0.0269%	0.0251%	44,873	0.0643%	6,427
9 Long Beach	6.2523%	5.8290%	10,411,483	6.1803%	618,031
10 Montebello	2.1946%	2.0460%	3,654,427	1.8690%	186,899
11 Norwalk	0.8441%	0.7870%	1,405,656	0.6718%	67,180
12 Redondo Beach DR	0.0178%	0.0166%	29,568	0.3268%	32,682
13 Redondo Beach MB	0.1823%	0.1700%	303,604		
14 Santa Monica	5.3619%	4.9989%	8,928,794	4.5749%	457,486
15 Torrance	1.6942%	1.5795%	2,821,287	1.4046%	140,463
<u>Eligible Operators:</u>					
16 Antelope Valley	1.7126%	1.5967%	2,851,883	1.8339%	183,390
17 Santa Clarita	1.5465%	1.4418%	2,575,268	1.8780%	187,805
18 LADOT Local	2.1497%	2.0042%	3,579,807	3.6286%	362,859
19 LADOT Express	1.1260%	1.0497%	1,874,996		
20 Foothill BSCP	0.7264%	0.6772%	1,209,627		
21					
22 Total Municipal Operators	33.5818%	31.3084%	55,921,249	34.0317%	3,403,166
23 Total Funds Allocated	107.2612%	100.0000%	\$178,614,306	100.0000%	\$ 10,000,000

Notes:

(1) Clean Fuel Capital Facilities and Rolling Stock Funds of \$10M will be allocated every even fiscal year.

Los Angeles County Metropolitan Transportation Authority
 FY 2020 Transit Fund Allocations

MEASURE M 20% TRANSIT OPERATIONS

(Metro and Municipal Providers)

	Operators	Measure M ⁽¹⁾ Percentage Share	\$ Allocation
	<u>Included Operators:</u>		
1	Metro Bus Ops	68.6916%	\$ 126,904,826
2	Arcadia	0.0837%	154,657
3	Claremont	0.0322%	59,470
4	Commerce	0.1086%	200,619
5	Culver City	1.3307%	2,458,354
6	Foothill	6.1785%	11,414,423
7	Gardena	1.3530%	2,499,590
8	La Mirada	0.0251%	46,413
9	Long Beach	5.8290%	10,768,885
10	Montebello	2.0460%	3,779,875
11	Norwalk	0.7870%	1,453,909
12	Redondo Beach DR	0.0166%	30,583
13	Redondo Beach MB	0.1700%	314,026
14	Santa Monica	4.9989%	9,235,299
15	Torrance	1.5795%	2,918,136
	<u>Eligible Operators:</u>		
16	Antelope Valley	1.5967%	2,949,781
17	Santa Clarita	1.4418%	2,663,671
18	LADOT Local	2.0042%	3,702,694
19	LADOT Express	1.0497%	1,939,360
20	Foothill BSCP	0.6772%	1,251,151
21	Total Municipal Operators	31.3084%	57,840,896
22	Total Funds Allocated	100.0000%	\$ 184,745,722

Notes:

(1) Metro follows Measure R allocation methodology for Measure M transit operations.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

TIER 2 OPERATORS ESTIMATED FUNDING LEVELS

% Shares Calculation		Vehicle Service Miles	Passenger Revenue	Base Fare	Fare Units (1)	50% VSM + 50% Fare Units	Adjustment (2)	% Share
1	LADOT Community Dash	2,594,003	\$ 3,429,875	\$ 0.50	16,808,232	9,701,118	-	4.6299%
2	Glendale	632,761	709,712	1.00	2,187,836	1,410,299	-	0.6731%
3	Pasadena	672,330	742,520	0.75	990,027	831,178	-	0.3967%
4	Burbank	309,680	194,459	1.00	194,459	252,070	-	0.1203%
5	Sub-Total	4,208,774	5,076,566		20,180,554	12,194,664		5.8200%
6	Included and Eligible Operators	114,036,906	280,340,215		178,993,195	197,335,560	-	94.1800%
7	Total	118,245,680	\$ 285,416,781		199,173,749	209,530,223	-	100.0000%
		% Share	TDA Article 4 + Interest	STA Revenue Base Share + Interest	Proposition A Discretionary	Total		
8	Funds Allocated to Included Operators		\$402,826,334	\$ 79,455,736	\$ 249,884,011	\$ -		\$732,166,080
Formula Equivalent Calculation								
9	LADOT Community Dash		4.6299%	\$ 18,650,606	\$ 3,678,751	\$ 11,569,472	\$ -	\$ 33,898,829
10	Glendale		0.6731%	2,711,329	534,798	1,681,910	-	4,928,037
11	Pasadena		0.3967%	1,597,958	315,190	991,256	-	2,904,405
12	Burbank		0.1203%	484,609	95,587	300,616	-	880,812
13	Total		5.8200%	\$ 23,444,502	\$ 4,624,326	\$ 14,543,255	\$ -	\$ 42,612,083
Funds Allocated to Tier 2 Operators			14.08% (3)					
Actual Allocation								
14	LADOT Community Dash			\$ 2,626,101	\$ 517,987	\$ 1,629,041	\$ 51,252	\$ 4,824,381
15	Glendale			381,769	75,302	236,822	7,423	\$ 701,316
16	Pasadena			225,001	44,380	139,574	(60,033)	\$ 348,922
17	Burbank			68,235	13,459	42,328	1,359	\$ 125,382
18	Total			\$ 3,301,106	\$ 651,129	\$ 2,047,765	\$ -	\$ 6,000,000

	Prop A Incentive Allocation:	Before Tier 2 GOI Allocation	GOI Allocation Deduction	Net Prop A Incentive Allocation
19	LADOT Community Dash	\$ 1,333,095	\$ (187,707)	\$ 1,145,389
21	Glendale	323,780	(45,590)	278,190
22	Pasadena	303,676	(42,759)	260,917
23	Burbank	132,427	(18,646)	113,781
24	Total	\$ 2,092,978	\$ (294,702)	\$ 1,798,276

Notes:

- (1) Funding Stability Policy is applied on LADOT and Glendale Fare Units.
- (2) Due to Pasadena's revised FY17 TPM data , adjustment has been made to FY20 allocations.
- (3) This percentage is applied as a deduction from Tier 2 Operators' Incentive Program allocations.

Bus Transit Subsidies FEDERAL FORMULA GRANTS

FEDERAL FORMULA GRANTS REVENUE ESTIMATES

Los Angeles County Share of Los Angeles-Long Beach-Anaheim UZA

1	<u>Section 5307 Urbanized Area Formula Grants:</u>		
	Estimated Revenue		\$ 245,731,656
2	Estimated Revenue	\$ 245,731,656	
3	Off the Top:		
	1% Enhancement Allocation	<u>(2,457,317)</u>	
4		<u>\$ 243,274,339</u>	
5	85% Formula Allocation	\$ 206,783,189	
6	15% Discretionary Allocation	<u>36,491,151</u>	
7		<u>\$ 243,274,339</u>	
8	<u>Section 5339 Bus and Bus Facilities Formula Grants:</u>		
	Estimated Revenue		\$ 26,975,868
	<u>Section 5337 State of Good Repair (LA County Share of LA UZA 2):</u>		
	High Intensity Fixed Guideway:		
9	Directional Route Miles (DRM) Generated	\$ 34,117,857	
10	Vehicle Revenue Miles (VRM) Generated	<u>59,836,696</u>	
11		<u>\$ 93,954,553</u>	
	High Intensity Motorbus:		
12	Directional Route Miles (DRM) Generated	\$ 2,646,573	
13	Vehicle Revenue Miles (VRM) Generated	<u>3,230,998</u>	
14		<u>\$ 5,877,571</u>	
15	Section 5337 State of Good Repair Total Estimated Revenue		\$ 99,832,124
16	Total Federal Formula Funds Available		\$ 372,539,648

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

FEDERAL FORMULA GRANTS

Operators	Urbanized Formula Program (Section 5307)			Bus & Bus Facilities (Section 5339)			State of Good Repair (Section 5337)			Total
	FY19 \$Allocation	Fund Exchanges	Adjusted \$ Allocation	FY19 \$Allocation	Fund Exchange	Adjusted \$ Allocation	FY19 \$Allocation	Fund Exchange	Adjusted \$ Allocation	
Included Operators:										
1 Metro Bus Ops	\$ 159,116,284	\$ (13,497,952)	\$ 145,618,332	\$ 18,316,692	\$ 8,659,176	\$ 26,975,868	\$94,693,348	\$ 5,138,776	\$ 99,832,124	\$ 272,426,324
Municipal Operators:										
2 Arcadia	370,538	48,338	418,876	48,338	(48,338)	-	-	-	-	418,876
3 Claremont	123,006	16,047	139,053	16,047	(16,047)	-	-	-	-	139,053
4 Commerce	703,400	91,762	795,162	91,762	(91,762)	-	-	-	-	795,162
5 Culver City	4,916,885	393,651	5,310,535	393,651	(393,651)	-	-	-	-	5,310,535
6 Foothill Transit	21,214,226	5,900,122	27,114,348	2,327,551	(2,327,551)	-	3,572,571	(3,572,571)	-	27,114,348
7 Gardena	6,602,488	343,341	6,945,830	343,341	(343,341)	-	-	-	-	6,945,830
8 La Mirada	136,786	17,844	154,631	17,844	(17,844)	-	-	-	-	154,631
9 Long Beach	15,218,453	1,583,799	16,802,253	1,716,018	(1,716,018)	-	167,781	(167,781)	-	16,802,253
10 Montebello	3,977,934	518,941	4,496,875	518,941	(518,941)	-	-	-	-	4,496,875
11 Norwalk	2,595,176	186,532	2,781,707	186,532	(186,532)	-	-	-	-	2,781,707
12 Redondo Beach	695,592	90,743	786,335	90,743	(90,743)	-	-	-	-	786,335
13 Santa Monica	13,483,688	1,351,731	14,835,419	1,270,249	(1,270,249)	-	81,482	(81,482)	-	14,835,419
14 Torrance	3,525,221	390,008	3,915,230	390,008	(390,008)	-	-	-	-	3,915,230
15 Sub-Total	73,563,395	10,932,859	84,496,255	7,411,026	(7,411,026)	-	3,821,834	(3,821,834)	-	84,496,255
Eligible Operators:										
16 Antelope Valley	243,694	590,111	833,804	31,791	(31,791)	-	558,320	(558,320)	-	833,804
17 LADOT	11,207,353	1,766,133	12,973,485	1,007,510	(1,007,510)	-	758,622	(758,622)	-	12,973,485
18 Santa Clarita	1,600,931	208,849	1,809,780	208,849	(208,849)	-	-	-	-	1,809,780
19 Foothill BSCP	-	-	-	-	-	-	-	-	-	-
20 Sub-Total	13,051,978	2,565,092	15,617,070	1,248,151	(1,248,151)	-	1,316,942	(1,316,942)	-	15,617,070
21 Total Excluding Metro	86,615,373	13,497,952	100,113,325	8,659,176	(8,659,176)	-	5,138,776	(5,138,776)	-	100,113,325
22 Grand Total	\$ 245,731,657	\$ -	\$ 245,731,657	\$ 26,975,868	\$ -	\$ 26,975,868	\$99,832,124	\$ -	\$ 99,832,124	\$ 372,539,649

Note: Totals may not add due to rounding.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

CAPITAL ALLOCATION % SHARE CALCULATION

	OPERATOR	MILEAGE CALCULATION				ACTIVE FLEET CALCULATION						
		Local Vehicle Miles [Input]	Express Vehicle Miles [Input]	Total Miles Weighted 60% Local/ 40% Express	1/3 Weight	Active Fleet (1) [Input]	Peak Bus Fixed Route (2) [Input]	Allowable Peak Bus (Peak+20%)	DAR Seats (3) [Input]	Bus Eqvt. (44 Seats per Bus)	Total Active Vehicle	1/3 Weight
1	Antelope Valley	2,434,273	1,141,092	1,917,001	0.7802%	75	61	73.2	0	0.0	73.2	0.6446%
2	Arcadia DR	101,391	-	60,835	0.0248%	0	0	0.0	184	4.2	4.2	0.0368%
3	Arcadia MB	179,225	-	107,535	0.0438%	8	6	7.2	0	0.0	7.2	0.0634%
4	Claremont	55,900	-	33,540	0.0137%	0	0	0.0	204	4.6	4.6	0.0408%
5	Commerce	482,465	-	289,479	0.1178%	18	14	16.8	48	1.1	17.9	0.1575%
6	Culver City	1,850,075	-	1,110,045	0.4518%	56	44	52.8	0	0.0	52.8	0.4649%
7	Foothill	10,433,630	6,972,134	9,049,032	3.6828%	356	296	355.2	0	0.0	355.2	3.1278%
8	Gardena	1,752,887	-	1,051,732	0.4280%	58	43	51.6	0	0.0	51.6	0.4544%
9	LADOT	2,863,091	2,530,745	2,730,153	1.1111%	198	170	198.0	0	0.0	198.0	1.7435%
10	La Mirada	72,021	-	43,213	0.0176%	0	0	0.0	208	4.7	4.7	0.0416%
11	Long Beach	8,001,768	-	4,801,061	1.9539%	259	197	236.4	40	0.9	237.3	2.0897%
12	Montebello	2,422,854	77,999	1,484,912	0.6043%	72	67	72.0	40	0.9	72.9	0.6420%
13	Metro Bus Ops.	82,943,000	5,382,000	51,918,600	21.1299%	2,425	1,933	2,319.6	0	0.0	2,319.6	20.4256%
14	Norwalk	1,087,204	-	652,322	0.2655%	33	24	28.8	0	0.0	28.8	0.2536%
15	Redondo Beach	478,564	-	287,138	0.1169%	20	14	16.8	75	1.7	18.5	0.1629%
16	Santa Clarita	2,254,312	1,090,941	1,788,964	0.7281%	83	69	82.8	0	0.0	82.8	0.7291%
17	Santa Monica	5,330,000	361,000	3,342,400	1.3603%	199	166	199.0	0	0.0	199.0	1.7523%
18	Torrance	1,646,700	619,300	1,235,740	0.5029%	56	48	56.0	48	1.1	57.1	0.5027%
19	TOTAL	124,389,360	18,175,211	81,903,700	33.3333%	3,916	3,152	3,766.2	847	19.3	3,785.5	33.3333%

Notes:

Include only MTA Funded Programs:

(1) Source: NTD Report Form A-30 "Vehicle Inventory Report (Mode MB), Number of Active Vehicles in Fleet". LADOT's total active vehicles is reported separately.

(2) Source: NTD Report Form S-10 "Service Non-Rail (Mode MB), Vehicles Operated in Annual Maximum Service". LADOT's figure is from TPM excluding Community Dash.

(3) Source: NTD Report Form A-30 "Vehicle Inventory Report (Mode DR), Seating Capacity". Redondo Beach's Seating Capacity is apportioned between FAP and non-FAP vehicles.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

CAPITAL ALLOCATION % SHARE CALCULATION (Continued)

	OPERATOR	FARE UNITS				UNLINKED PASSENGERS		Gross Formula Share	Re-Allocate AVTA And Santa Clarita's Non-LA2 UZA Share	LA UZA 2 Net Formula Share
		Passenger Revenue [Input]	Base Fare \$ [Input]	Fare Units	1/2 of 1/3 Weight	Unlinked Passengers [Input]	1/2 of 1/3 Weight			
1	Antelope Valley	\$4,866,537	\$ 1.50	3,244,358	0.2977%	2,442,282	0.1115%	1.8339%	-1.7161%	0.1178%
2	Arcadia DR	6,163	0.50	12,326	0.0011%	31,263	0.0014%	0.0641%	0.0019%	0.0660%
3	Arcadia MB	6,244	0.50	12,488	0.0011%	35,965	0.0016%	0.1100%	0.0032%	0.1132%
4	Claremont	50,700	2.50	20,280	0.0019%	31,900	0.0015%	0.0578%	0.0017%	0.0595%
5	Commerce (1)	-	-	347,430	0.0319%	509,461	0.0233%	0.3305%	0.0097%	0.3402%
6	Culver City	3,041,100	1.00	3,041,100	0.2790%	4,864,138	0.2220%	1.4177%	0.0415%	1.4593%
7	Foothill	16,343,391	1.50	10,895,594	0.9996%	12,543,650	0.5726%	8.3828%	0.2455%	8.6283%
8	Gardena	2,324,257	1.00	2,324,257	0.2132%	3,086,911	0.1409%	1.2366%	0.0362%	1.2728%
9	LADOT	6,764,281	1.50	4,509,521	0.4137%	7,891,383	0.3602%	3.6286%	0.1063%	3.7349%
10	La Mirada	33,988	1.00	33,988	0.0031%	42,407	0.0019%	0.0643%	0.0019%	0.0661%
11	Long Beach	14,297,103	1.25	11,437,682	1.0494%	23,820,716	1.0873%	6.1803%	0.1810%	6.3613%
12	Montebello	4,303,782	1.10	3,912,529	0.3590%	5,776,558	0.2637%	1.8690%	0.0547%	1.9237%
13	Metro Bus Ops.	219,524,000	1.75	125,442,286	11.5090%	282,691,000	12.9038%	65.9683%	1.9319%	67.9003%
14	Norwalk	1,219,874	1.25	975,899	0.0895%	1,384,111	0.0632%	0.6718%	0.0197%	0.6915%
15	Redondo Beach	326,431	1.00	326,431	0.0299%	373,790	0.0171%	0.3268%	0.0096%	0.3364%
16	Santa Clarita	3,258,614	1.00	3,258,614	0.2990%	2,670,472	0.1219%	1.8780%	-1.1038%	0.7742%
17	Santa Monica	11,721,000	1.25	9,376,800	0.8603%	13,187,000	0.6019%	4.5749%	0.1340%	4.7088%
18	Torrance	2,487,000	1.00	2,487,000	0.2282%	3,742,000	0.1708%	1.4046%	0.0411%	1.4458%
19	TOTAL	\$290,574,465		181,658,583	16.6667%	365,125,007	16.6667%	100.0000%	0.0000%	100.0000%

Note:

(1) Commerce Fare Units are calculated as follows: ((Total Fare Units w/out MTA and Commerce) / (Total Unlinked Passengers w/out MTA and Commerce)) * Commerce Unlinked Passengers.

FORM FFA10, SECTION 9 STATISTICS PASSENGER MILES IS USED TO CALCULATE AVTA AND SANTA CLARITA'S RE-ALLOCATION OF CAPITAL MONIES.

	ANTELOPE VALLEY			SANTA CLARITA			
	Passenger Miles	%	Re-Allocated Share	Passenger Miles	%	Re-Allocated Share	
20	Non-LA 2 UZA (AV 123 for AVTA, AV 176 for Santa Clarita)	27,083,967	93.5738%	1.7161%	11,941,064	58.7760%	1.1038%
21	UZA number LA 2	1,859,994	6.4262%	0.1178%	8,375,167	41.2240%	0.7742%
22	Total	28,943,961	100.0000%	1.8339%	20,316,231	100.0000%	1.8780%

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

FEDERAL SECTION 5307 CAPITAL ALLOCATION

(Estimated - to be Adjusted to Actual apportionment)

	OPERATOR	LA UZA 2 NET FORMULA SHARE	85% FORMULA ALLOCATION	15% DISCRETIONARY ALLOCATION		1% ENHANCEMENT ALLOCATION		TOTAL	TDA Fund Exchange	S5339/S5337 Fund Exchange	Total Funds Available
				Project Title	Amount	Project Title	Amount				
1	Antelope Valley	0.1178%	\$ 243,694					\$ 243,694		\$ 590,111	\$ 833,804
2	Arcadia	0.1792%	370,538					370,538		48,338	418,876
3	Claremont	0.0595%	123,006					123,006		16,047	139,053
4	Commerce	0.3402%	703,400					703,400		91,762	795,162
5	Culver City	1.4593%	3,017,525	Facility Capacity Enhancement Project	1,632,000	Bus Stop Improvement Project	267,360	4,916,885		393,651	5,310,535
6	Foothill Transit	8.6283%	17,841,812	10 CNG Replacement Buses	3,372,414			21,214,226		5,900,122	27,114,348
7	Gardena	1.2728%	2,631,878	Gtrans Zero Emission Bus Replacement Project	3,746,610	Real Time Information Signage & Amenities	224,000	6,602,488		343,341	6,945,830
8	LADOT	3.7349%	7,723,058	Propane to Electric Buses	2,810,943	Solar Powered Bus Stop Arrival Information Signs	673,352	11,207,353		1,766,133	12,973,485
9	La Mirada	0.0661%	136,786					136,786		17,844	154,631
10	Long Beach Transit	6.3613%	13,154,117	LBT Bus Fleet Expansion Regional Training	1,548,336 300,000	Bus Stop Improvements	216,000	15,218,453	(1) (300,000)	1,883,799	16,802,253
11	Montebello	1.9237%	3,977,934					3,977,934		518,941	4,496,875
12	Metro Bus Ops.	67.9003%	140,406,379	Bus Facilities & Asset Improvements & BEB en Rt charging Infrastructure	18,095,576	Division 2 Historic Preservation & Rehabilitation	614,329	159,116,284	(1) 300,000	(13,797,952)	145,618,332
13	Norwalk	0.6915%	1,429,857	Phase II Route 7 Electric Bus Project Gap Funding	703,043	Bus Stop Beacon Replacement & ATI Digital Signs	462,276	2,595,176		186,532	2,781,707
14	Redondo Beach	0.3364%	695,592					695,592		90,743	786,335
15	Santa Clarita	0.7742%	1,600,931					1,600,931		208,849	1,809,780
16	Santa Monica	4.7088%	9,737,078	Replacement of Buses	3,746,610			13,483,688		1,351,731	14,835,419
17	Torrance	1.4458%	2,989,602	Torrance Transit Bus Fleet Expansion	535,619			3,525,221		390,008	3,915,230
18	TOTAL	100.0000%	\$ 206,783,189		\$ 36,491,151		\$ 2,457,317	\$245,731,657	\$ -	\$ 0	\$ 245,731,657

Notes: Total may not add due to rounding.

(1) Last year of Federal Section 5307 15% Discretionary fund allocations to the Southern California Regional Transit Training Consortium (SCR TTC) through Long Beach Transit. Funds to the SCR TTC will be exchanged with Metro's TDA share.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

FEDERAL SECTION 5337 - STATE OF GOOD REPAIR

(Estimated - to be Adjusted to Actual apportionment)

LOS ANGELES COUNTY SHARE (UZA 2)	Directional Route Miles (DRM) Allocation			Vehicle Revenue Miles (VRM) Allocation			Total \$ Allocation	Fund Exchange	Net Funds Available ⁽¹⁾
	DRM	DRM%	DRM \$Allocation	VRM	VRM%	VRM \$Allocation			
High Intensity Fixed Guideway:									
1 Metro (Including Metrolink)	462.9	99.763%	\$ 34,036,974	27,318,023	98.591%	\$ 58,993,859	\$ 93,030,833	\$ 923,720	\$ 93,954,553
2 Long Beach Transit	0.5	0.108%	36,765	60,669	0.219%	131,016	167,781	(167,781)	-
3 Santa Monica	0.6	0.129%	44,118	17,302	0.062%	37,364	81,482	(81,482)	-
4 Foothill Transit	-	0.000%	-	312,318	1.127%	674,457	674,457	(674,457)	-
5 Sub-total	464.0	100.000%	34,117,857	27,708,312	100.000%	59,836,696	93,954,553	-	93,954,553
High Intensity Motorbus:									
6 Antelope Valley	23.6	15.003%	397,070	110,163	4.991%	161,250	558,320	(558,320)	-
7 Foothill Transit	39.4	25.048%	662,905	1,527,057	69.180%	2,235,208	2,898,113	(2,898,113)	-
8 LADOT	35.1	22.314%	590,558	114,819	5.202%	168,065	758,622	(758,622)	-
9 Metro Bus Ops.	59.2	37.635%	996,040	455,325	20.628%	666,476	1,662,516	4,215,055	5,877,571
10 Sub-total	157.3	100.000%	2,646,573	2,207,364	100.000%	3,230,998	5,877,571	-	5,877,571
11 Total LA County Share - UZA 2	621.30		\$ 36,764,430	29,915,676	200.000%	\$ 63,067,694	\$ 99,832,124	\$ -	\$ 99,832,124

Note:

(1) Operators' share of Section 5337 will be exchanged with Metro's share of Section 5307 allocation.

FEDERAL SECTION 5339 - BUS AND BUS CAPITAL ALLOCATION

(Estimated - to be Adjusted to Actual apportionment)

	OPERATOR	LA UZA 2 NET FORMULA SHARE	Net Formula Share	Fund Exchange	Net Funds Available ⁽¹⁾
1	Antelope Valley	0.1178%	\$ 31,791	\$ (31,791)	\$ -
2	Arcadia	0.1792%	48,338	(48,338)	-
3	Claremont	0.0595%	16,047	(16,047)	-
4	Commerce	0.3402%	91,762	(91,762)	-
5	Culver City	1.4593%	393,651	(393,651)	-
6	Foothill	8.6283%	2,327,551	(2,327,551)	-
7	Gardena	1.2728%	343,341	(343,341)	-
8	LADOT	3.7349%	1,007,510	(1,007,510)	-
9	La Mirada	0.0661%	17,844	(17,844)	-
10	Long Beach	6.3613%	1,716,018	(1,716,018)	-
11	Montebello	1.9237%	518,941	(518,941)	-
12	Metro Bus Ops.	67.9003%	18,316,692	8,659,176	26,975,868
13	Norwalk	0.6915%	186,532	(186,532)	-
14	Redondo Beach	0.3364%	90,743	(90,743)	-
15	Santa Clarita	0.7742%	208,849	(208,849)	-
16	Santa Monica	4.7088%	1,270,249	(1,270,249)	-
17	Torrance	1.4458%	390,008	(390,008)	-
18	TOTAL	100.0000%	\$ 26,975,868	\$ -	\$ 26,975,868

Note:

(1) Operators' share of Section 5339 will be exchanged with Metro's share of Section 5307 allocation.

LOCAL SUBSIDIES

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

PROPOSITION A 5% OF 40% DISCRETIONARY PROGRAMS

(In Order of Priority)

PRIORITY I: EXISTING SUB-REGIONAL PARATRANSIT PROJECTS		FY20 Allocation
1	Agoura Hills	\$ 68,461
2	Antelope Valley, Elderly & Disabled	337,251
3	Beverly Hills Taxi & Lift Van	26,019
4	Culver City Community Transit and LA County	71,805
5	Gardena, Hawthorne and LA County	187,497
6	Glendale Paratransit and La Canada Flintridge	254,031
7	Inglewood Transit and LA County	177,270
8	LA County (Whittier et al)	214,534
9	LA County (Willowbrook)	41,321
10	Los Angeles Taxi & Lift Van, City Ride	329,818
11	Los Angeles Dial-a-Ride, City Ride	1,048,550
12	Monrovia D.A.R. and LA County	130,903
13	Palos Verdes PTA D.A.R.	40,549
14	Palos Verdes PTA - PV Transit	393,482
15	Pasadena Community Transit, San Marino and LA County	451,809
16	Pomona Valley TA - E&D (Get About)	760,883
17	Pomona Valley TA General Public (VC)	80,877
18	Redondo Beach Community Transit and Hermosa Beach	14,952
19	Santa Clarita D.A.R.	692,936
20	West Hollywood (DAR)	253,524
21	West Hollywood (Taxi)	95,979
22	Whittier (DAR)	274,919
23	Sub-total	<u>\$ 5,947,368</u>
PRIORITY II: SERVICES THAT RECEIVE GROWTH OVER INFLATION		
24	City of L.A. - Bus Service Continuation Project/DASH/Central City Shuttle	\$ -
25	Santa Clarita - Local Fixed Route	-
26	Antelope Valley - Local Fixed Route	-
27	Foothill - Bus Service Continuation Project	-
28	Sub-total	<u>\$ -</u>
29	PRIORITY III: APPROVED EXISTING EXPANDED PARATRANSIT	<u>\$ -</u>
30	PRIORITY IV: APPROVED NEW EXPANDED PARATRANSIT SERVICES	<u>\$ -</u>

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

PROPOSITION A 5% OF 40% DISCRETIONARY PROGRAMS (Continued)

(In Order of Priority)

Priority V: VOLUNTARY NTD DATA REPORTING				
(Estimated - to be Adjusted to Actual apportionment)				
FY18 NTD Report Year		Estimate	Tier 2 Deduction (1)	FY20 Net Allocation
31	City of Alhambra (MB and DR)	\$ 113,489		\$ 113,489
32	City of Artesia (DR)	5,519		5,519
33	City of Azusa (DR)	40,403		40,403
34	City of Baldwin Park (MB and DR)	87,681		87,681
35	City of Bell (MB/DR)	23,617		23,617
36	City of Bell Gardens (MB and DR)	63,131		63,131
37	City of Bellflower (MB and DR)	42,889		42,889
38	City of Burbank (MB)*	132,427	(18,646)	113,781
39	City of Calabasas (MB and DR)	68,692		68,692
40	City of Carson (MB and DT)	186,633		186,633
41	City of Cerritos (MB)	100,280		100,280
42	City of Compton (MB)	54,786		54,786
43	City of Covina (DR)	24,916		24,916
44	City of Cudahy (MB and DR)	21,958		21,958
45	City of Downey (MB and DR)	81,198		81,198
46	City of Duarte (MB)	34,538		34,538
47	City of El Monte (MB and DR)	138,867		138,867
48	City of Glendora (MB and DR)	87,431		87,431
49	City of Glendale (MB)*	323,780	(45,590)	278,190
50	City of Huntington Park (MB)	-		-
51	City of Los Angeles -- Community DASH* (MB)	1,172,901	(165,150)	1,007,750
52	City of Los Angeles -- Department of Aging (DR)	178,380		178,380
53	LA County Dept. of Public Works -- Avocado Heights (MB)	16,605		16,605
54	LA County Dept. of Public Works -- East Valinda (MB)	18,595		18,595
55	LA County Dept. of Public Works -- East LA (MB and DR)	138,811		138,811
56	LA County Dept. of Public Works -- Willowbrook (MB)	33,193		33,193
57	LA County Dept. of Public Works -- King Medical (MB)	14,745		14,745
58	LA County Dept. of Public Works -- Athens (MB)	15,797		15,797
59	LA County Dept. of Public Works -- Lennnox (MB)	12,967		12,967
60	LA County Dept. of Public Works -- South Whittier (MB)	89,129		89,129
61	City of Lawndale (MB)	32,803		32,803
62	City of Lynwood (MB)	57,023		57,023
63	City of Malibu (DT)	22,686		22,686
64	City of Manhattan Beach (DR)	18,032		18,032
65	City of Maywood (DR)	23,723		23,723
66	City of Monterey Park (MB and DR)	105,754		105,754
67	City of Pasadena (MB)*	303,676	(42,759)	260,917
68	City of Pico Rivera (DR)	9,215		9,215
69	City of Rosemead (MB and DR)	74,101		74,101
70	City of Santa fe Springs (DR)	5,581		5,581
71	City of South Gate (DT and MB)	153,626		153,626
72	City of South Pasadena (DR)	15,267		15,267
73	City of West Covina (MB and DR)	98,397		98,397
74	City of West Hollywood (MB)	44,158		44,158
75	Sub-Total	\$ 4,287,397	\$ (272,146)	\$ 4,015,252

PROPOSITION A 5% OF 40% DISCRETIONARY PROGRAMS (Continued)

(In Order of Priority)

PRIORITY VI: SPECIAL DEMONSTRATION PROJECTS			
76	Avalon Ferry Subsidy		\$ 700,000
77	Avalon Transit Services (Jitney and Dial-a-Ride)		300,000
78	Hollywood Bowl Shuttle Service		1,057,000
79		Sub-total	\$ 2,057,000
80	Total Expenditures		\$ 12,019,620
81	Reserves for contingencies (2)		6,184,542
82		Sub-total	18,204,162
83	Total Estimated Revenue		18,204,162
84	Surplus (Deficit)		\$ -

NOTES:

(1) Tier 2 Operators' share have been reduced by % of GOI Funding per Tier 2 Operators Funding Program.

(2) These funds are held in reserve for future contingency purposes such as deficit years, growth over inflation, approved new or existing expanded paratransit services, and new NTD reporters.

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

PROPOSITION A, PROPOSITION C , MEASURE R and MEASURE M LOCAL RETURN, TDA ARTICLE 3 & 8

LOCAL JURISDICTION	Population DOF Report 2018 data ⁽¹⁾	Population as % of County	Proposition A Local Return Estimate ⁽²⁾	Proposition C Local Return Estimate ⁽²⁾	Measure R Local Return Estimate ⁽²⁾	Measure M Local Return Estimate	TDA Article 3 Ped & Bike (A)	TDA Article 8 (S & H)		Total
								Population	Article 8 Allocation	
1 AGOURA HILLS	20,858	0.2039%	\$ 422,689	\$ 350,609	\$ 262,985	\$ 298,018	\$ 15,086		\$ -	\$ 1,349,388
2 ALHAMBRA	86,420	0.8447%	1,751,308	1,452,664	1,089,615	1,234,764	62,462			5,590,814
3 ARCADIA	57,506	0.5621%	1,165,364	966,638	725,057	821,643	41,569			3,720,270
4 ARTESIA	16,781	0.1640%	340,068	282,078	211,581	239,766	12,140			1,085,633
5 AVALON	3,860	0.0377%	78,223	64,884	48,668	55,151	5,000	3,860	164,382	416,309
6 AZUSA	49,606	0.4848%	1,005,269	833,845	625,451	708,768	35,860			3,209,193
7 BALDWIN PARK	76,463	0.7473%	1,549,529	1,285,293	964,074	1,092,499	55,267			4,946,662
8 BELL	36,297	0.3548%	735,562	610,129	457,646	518,610	26,243			2,348,189
9 BELLFLOWER	77,466	0.7571%	1,569,854	1,302,153	976,720	1,106,830	55,992			5,011,549
10 BELL GARDENS	42,971	0.4200%	870,811	722,315	541,794	613,967	31,065			2,779,952
11 BEVERLY HILLS	34,443	0.3366%	697,990	578,964	434,270	492,120	24,903			2,228,247
12 BRADBURY	1,068	0.0104%	21,643	17,952	13,466	15,260	5,000			73,321
13 BURBANK	107,029	1.0461%	2,168,951	1,799,088	1,349,461	1,529,225	77,355			6,924,079
14 CALABASAS	24,183	0.2364%	490,070	406,500	304,908	345,525	17,489			1,564,493
15 CARSON	93,453	0.9134%	1,893,832	1,570,884	1,178,290	1,335,251	67,544			6,045,802
16 CERRITOS	50,025	0.4889%	1,013,761	840,888	630,734	714,755	36,163			3,236,299
17 CLAREMONT	36,293	0.3547%	735,480	610,062	457,596	518,552	26,240			2,347,930
18 COMMERCE	13,061	0.1277%	264,682	219,547	164,678	186,615	9,452			844,974
19 COMPTON	99,751	0.9750%	2,021,462	1,676,749	1,257,697	1,425,237	72,095			6,453,241
20 COVINA	48,901	0.4780%	990,983	821,994	616,562	698,695	35,350			3,163,584
21 CUDAHY	24,328	0.2378%	493,009	408,938	306,736	347,597	17,594			1,573,874
22 CULVER CITY	39,847	0.3895%	807,503	669,802	502,406	569,332	28,808			2,577,850
23 DIAMOND BAR	57,245	0.5595%	1,160,074	962,251	721,766	817,913	41,380			3,703,385
24 DOWNEY	113,670	1.1110%	2,303,531	1,910,719	1,433,193	1,624,111	82,153			7,353,708
25 DUARTE	21,999	0.2150%	445,811	369,789	277,372	314,321	15,911			1,423,203
26 EL MONTE	116,942	1.1430%	2,369,839	1,965,719	1,474,448	1,670,861	84,518			7,565,384
27 EL SEGUNDO	16,777	0.1640%	339,987	282,010	211,531	239,709	12,137			1,085,374
28 GARDENA	60,987	0.5961%	1,235,906	1,025,152	768,947	871,379	44,084			3,945,468
29 GLENDALE	201,705	1.9715%	4,087,567	3,390,530	2,543,171	2,881,950	145,769			13,048,987
30 GLENDORA	52,452	0.5127%	1,062,944	881,684	661,334	749,431	37,916			3,393,310
31 HAWAIIAN GARDENS	14,625	0.1429%	296,377	245,837	184,397	208,961	10,582			946,154
32 HAWTHORNE	88,706	0.8670%	1,797,634	1,491,090	1,118,438	1,267,427	64,114			5,738,703
33 HERMOSA BEACH	19,684	0.1924%	398,898	330,875	248,183	281,244	14,238			1,273,438
34 HIDDEN HILLS	1,900	0.0186%	38,504	31,938	23,956	27,147	5,000			126,544
35 HUNTINGTON PARK	59,425	0.5808%	1,204,252	998,896	749,252	849,061	42,955			3,844,417

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

PROPOSITION A, PROPOSITION C , MEASURE R and MEASURE M LOCAL RETURN, TDA ARTICLE 3 & 8 (continued)

LOCAL JURISDICTION	Population DOF Report 2016 data ⁽¹⁾	Population as % of County	Proposition A Local Return Estimate ⁽²⁾	Proposition C Local Return Estimate ⁽²⁾	Measure R Local Return Estimate ⁽²⁾	Measure M Local Return Estimate	TDA Article 3 Ped & Bike (A)	TDA Article 8 (S & H)		Total
								Population	Article 8 Allocation	
36 INDUSTRY (B)	437	0.0043%	8,856	7,346	5,510	6,244	-			27,955
37 INGLEWOOD	113,476	1.1091%	2,299,600	1,907,458	1,430,747	1,621,339	82,013			7,341,157
38 IRWINDALE	1,414	0.0138%	28,655	23,768	17,828	20,203	5,000			95,455
39 LA CANADA-FLINTRIDGE	20,638	0.2017%	418,231	346,911	260,212	294,875	14,927			1,335,155
40 LA HABRA HEIGHTS	5,453	0.0533%	110,505	91,661	68,753	77,912	5,000			353,832
41 LAKEWOOD	81,126	0.7929%	1,644,025	1,363,675	1,022,867	1,159,124	58,637			5,248,327
42 LA MIRADA	49,558	0.4844%	1,004,297	833,038	624,846	708,082	35,825			3,206,087
43 LANCASTER	161,148	1.5751%	3,265,677	2,708,793	2,031,813	2,302,474	116,462	161,148	6,862,652	17,287,870
44 LA PUENTE	40,640	0.3972%	823,573	683,132	512,404	580,662	29,381			2,629,152
45 LA VERNE	33,169	0.3242%	672,172	557,549	418,207	473,917	23,982			2,145,828
46 LAWDALE	33,580	0.3282%	680,501	564,458	423,389	479,789	24,279			2,172,417
47 LOMITA	20,659	0.2019%	418,656	347,264	260,476	295,175	14,942			1,336,514
48 LONG BEACH	477,628	4.6683%	9,679,168	8,028,616	6,022,110	6,824,323	345,154			30,899,372
49 LOS ANGELES CITY	4,021,488	39.3058%	81,495,766	67,598,593	50,704,405	57,458,804	3,297,402			260,554,972
50 LYNWOOD	71,895	0.7027%	1,456,958	1,208,508	906,479	1,027,232	51,966			4,651,143
51 MALIBU	12,939	0.1265%	262,210	217,496	163,140	184,872	9,364			837,081
52 MANHATTAN BEACH	35,961	0.3515%	728,752	604,481	453,410	513,809	26,000			2,326,452
53 MAYWOOD	28,021	0.2739%	567,848	471,015	353,299	400,363	20,262			1,812,786
54 MONROVIA	38,735	0.3786%	784,968	651,110	488,385	553,444	28,004			2,505,911
55 MONTEBELLO	64,142	0.6269%	1,299,843	1,078,185	808,726	916,457	46,364			4,149,575
56 MONTEREY PARK	62,154	0.6075%	1,259,556	1,044,768	783,661	888,053	44,927			4,020,965
57 NORWALK	107,251	1.0483%	2,173,450	1,802,819	1,352,260	1,532,397	77,515			6,938,441
58 PALMDALE	158,658	1.5507%	3,215,217	2,666,938	2,000,419	2,266,897	114,662	158,658	6,756,613	17,020,745
59 PALOS VERDES ESTATES	13,508	0.1320%	273,741	227,061	170,314	193,002	9,775			873,892
60 PARAMOUNT	55,909	0.5465%	1,133,000	939,794	704,921	798,825	40,415			3,616,955
61 PASADENA	143,379	1.4014%	2,905,587	2,410,108	1,807,775	2,048,591	103,622			9,275,682
62 PICO RIVERA	64,170	0.6272%	1,300,410	1,078,656	809,079	916,858	46,384			4,151,387
63 POMONA	154,718	1.5122%	3,135,372	2,600,709	1,950,742	2,210,602	111,815			10,009,240
64 RANCHO PALOS VERDES	42,628	0.4166%	863,860	716,549	537,470	609,067	30,818			2,757,762
65 REDONDO BEACH	68,602	0.6705%	1,390,225	1,153,155	864,959	980,182	49,587			4,438,107
66 ROLLING HILLS	1,938	0.0189%	39,274	32,577	24,435	27,690	5,000			128,975
67 ROLLING HILLS ESTATES	8,106	0.0792%	164,269	136,257	102,203	115,818	5,871			524,418
68 ROSEMEAD	54,940	0.5370%	1,113,363	923,506	692,704	784,980	39,714			3,554,267
69 SAN DIMAS	34,471	0.3369%	698,557	579,435	434,623	492,520	24,923			2,230,059
70 SAN FERNANDO	24,560	0.2400%	497,710	412,838	309,662	350,912	17,761			1,588,883

Los Angeles County Metropolitan Transportation Authority
FY 2020 Transit Fund Allocations

PROPOSITION A, PROPOSITION C , MEASURE R and MEASURE M LOCAL RETURN, TDA ARTICLE 3 & 8 (continued)

LOCAL JURISDICTION	Population DOF Report 2016 data ⁽¹⁾	Population as % of County	Proposition A Local Return Estimate ⁽²⁾	Proposition C Local Return Estimate ⁽²⁾	Measure R Local Return Estimate ⁽²⁾	Measure M Local Return Estimate	TDA Article 3 Ped & Bike (A)	TDA Article 8 (S & H)		Total
								Population	Article 8 Allocation	
71 SAN GABRIEL	40,781	0.3986%	826,430	685,502	514,182	582,677	29,483			2,638,274
72 SAN MARINO	13,255	0.1296%	268,614	222,808	167,124	189,387	9,592			857,524
73 SANTA CLARITA	215,348	2.1048%	4,364,044	3,619,860	2,715,187	3,076,881	155,627	215,348	9,170,814	23,102,412
74 SANTA FE SPRINGS	18,217	0.1781%	369,169	306,216	229,687	260,284	13,178			1,178,533
75 SANTA MONICA	92,305	0.9022%	1,870,568	1,551,587	1,163,816	1,318,849	66,715			5,971,534
76 SIERRA MADRE	10,973	0.1072%	222,369	184,449	138,352	156,782	7,943			709,894
77 SIGNAL HILL	11,555	0.1129%	234,163	194,232	145,690	165,097	8,364			747,546
78 SOUTH EL MONTE	20,864	0.2039%	422,811	350,710	263,061	298,104	15,091			1,349,776
79 SOUTH GATE	98,047	0.9583%	1,986,930	1,648,106	1,236,213	1,400,890	70,864			6,343,003
80 SOUTH PASADENA	26,026	0.2544%	527,419	437,480	328,145	371,858	18,821			1,683,723
81 TEMPLE CITY	36,236	0.3542%	734,325	609,104	456,877	517,738	26,199			2,344,242
82 TORRANCE	149,157	1.4579%	3,022,678	2,507,232	1,880,627	2,131,147	107,797			9,649,481
83 VERNON	209	0.0020%	4,235	3,513	2,635	2,986	5,000			18,370
84 WALNUT	30,151	0.2947%	611,012	506,819	380,155	430,796	21,801			1,950,583
85 WEST COVINA	108,289	1.0584%	2,194,485	1,820,268	1,365,348	1,547,227	78,265			7,005,593
86 WEST HOLLYWOOD	35,818	0.3501%	725,855	602,077	451,607	511,766	25,897			2,317,201
87 WESTLAKE VILLAGE	8,353	0.0816%	169,274	140,408	105,318	119,347	6,050			540,398
88 WHITTIER	87,117	0.8515%	1,765,433	1,464,380	1,098,403	1,244,723	62,966			5,635,905
89 UNINCORP LA COUNTY	1,054,744	10.3090%	21,374,469	17,729,559	13,298,602	15,070,126	1,675,470	136,022	5,792,635	74,940,861
90 TOTAL	10,231,271	100.0000%	\$ 207,337,500	\$ 171,981,000	\$ 128,999,642	\$ 146,183,850	\$ 8,722,313	675,036	\$ 28,747,096	\$ 691,971,400

NOTES:

(1) Population estimates are based on State of California Department of Finance's (DOF) 2018 population estimates. The Unincorporated Population figure for TDA Article 8 is based on 2007 estimates by Urban Research.

(2) Proposition A, Proposition C, Measure R and Measure M Local Return funds are allocated their share of estimated revenues (minus administration) without carryover since payments are made based on actual revenues received.

TDA Article 3 Allocation:

(A) 15% of the estimated revenue is first awarded to the City of Los Angeles and Los Angeles County (30%-70% split) as Supplemental Allocation.

(B) City of Industry has opted out of the TDA Article 3 program indefinitely.

Summary of Significant Information, Methodologies & Assumptions for Revenue Estimates

- Sales tax revenue estimate is 3.4% over FY 2019 budget based upon review of several economic forecasts.
- Consumer price index (CPI) of 2.28% represents a composite index from several economic forecasting sources and is applied to Proposition C Discretionary program for Included Operators, Transit Service Enhancement (TSE), Bus Service Improvement Program (BSIP), and Discretionary Base Restructuring program. Municipal Operators Service Improvement Program (MOSIP) receives 3% increase from FY 2019 allocation.
- Senate Bill (SB) 1, known as the Road Repair and Accountability Act of 2017, allocates formula funds to transit agencies for two different programs: 1) State of Good Repair (SGR) and 2) State Transit Assistance. SGR is a new program funded by the increase in Vehicle License Fees. In order to be eligible for SGR funding, eligible transit agencies must comply with various reporting requirements. The second program augments the base of the State Transit Assistance program with a portion of the new sales tax on diesel fuel. Recipients are asked to provide supplemental reporting on the augmented State Transit Assistance funding received each fiscal year to allow for transparency and accountability of all SB 1 expenditures. Recipients are asked to report on the general uses of STA expenditures. These funds are allocated using FAP calculation methodology to Included and Eligible Operators.
- Pursuant to PUC 99233.1 of the Transportation Development Act (TDA), Metro shall be allocated funds necessary to administer TDA funding. TDA planning and administrative funding for Metro has not increased since FY12, while demand for planning and administration has continued to grow over the last eight years. In order to keep pace with the growing planning needs, expansion of transit, and regional coordination throughout LA County, Metro will increase TDA Administration allocation by sales tax growth each year.
- Pursuant to section 130004, up to 1 percent of annual TDA revenues shall be allocated to Metro and up to $\frac{3}{4}$ percent shall be allocated to Southern California Association of Governments (SCAG) for transportation planning and programming process. Starting FY20, Metro will increase TDA planning allocation to 1 percent of annual TDA revenues.
- Proposition A 95% of 40% growth over inflation (GOI) revenue of \$65.3 million is used to fund formula equivalents for Eligible and Tier 2 operators.
- Proposition 1B PTMISEA and Security Bridge funding allocation represents the final installments of FY 2015 funding allocation.

- Federal formula grants (urbanized Formula Section 5307, Bus and Bus Facilities Section 5339, and State of Good Repair Section 5337) are presented for budgetary purposes only and will be adjusted upon receipt of the final apportionments.
- Federal Sections 5307 and 5339 are calculated using the Capital Allocation Procedure (CAP) as adopted by the Bus Operations Subcommittee (BOS). Section 5337 is calculated based on directional route miles and vehicle revenue miles formula used by the Federal Transit Administration (FTA). Operators' shares of Sections 5339 and 5337 will be exchanged with Metro's share of Section 5307 allocation.

Bus Transit Subsidies (\$1,345.0M)

Formula Allocation Procedure (\$778.2M)

Allocations of transit subsidy funds (STA, TDA Article 4, and Proposition A 95% of 40% Discretionary) are based on the Formula Allocation Procedure (FAP) that was adopted by the Los Angeles County Metropolitan Transportation Authority (LACMTA) Board of Directors and legislated through SB 1755 (Calderon – 1996). Los Angeles County Included and Eligible Operators submitted their FY 2017 Transit Performance Measures (TPM) data for the FY 2020 FAP calculations. This data was validated and used in the calculations. The FAP as applied uses 50% of operators' vehicle service miles and 50% of operators' fare units. (Fare units are defined as operators' passenger revenues divided by operators' base cash fare).

In November 2008, the Board approved a Funding Stability Policy, where operators who increase their fares will have their fare units frozen at their level prior to the fare increase until such time that fare unit calculation based on the new higher fare becomes greater than the frozen level.

In FY 2008, the Board set aside \$18.0 million from GOI fund to provide operating assistance to Tier 2 Operators including LADOT Community Dash, Glendale, Pasadena and Burbank fixed route transit programs. Allocation is calculated using the same methodology as in the FAP and does not negatively impact the existing Included and Eligible Operators. This program was funded \$6.0 million each year for three years beginning FY 2011. With the Board's approval, we will continue to fund this program in FY 2020 in the amount of \$6.0 million.

Measure R Allocations (\$179.6M)

- **Measure R 20% Bus Operations (\$178.6M)**
Measure R, approved by voters in November 2008, allocates 20% of the revenues for bus service operations, maintenance and expansion. The 20% bus operations

share is allocated using FAP calculation methodology to Included and Eligible Operators.

- **Clean Fuel Bus Capital Facilities and Rolling Stock Fund (\$10.0M)**
Measure R ordinance also provides a lump sum allocation of \$150.0 million over the life of the ordinance for clean fuel and bus facilities. This fund is allocated to Metro and LA County Municipal Operators at \$10 million every even year.

Measure M 20% Transit Operations (\$184.7M)

Measure M, approved by voters of Los Angeles County in November, 2016 to improve transportation and ease traffic congestion. As defined in Section 3 of the Measure M Ordinance, the 20% Transit Operations share is allocated according to FAP calculation methodology to Included and Eligible Operators.

Proposition C 5% Security (\$40.2M)

Ninety percent of Proposition C 5% Security fund is allocated to Los Angeles County transit operators and Metro Operations for security services. State law requires that each operator's share of funds be based on its share of unlinked boardings to total Los Angeles County unlinked boardings. The unlinked boardings used for allocating these funds are based on the operators' TPM reports of LACMTA approved services. The remaining ten percent is allocated to Metro to mitigate other security needs.

Proposition C 40% Discretionary Programs (\$79.1M)

The following programs are funded with Prop C 40% Discretionary funds:

- **Municipal Operators Service Improvement Program (MOSIP).** MOSIP was adopted by the Board in April 2001. The program is intended to provide bus service improvements to the transit dependent in Los Angeles County by reducing overcrowding and expanding services. Funding is increased by 3% from the previous year's funding level. All Municipal Operators participate in this program and funds are allocated according to FAP calculation methodology.
- **Zero-Fare Compensation.** The City of Commerce is allocated an amount equivalent to its FAP share as compensation for having zero fare revenues.
- **Foothill Mitigation.** This fund is allocated to operators to mitigate the impact of Foothill becoming an Included Operator. The Foothill Mitigation Program is calculated similarly to the TDA and STA portion of the normal FAP, except that Foothill's data is frozen at its pre-inclusion level. The result of this calculation is then deducted from the TDA and STA portion of the normal FAP to arrive at the Foothill Mitigation funding level. This methodology was adopted by the BOS in November 1995.

- **Transit Service Expansion Program (TSE).** Created in 1990 to increase ridership by providing funds for additional services to relieve congestion. The TSE Program continues for eight Municipal Operators including Culver City, Foothill Transit, Gardena, Long Beach, Torrance, Antelope Valley, Santa Clarita, and LADOT for expansion or introduction of fixed-route bus service in congested corridors. Metro Operations does not participate in this program.
- **Base Re-Structuring Program (Base-Re).** The Base Restructuring Program continues for four Municipal Operators who added service before 1990. These operators are Commerce, Foothill Transit, Montebello and Torrance.
- **Bus Service Improvement Program (BSIP).** Created in 1996 to provide additional buses on existing lines to relieve overcrowding. Metro Operations and all other Los Angeles County transit operators participate in this program, except for Claremont, Commerce, and La Mirada.
- **Proposition 1B Bridge Funding Program.** The Bridge Funding Program was established to compensate certain operators for the differences in State Proposition 1B allocation, which uses the State Transit Assistance (STA) allocation methodology, and the Los Angeles County Formula Allocation Procedure (FAP). Operators who would have received less or no funding under the State method are allocated with local funds if the FAP method is used. This program continues through the life of the bond as approved by the Board in September 2009. For FY 2020, Bridge Funding allocation for the Transit Modernization (PTMISEA) and Security Bridge funding account represents the final installments the operators earned from FY 2015 Proposition 1B allocation.

Federal Funds (\$372.5M)

Section 5307 Urbanized Formula Program (\$245.7M)

The Urbanized Area Formula Funding program (49 U.S.C. 5307) makes Federal resources available to urbanized areas for transit capital and operating assistance in urbanized areas and for transportation related planning. Based on federal revenue estimates for FY 2020, \$245.7 million in Federal Section 5307 Urban Formula funds are allocated to Los Angeles County transit operators and LACMTA Operations. Eighty-five percent (85%) of these funds have been allocated based on a capital allocation formula consisting of total vehicle miles, number of vehicles, unlinked boardings, passenger revenue and base fare. The 15% Capital Discretionary fund and the 1% Transit Enhancement Act fund have been allocated on a discretionary basis with BOS review and concurrence.

At its April 18, 2017 meeting, the BOS allocated \$300,000 each year for the next three years to the Southern California Regional Transit Training Consortium (SCR TTC) from the 15% discretionary fund. SCR TTC provides a training resource network comprised of

Community Colleges, Universities, Transit Agencies, Public and Private Organizations focused on the development and delivery of training and employment of the transit industry workforce that is proficient at the highest standards, practices, and procedures for the industry. FY 2020 is the final year of allocating this fund to the SCRTTC. The funds will be exchanged with Metro's TDA Article 4 share and disbursed through Long Beach Transit.

Section 5339 Bus and Bus Facilities (\$27.0M)

Section 5339 is a grant program authorized by 49 United States Code (U.S.C) Section 5339 as specified under the Federal Reauthorization Moving Ahead for Progress in the 21st Century or "MAP 21". The Program provides capital funding to replace, rehabilitate and purchase buses, vans, and related equipment, and to construct bus-related facilities. Based on federal revenue estimates for FY 2020, \$27.0 million is allocated to Los Angeles County operators and Metro operations using the Capital Allocation Procedure adopted by the BOS. Operators' shares are swapped with Metro's share of Federal Section 5307 to minimize administrative process.

Section 5337 State of Good Repair (\$99.8M)

Section 5337 provides grants for new and expanded rail, bus rapid transit, and ferry systems that reflect local priorities to improve transportation options in key corridors. This program defines a new category of eligible projects, known as core capacity projects, which expand capacity by at least 10% in existing fixed guideway transit corridors that are already at or above capacity today, or are expected to be at or above capacity within five years. The program also includes provisions for streamlining aspects of the New Starts process to increase efficiency and reduce the time required to meet critical milestones. This funding program consists of two separate formula programs:

- **High Intensity Fixed Guideway** - provides capital funding to maintain a system in a state of good repair for rail and buses operating on lanes for exclusive use of public transportation vehicles, i. e. bus rapid transit. Based on federal revenue estimates for FY 2020, \$94.0 million is allocated to Metro and Municipal operations.
- **High Intensity Motorbus** - provides capital funding to maintain a system in a state of good repair for buses operating on lanes not fully reserved only for public transportation vehicles. Based on federal revenue estimates for FY 2020, \$5.9 million is allocated to Metro Operations and Los Angeles County operators following the FTA formula: the fund allocated with Directional Route Miles (DRM) data is allocated using the operators' DRM data while the fund allocated with Vehicle Revenue Miles (VRM) data is allocated using the operators' VRM data. Operators' shares are swapped with Metro's share of Federal Section 5307 to minimize administrative process.

Proposition A Incentive Programs (\$18.2M)

In lieu of TDA Article 4.5, five percent (5%) of Proposition A 40% Discretionary funds have been allocated to local transit operators through Board-adopted Incentive Program guidelines. Programs include the Sub-Regional Paratransit Program, the Voluntary NTD Reporting Program and the Sub-Regional Grant Projects. Under the Voluntary NTD Reporting Program, local transit operators report operating data for entitlement to the Federal FTA Section 5307 funds. Operators participating in the Voluntary NTD Reporting Program and who are not receiving Sub-Regional Paratransit funds are allocated an amount equal to the Federal FTA Section 5307 funds they generate for the region.

Under the Sub-Regional Grant Projects, Avalon's Ferry, which provides a lifeline service to its residents who commute between Avalon and the mainland, will continue to receive \$700,000 in subsidy.

At its May 16, 2017 meeting, the Local Transit System Subcommittee (LTSS) approved an additional \$50,000 to Avalon's Transit Services annual subsidy increasing the funding level to \$300,000, and the Hollywood Bowl Shuttles subsidy remains at \$1,057,000.

Local Returns (\$692.0M)

Proposition A 25% (\$207.3M)
Proposition C 20% (\$172.0M)
Measure R 15% (\$129.0M)
Measure M 17% (\$146.2M)

Local Return estimates are apportioned to all Los Angeles County cities and the County of Los Angeles based on population shares according to state statutes and Proposition A, Proposition C, Measure R and Measure M ordinances.

TDA Article 3 funds (\$8.7M)

TDA Article 3 funds are for Bicycle and Pedestrian Facilities and split into two parts:

- The 15% of TDA Article 3 funds are allocated towards maintenance of regionally significant Class I bike paths as determined by LACMTA policy and in current TDA Article 3 Guidelines. This portion is divided in a ratio of 30% to 70% to City of Los Angeles and County of Los Angeles, respectively.
- The 85% of the funds are allocated to all Los Angeles County cities and the County of Los Angeles based on population shares. TDA Article 3 has a minimum allocation amount of \$5,000. The City of Industry has opted out of the TDA Article 3 program indefinitely. The Street and Freeway Subcommittee and

the Technical Advisory Committee (TAC) have approved this redistribution methodology in prior years, and it remains unchanged.

TDA Article 8 funds (\$28.7M)

TDA Article 8 funds are allocated to areas within Los Angeles County, but outside the Metro service area. This includes allocations to Avalon, Lancaster, Palmdale, Santa Clarita and portions of unincorporated areas of Los Angeles County. The amount of TDA funds for Article 8 allocation is calculated based on the proportionate population of these areas to the total population of Los Angeles County.

Los Angeles County Metropolitan Transportation Authority
2020 Transit Fund Allocations

RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY FOR FISCAL YEAR 2019-2020 FOR LOCAL TRANSPORTATION, TRANSPORTATION DEVELOPMENT ACT, AND STATE TRANSIT ASSISTANCE FUND ALLOCATIONS

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (LACMTA) is the designated Transportation Planning agency for the County of Los Angeles and is, therefore, responsible for the administration of the Transportation Development Act (TDA), Public Utilities Code Section 99200 et seq.; and

WHEREAS, under Chapter 2.5, Article 5, the State Transit Assistance Fund (STA) Section 6753, allocations to claimants shall be made and take effect by resolution and shall designate: 1) the fiscal year for which the allocation is made; 2) the amount allocated to the claimant for each of the purposes defined in Sections 6730 and 6731; and 3) any other terms and conditions of the allocation; and

WHEREAS, Section 6659 requires that allocation instructions be conveyed each year to the county auditor by written memorandum of its executive director and accompanied by a certified copy of the authorizing resolution; and

WHEREAS, the resolution shall also specify conditions of payment and may call for a single payment, for payments as moneys become available, or for payment by installments monthly, quarterly, or otherwise; and

WHEREAS, the amount of a regional entity's allocation for a fiscal year that is not allocated to claimants for that fiscal year shall be available to the regional entity for allocation in the following fiscal year; and

WHEREAS, Section 6754 requires that the regional entity may allocate funds to an operator or a transit service claimant only if, in the resolution allocating the funds, it finds all of the following:

- a.1 The claimant's proposed expenditures are in conformity with the Regional Transportation Plan.
- a.2 The level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements of PUC Section 99268.2, 99268.3, 99268.4, 99268.5, and 99268.9, as they may be applicable to the claimant.
- a.3 The claimant is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended.

**Los Angeles County Metropolitan Transportation Authority
2020 Transit Fund Allocations**

- a.4 The sum of the claimant's allocations from the state transit assistance fund and from the local transportation fund does not exceed the amount the claimant is eligible to receive during the fiscal year.
- a.5 Priority consideration has been given to claims to offset reductions on federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high priority regional, countywide, or area wide public transportation needs.

WHEREAS, the regional entity may allocate funds to an operator for the purposes specified in Section 6730 only if, in the resolution allocating the funds, it finds all of the following:

- b.1 The operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244.
- b.2 A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle code, as required in PUC Section 99251. The certification shall have been completed within the last 13 month, prior to filing claims.
- b.3 The operator is in compliance with the eligibility requirements of PUC Section 99314.6 or 99314.7

WHEREAS, the regional entity may allocate funds to an operator to exchange funds pursuant to PUC Section 99314.4(b) only if, in the resolution allocating the funds made available pursuant to PUC Section 99231, it find that the operator is eligible to receive State Transit Assistance funds; and

WHEREAS, LACMTA staff in consultation with the Transit Operators and Cities has developed allocations in accordance with the Transportation Development Act as previously specified.

NOW THEREFORE,

- 1.0 The LACMTA Board of Directors approves the allocation of TDA and STA for the Fiscal Year 2019-20 to each claimant for each of the purposes as specified in Attachments A.
- 2.0 The Board of Directors hereby finds that a claimant's proposed expenditures are in conformity with the Regional Transportation Plan., the level of passenger fares and charges is sufficient to enable the operator or transit service claimant to meet the fare revenue requirements; the claimant is making full use of federal funds

**Los Angeles County Metropolitan Transportation Authority
2020 Transit Fund Allocations**

available under the Urban Mass Transportation Act of 1964; the sum of the claimant's allocations from the State Transit Assistance fund and from the Local Transportation Fund do not exceed the amount the claimant is eligible to receive during the fiscal year; and that priority consideration has been given to claims to offset reductions on federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high priority regional, countywide, or area wide public transportation needs.

- 3.0 The Board of Directors hereby finds that, for the purposes specified in Section 6730, the operators eligible for funding have made reasonable efforts to implement the productivity improvements recommended pursuant to PUC Section 99244. A certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, has been remitted. The operator is in compliance with the eligibility requirements of PUC Section 99314.6 or 99314.7
- 4.0 The Board of Directors hereby authorizes that the operators listed in Attachment A are eligible to receive State Transit Assistance funds.
- 5.0 The Board of Directors hereby authorizes that the operators may receive payments upon meeting the requirements of the STA eligibility test and submittal of TDA and STA claims.

CERTIFICATION

The undersigned, duly qualified and acting as the Board Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on June, 2019.

MICHELE JACKSON
Board Secretary

DATED:
(SEAL)



Board Report

File #: 2019-0366, **File Type:** Formula Allocation / Local Return

Agenda Number: 15.

**FINANCE, BUDGET AND AUDIT COMMITTEE
JUNE 19, 2019**

SUBJECT: LOCAL RETURN PROPOSITION C AND MEASURE R CAPITAL RESERVE

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to negotiate and execute all necessary agreements between Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Cities for their Capital Reserve Account as approved; and:

- A. ESTABLISH Proposition C Local Return funded Capital Reserve Account for the Cities of Bell, El Monte, and South Gate; and
- B. ESTABLISH Measure R Local Return funded Capital Reserve Account for the Cities of El Monte and Glendale.

ISSUE

Local Jurisdictions may need additional time to accumulate sufficient funding to implement a project or to avoid lapsing of funds.

BACKGROUND

According to the Local Return Guidelines, Board approval is required if there is a need to extend beyond the normal lapsing deadline for Local Return funds. The local jurisdiction may request that funding be dedicated in a Capital Reserve Account. Once approved, a local jurisdiction may be allowed additional years to accumulate and expend its Local Return funds from the date that the funds are made available.

DISCUSSION

Findings

Staff has calculated on a First-In-First-Out (FIFO) calculation that some cities may be in jeopardy of losing their Local Return Funds. Proposition C has a “three year plus current year” date for a total of four years for the timely use of funds. Measure R requires a timeline of five years for expenditure of

Local Return funds.

Considerations

Local Return Guidelines has a timely-use-of funds requirement with a lapsing deadline. However, Capital Reserve Accounts are permitted with approval from the Board of Directors, the accounts may be established so that Los Angeles County local jurisdiction may extend the life of their Local Return revenue to accommodate longer term financial and planning commitments for specific capital projects.

Some of the Local Return funds could lapse due to time constraints. According to the Local Return Guidelines, the lapsed funds would be returned to LACMTA so that the Board may redistribute the funds for reallocation to jurisdictions for discretionary programs of county-wide significance or redistribute to each Los Angeles County local jurisdiction by formula on a per capita basis.

DETERMINATION OF SAFETY IMPACT

Approval of the project will allow for improvements to the streets and roads, traffic signal upgrades and maintenance facility as listed on Attachment A.

FINANCIAL IMPACT

Impact to Budget

Adoption of staff recommendations would have no impact on the LACMTA Budget, or on LACMTA's Financial Statements. The Capital Reserve Account funds originate from the portion of Proposition C and Measure R funds that are allocated to each Los Angeles County local jurisdiction by formula. Some of the cities' funds could lapse due to time constraints and other cities with small apportionments need additional time in order to accumulate the needed funds for capital projects.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These are the Local Jurisdictions' apportionment of the funds. The four cities listed on Attachment A have identified improvement projects that assist in achieving Metro's Strategic Plan Goals #1 and #2 by improving mobility, ease of travel, and safety.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the proposed reserve account, which is not recommended by staff. The cities have no other funds and the projects could not be constructed in a timely manner. Cities may not be able to accumulate sufficient funds necessary for their capital projects as described in Attachment A.

NEXT STEPS

With Board approval of our recommendation, Metro will negotiate and execute all necessary

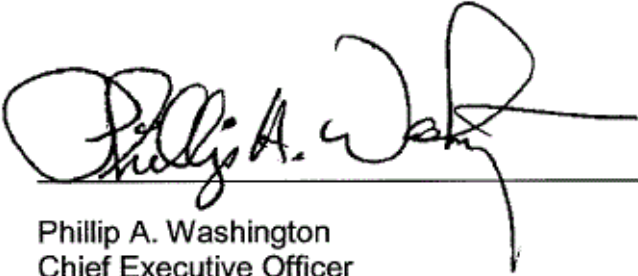
agreements between LACMTA and the listed cities for their Capital Reserve Accounts as approved. Metro staff will monitor the account to ensure that the cities comply with the Local Return Guidelines and the terms of the agreement.

ATTACHMENTS

Attachment A - Project Summary for Proposed Capital Reserve Accounts

Prepared by: Susan Richan, Senior Manager, Transportation Planning, (213) 922-3017
Drew Phillips, Director, Budget, (213) 922-2109

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

**PROJECT SUMMARY FOR PROPOSED NEW
CAPITAL RESERVE ACCOUNTS**

JURISDICTION	PROJECT	AMOUNT	FUND	AGREEMENT TERMINATION/ REVIEW DATE
City of Bell 380-04 (New)	<u>Project:</u> Traffic Signal Equipment Upgrades <u>Justification:</u> The capital reserve will assist in the accumulation of funds and in the non-lapsing of funds	\$100,000	Proposition C 20% Local Return	6/30/24
City of Bell 380-05 (New)	<u>Project:</u> Florence Ave. & Slauson Ave. Bridge Maintenance <u>Justification:</u> This is a required bridge maintenance as recommended by Caltrans	\$128,000	Proposition C 20% Local Return	6/30/24
City El Monte #01-380 (New)	<u>Project:</u> Ramona Blvd/Bradilo St/Covina Blvd.TSSP/BSP <u>Justification:</u> The capital reserve will assist in the completion of funding this intersection for Traffic Signal Synchronization Project (TSSP) and Bus Speed Project (BSP) Improvements	\$141,262	Proposition C 20% Local Return	6/30/24
City of El Monte 1.90 (New)	<u>Project:</u> Citywide Street Improvement <u>Justification:</u> The capital reserve will assist in the completion of this long term project and in the non-lapsing of funds	\$10,00,000	Measure R 15% Local Return	6/30/24
City of Glendale 5.15 (New)	<u>Project:</u> Beeline Maintenance Facility <u>Justification:</u> The capital reserve will assist in the completion of this long term project and in the non-lapsing of funds	\$2,000,000	Measure R 15% Local Return	6/30/24

JURISDICTION	PROJECT	AMOUNT	FUND	AGREEMENT TERMINATION/ REVIEW DATE
City of South Gate 380-01 (New)	<u>Project:</u> Firestone Blvd Capacity <u>Justification:</u> The capital reserve will assist in the completion of this long term project and in the non-lapsing of funds	\$3,500,000	Proposition C 20% Local Return	6/30/24



Board Report

File #: 2019-0386, File Type: Project

Agenda Number: 16.

**FINANCE, BUDGET AND AUDIT COMMITTEE
JUNE 19, 2019**

SUBJECT: TRANSPORTATION DEVELOPMENT ACT (TDA) ARTICLE 8 FUND PROGRAM

ACTION: ADOPT FINDINGS

RECOMMENDATION

ADOPT:

- A. Findings and Recommendations (Attachment A) for allocating fiscal year (FY) 2019-20 Transportation Development Act (TDA) Article 8 funds estimated at \$28,747,096 as follows:
1. In the City of Avalon, there are no unmet transit needs that are reasonable to meet, therefore TDA Article 8 funds (Attachment B) in the amount of \$164,382 may be used for street and road projects, or transit projects, as described in Attachment A;
 2. In the Cities of Lancaster and Palmdale, there are no unmet transit needs that are reasonable to meet. In the Cities of Lancaster and Palmdale and the unincorporated portions of North County transit needs can be met using other existing funding sources. Therefore, the TDA Article 8 funds in the amount of \$6,862,652 and \$6,756,613 (Lancaster and Palmdale, respectively) may be used for street and road purposes and/or transit, as long as their transit needs continue to be met;
 3. In the City of Santa Clarita, there are no unmet transit needs that are reasonable to meet. In the City of Santa Clarita and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds in the amount of \$9,170,814 for the City of Santa Clarita may be used for street and road and/or transit, as long as their transit needs continue to be met;
 4. In the Los Angeles County Unincorporated areas of North County, the areas encompassing both the Antelope Valley and the Santa Clarita Valley, transit needs are met with other funding sources, such as Proposition A and Proposition C Local Return. Therefore, TDA Article 8 funds in the amount of \$5,792,635 may be used for street and road purposes and/or transit, as long as their transit needs continue to be met; and

B. A resolution (Attachment C) making a determination of unmet public transportation needs in the areas of Los Angeles County outside the Metro service area.

ISSUE

State law requires that the Los Angeles County Metropolitan Transportation Authority (LACMTA) make findings regarding unmet transit needs in areas outside Metro's service area. If there are unmet transit needs that are reasonable to meet, then these needs must be met before TDA Article 8 funds may be allocated for street and road purposes.

DISCUSSION

Under the State of California TDA Article 8 statute, state transportation funds are allocated to the portions of Los Angeles County outside Metro's service area. These funds are for "unmet transit needs that may be reasonable to meet". However, if no such needs exist, the funds can be spent for street and road purposes. See Attachment D for a brief summary of the history of TDA Article 8 and definitions of unmet transit needs.

Before allocating TDA Article 8 funds, the Act requires Metro to conduct a public hearing process (Attachment E). If there are determinations that there are unmet transit needs, which are reasonable to meet and we adopt such a finding, then these needs must be met before TDA Article 8 funds can be used for street and road purposes. By law, we must adopt a resolution annually that states our findings regarding unmet transit needs. Attachment C is the FY 2019-20 resolution. The proposed findings and recommendations are based on public testimony (Attachment F) and the recommendations of the Social Service Transportation Advisory Council (SSTAC) and the Hearing Board.

POLICY IMPLICATION

Staff has followed state law in conducting public hearings and obtaining input from the SSTAC regarding unmet transit needs. The SSTAC is comprised of social service providers and other interested parties in the North County areas. Attachment G summarizes the recommendations made and actions taken during FY 2018-19 (for the FY 2019-20 allocation estimates) and Attachment H is the proposed recommendations of the FY19-20 SSTAC.

On April 16, 2019, the TDA Article 8 Hearing Board was convened on behalf of the Board of Directors to conduct the required public hearing process. The Hearing Board developed findings and made recommendations for using TDA Article 8 funds based on the input from the SSTAC and the public hearing process.

Upon transmittal of the Board-adopted findings and documentation of the hearings process to Caltrans Headquarters, and upon Caltrans approval, funds will be released for allocation to the eligible jurisdictions. Delay in adopting the findings, recommendations and the resolution contained in Attachments A and C would delay the allocation of \$28,747,096 in TDA Article 8 funds to the recipient local jurisdictions.

DETERMINATION OF SAFETY IMPACT

Approval of this project will have no impact on Safety.

FINANCIAL IMPACT

The TDA Article 8 funds for FY 2019-20 are estimated at \$28,747,096 (Attachment B). The funding for this action is included in the FY18 Proposed Budget in cost center 0443, project number 410059 TDA Subsidies - Article 8.

TDA Article 8 funds are state sales tax revenues that state law designates for use by Los Angeles County local jurisdictions outside of Metro's service area. Metro allocates TDA Article 8 funds based on population and disburse monthly, once each jurisdiction's claim form is received, reviewed and approved.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan goals 1 and 2. Per state requirement, the TDA funds are allotted to the five jurisdictions to support their transit or street and roads improvements. The jurisdictions have determined improvement projects that assist in achieving Metro's Strategic Plan Goals number 1 and 2 by improving mobility, ease of travel and safety.

ALTERNATIVES CONSIDERED

The Board of Directors could adopt findings or conditions other than those developed in consultation with the Hearing Board, with input from the state-required SSTAC (Attachment H) and through the public hearing process. However, this is not recommended because adopting the proposed findings and recommendations made by the SSTAC and adopted by the Hearing Board have been developed through a public hearing process, as described in Attachment E, and in accordance with the TDA statutory requirements.

NEXT STEPS


Once Caltrans reviews and approves the Board-adopted resolution and documentation of the hearing process, we will receive TDA Article 8 funds to allocate to the recipient local jurisdictions.

ATTACHMENTS

Attachment A - FY20 Proposed Findings and Recommended Actions
Attachment B - TDA Article 8 Apportionments: Estimates for FY2019-20
Attachment C - FY2019-20 TDA Article 8 Resolution
Attachment D - History of TDA Article 8 and Definitions of Unmet Transit Needs
Attachment E - TDA Article 8 Public Hearing Process
Attachment F - FY20 Comment Summary Sheet - TDA Article 8 Unmet Transit Needs Public Testimony and Written Comments
Attachment G - Summary of Recommendations and Actions Taken
Attachment H - Proposed Recommendations of the FY2019-20 SSTAC

Prepared by: Armineh Saint, Senior Manager, Transportation Planning (213) 922-2369
Drew Phillips, Director, Budget (213)-922-2109

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

FY 2019-20 TDA ARTICLE 8

PROPOSED FINDINGS AND RECOMMENDED ACTIONS

CATALINA ISLAND AREA

- Proposed Findings - In the City of Avalon, there are no unmet transit needs that are reasonable to meet; therefore TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions - City of Avalon address the following and implement if reasonable to meet: 1) maintain funding sources for transit services.

ANTELOPE VALLEY AREA

- Proposed Findings – There are no unmet transit needs that are reasonable to meet; in the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, existing transit needs can be met through using other existing funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions – Antelope Valley Transit Authority (AVTA) address the following: 1) continue to evaluate funding opportunities for transit services.

SANTA CLARITA VALLEY AREA

- Proposed Findings - There are no unmet transit needs that are reasonable to meet; in the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions - Santa Clarita Transit address the following: 1) continue to evaluate funding opportunities for transit services.

Los Angeles County Metropolitan Transportation Authority
FY 2020 TDA ARTICLE 8 APPORTIONMENTS
 (Transit/Streets & Highways)

AGENCY	POPULATION [1]	ARTICLE 8 PERCENTAGE	ALLOCATION OF TDA ARTICLE 8 REVENUE
Avalon	3,860	0.57%	\$ 164,382
Lancaster	161,148	23.87%	6,862,652
Palmdale	158,658	23.50%	6,756,613
Santa Clarita	215,348	31.90%	9,170,814
LA County [2]	<u>136,022</u>	<u>20.15%</u>	<u>5,792,635</u>
Unincorporated			
Total	675,036	100.00%	\$ 28,747,096
		Estimated Revenues:	\$ 28,747,096

[1] Population estimates are based on State of California Department of Finance census 2018 data-report

[2] The Unincorporated Population figure is based on 2007 estimates by Urban Research minus annexation figures from Santa Clarita increased population of 26,518 (2012 annexation)

**RESOLUTION OF THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION
AUTHORITY MAKING A DETERMINATION AS TO
UNMET PUBLIC TRANSPORTATION NEEDS IN LOS ANGELES COUNTY
FOR FISCAL YEAR 2019-20**

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (LACMTA) is the designated Transportation Planning agency for the County of Los Angeles and is, therefore, responsible for the administration of the Transportation Development Act, Public Utilities Code Section 99200 et seq.; and

WHEREAS, under Sections 99238, 99238.5, 99401.5 and 99401.6, of the Public Utilities Code, before any allocations are made for local street and road use, a public hearing must be held and from a review of the testimony and written comments received and the adopted Regional Transportation Plan, make a finding that 1) there are no unmet transit needs; 2) there are no unmet transit needs that are reasonable to meet; or 3) there are unmet transit needs, including needs that are reasonable to meet; and

WHEREAS, at its meetings of June 25, 1998 and June 24, 1999, the Board of Directors approved definitions of unmet transit need and reasonable to meet transit need; and

WHEREAS, public hearings were held by LACMTA in Los Angeles County in Santa Clarita on March 4, 2019, Palmdale on March 4, 2019, Lancaster on March 4, 2019, Avalon on March 5, 2019, after sufficient public notice of intent was given, at which time public testimony was received; and

WHEREAS, a Social Service Transportation Advisory Council (SSTAC) was formed by LACMTA and has recommended actions to meet the transit needs in the areas outside the LACMTA service area; and

WHEREAS, a Hearing Board was appointed by LACMTA, and has considered the public hearing comments and the recommendations of the SSTAC; and

WHEREAS, the SSTAC and Hearing Board reaffirmed the definitions of unmet transit need and reasonable to meet transit need; and

WHEREAS, staff in consultation with the Hearing Board recommends the finding that in the City of Avalon there are no unmet transit needs that are reasonable to meet; therefore TDA Article 8 funds may be used for street and road projects, or transit projects; and

ATTACHMENT C

(Page 2 of 3)

WHEREAS, staff in consultation with the Hearing Board recommends the finding that in the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, there are no unmet transit needs that are reasonable to meet. In the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.

WHEREAS, staff in consultation with the Hearing Board recommends the finding that there are no unmet transit needs that are reasonable to meet. In the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, existing transit needs can be met through using other existing funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.

NOW THEREFORE,

- 1.0 The Board of Directors approves on an on-going basis the definition of Unmet Transit Needs as any transportation need, identified through the public hearing process, which could be met through the implementation or improvement of transit or paratransit services; and the definition of Reasonable to Meet Transit Need as any unmet transit needs that can be met, in whole or in part, through the allocation of available transit revenue and be operated in a cost efficient and service effective manner, without negatively impacting existing public and private transit options.
- 2.0 The Board hereby finds that, in the City of Avalon, there are no unmet transit needs that are reasonable to meet; therefore TDA Article 8 funds may be used for street and road projects, or transit projects.
- 3.0 The Board hereby finds that in the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, there are no unmet transit needs that are reasonable to meet. In the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- 4.0 The Board hereby finds that in the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, there are no unmet transit needs that are reasonable to meet. In the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, existing transit needs can be met through using other existing funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.

CERTIFICATION

The undersigned, duly qualified and acting as the Board Secretary of the Los Angeles County Metropolitan Transportation Authority, certifies that the foregoing is a true and correct representation of the Resolution adopted at a legally convened meeting of the Board of Directors of the Los Angeles County Metropolitan Transportation Authority held on Thursday, June 27, 2019.

MICHELE JACKSON
LACMTA Board Secretary

DATED: June 27, 2019

History of Transportation Development Act (TDA) 8

The Mills-Alquist-Deddeh act, better known as the Transportation Development Act (SB325), was enacted in 1971 to provide funding for transit or non-transit related purposes that comply with regional transportation plans. Funding for Article 8 was included in the original bill.

In 1992, after the consolidation of SCRTD and LACTC, AB1136 (Knight) was enacted to continue the flow of TDA 8 funds to outlying cities which were outside of the SCRTD's service area.

Permanent Adoption of Unmet Transit Needs Definitions

Definitions of Unmet Transit Need and Reasonable to meet transit needs were originally developed by the SSTAC and Hearing Board and adopted by Metro Board Resolution in May, 1997 as follows:

- Unmet Transit Need- any transportation need, identified through the public hearing process, that could be met through the implementation or improvement of transit or paratransit services.
- Reasonable to Meet Transit Need - any unmet transit need that can be met, in whole or in part, through the allocation of additional transit revenue and be operated in a cost-efficient and service-effective manner, without negatively impacting existing public and private transit options.

Based on discussions with and recommendations from Caltrans Headquarters' staff, these definitions have been adopted on an ongoing basis by the resolution. The Metro Board did approve the definitions of unmet transit need and reasonable to meet transit need at its meetings June 25, 1998 and June 24, 1999.

These definitions will continue to be used each year until further action by the Metro Board.

ATTACHMENT E

TDA ARTICLE 8 PUBLIC HEARING PROCESS

Article 8 of the California Transportation Development Act (TDA) requires annual public hearings in those portions of the County that are not within the Metro transit service area. The purpose of the hearings is to determine whether there are unmet transit needs which are reasonable to meet. We established a Hearing Board to conduct the hearings on its behalf in locations convenient to the residents of the affected local jurisdictions. The Hearing Board, in consultation with staff, also makes recommendations to the Board of Directors for adoption: 1) a finding regarding whether there are unmet transit needs that are reasonable to meet; and 2) recommended actions to meet the unmet transit needs, if any.

In addition to public hearing testimony, the Hearing Board received input from the Social Service Transportation Advisory Council (SSTAC), created by state law and appointed by us, to review public hearing testimony and written comments and, from this information, identify unmet transit needs in the jurisdictions.

Hearing Board

Staff secured the following representation on the FY 2019-20 Hearing Board:

Dave Perry represented Supervisor Kathryn Barger; Steven Hofbauer, Mayor, City of Palmdale; Marvin Crist, Vice Mayor, City of Lancaster, represented the North County; Marsha McLean, Mayor Pro Tem, City of Santa Clarita represented Santa Clarita Valley.

Also, membership was formed on the FY 2019 Social Service Transportation Advisory Council (SSTAC) per requisite of the *Transportation Development Act Statutes and California Code of Regulations*. Staff had adequate representation of the local service providers and represented jurisdictions, therefore the SSTAC meeting convened with proposed recommendations as included in Attachment G.

Hearing and Meeting Dates

The Hearing Board held public hearings in Avalon on March 5, Santa Clarita on March 4, Palmdale on March 4, and Lancaster on March 4, 2019. A summary sheet of the public testimony received at the hearings and the written comments received within two weeks after the hearings is included in Attachment F.

The SSTAC met on April 2, 2019. Attachment H contains the SSTAC's recommendations, which were considered by the Hearing Board at its April 16, 2019 meeting.

ATTACHMENT F

FY2019-20 TDA ARTICLE 8 UNMET NEEDS PUBLIC TESTIMONY AND WRITTEN COMMENTS

SUMMARY TABULATION SHEET - ALL HEARINGS

		Santa Clarita	Antelope Valley	Avalon
1	General increase in service, including longer hours, higher frequency, and/or more days of operation			
1.1	Morning/Evening commuter bus with limited stops to/from AV College to West Lancaster		1	
1.2	Continue summer beach bus	1		
2	Scheduling, reliability, transfer coordination			
2.1	Route 3 and 7 to run every 30 mins	1		
3	Other issues: better public information needed, bus improvements, upgrades, increase fleet, bus tokens, transit center			
3.1	Easier wheelchair accessibility to services in Sierra Highway and 0-8		1	
4	Other, statement - Support			
4.1	Transit needs are met		1	
	Sub-total:	2	3	-

Totals - 5

Total of 5 comments extracted from verbal and written comments by 5 individuals



Board of Directors

Chairman
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City of Lancaster

Vice Chair
Dianne M. Knippel
County of Los Angeles

Director
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City of Palmdale

Director
Richard Loa
City of Palmdale

Director
Angela E. Underwood-Jacobs
City of Lancaster

Director
Michelle Flanagan
County of Los Angeles

Executive Director/CEO
Macy Neshati

March 04, 2019

TDA Article 8 Hearing Board Chair
c/o Armineh Saint, Program Manager
Metropolitan Transit Authority
One Gateway Plaza
Los Angeles, California 90012
RE: Fiscal Year 2016/17 TDA Article 8 Unmet Needs Hearings

Dear Ms. Saint:

At the 2018 TDA Article 8 Unmet Needs Hearing, the Board found that the Antelope Valley Transit Authority (AVTA) had no unmet needs that could not be addressed through existing funding sources. The Hearing provided recommendations that are addressed in this letter. As a result of a continued focus during the last 12 months on enhancements in technology, capital improvements, and service reliability, the AVTA has had several accomplishments in these areas.

Responses to Public Testimony and Written Comments
Item # 1, General increase in service, including longer hours, higher frequency, and/or more days of operation.

Item # 1.2, Morning/evening commuter bus with limited stops to/from Lancaster/Palmdale to East San Fernando Valley: In 2018, Antelope Valley Transit Authority initiated a Regional Transit Plan project that is studying the recommendation to add increased service to the East San Fernando Valley. This project will be a part of AVTA addressing every route within its service area, both local and commuter, to ensure we are providing the services our customers need within our limited operating budget and resources.

Item # 1.3, Develop Stronger TOD districts adjacent to regional rail stations with comprehensive bus network connecting station downtowns with outlying communities: AVTA is very active in working and coordinating with our jurisdiction partners Palmdale, Lancaster, and the County of Los Angeles in developing new and improved transit hubs adjacent to Metrolink stations. AVTA has made dramatic capital improvements in its bus charging infrastructure at Palmdale Regional Transportation Center (PTC) and is working with the City of Lancaster to develop a new transit hub/charging stations at the North Metrolink station. These improvements will provide for increased interconnectivity with the Metrolink stations and efficient transfers to bus routes.

Item # 8, Metrolink issues

Item #8.1 Disability train section needs more space: AVTA has relayed the information to the leadership of Metrolink. The rail service is not under the oversight of AVTA and can only communicate the request of the passengers.

Item # 8. 2, Electrical Outlets to charge electric wheelchairs: AVTA has relayed the information to the leadership of Metrolink. The rail service is not under the oversight of AVTA and can only communicate the request of the passengers.

Item # 9, Other issues: better public information needed, bus improvements, upgrades, increased fleet, bus tokens, transit center.

Item # 9.1, Not enough room for wheelchairs on bus: AVTA is consistently working to ensure all of its vehicles and services are in compliance with the American with Disabilities act. AVTA is currently reviewing its bus routes and analyzing the need to place more ADA compliant vehicles in the areas of high ridership and needs. This is being accomplished as a part of the previously mentioned Regional Transit Plan.

Item # 9.2, More chairs: AVTA is current reviewing its bus routes and analyzing the need to allocate higher capacity vehicles in the areas of high ridership and needs. This is being accomplished as a part of the previously mentioned Regional Transit Plan.

Capital Improvements:

Over the past year, AVTA made significant progress towards reaching our goal of electrifying our entire fleet of 79 buses. AVTA is now utilizing its 60' articulated electric buses on the heaviest ridership routes allowing for more seating capacity. The buses, which have the ability to accommodate an

additional 30 passengers, have been assigned to Route 1, the backbone of the AVTA system, in anticipation of a future improvement in service to 15 minute headways at peak service intervals. The buses have already proven to provide an improved customer experience by decreasing overcrowding along that busy corridor.

Enroute charging infrastructure is another component of the 100% battery-electric fleet transformation, utilizing wireless inductive chargers to help extend the range of the new zero-emission buses. These chargers allow the electric buses to charge wirelessly simply by driving the vehicles over charging pads embedded into the ground. During 2018, the first of the new 250KW wireless inductive charging stations have been installed and made operational at Sgt. Steve Owen Memorial Park (OMP) and the Palmdale Transportation Center (PTC). In anticipation of the delivery of additional electric buses this year, plans for three more wireless inductive charging stations at each of these locations is now underway. AVTA continues to expand the scope and locations of new charging centers. In the coming year, AVTA will be installing chargers at the Antelope Valley South Valley Clinic, located at the intersection of Palmdale Blvd. and 40th East, and at Boeing Plaza adjacent to and just north of the Lancaster Metrolink Station. These two new stations will support AVTA in increasing vehicle range, and provide enhanced and connectivity of routes.

Service Improvements:

AVTA management has initiated a new service to Edwards Air Force Base. The route 747 was created to service the contractor and military members of our community that work and live on the base. In addition, the planning for service to the Mojave Air & Space Port continues with an anticipate mid-2019 date to begin. The agency is working towards the implementation of enhanced commuter service to Santa Clarita region, specifically the key employments centers, which would greatly benefit the estimated 1,200 employees currently commuting to those locations from Lancaster and Palmdale.

Additional bus stop improvements were made this year on both commuter and local service. AVTA re-aligned commuter Route 786 to provide service to the VA Medical Center located on Wilshire Boulevard, giving veteran residents of the Antelope Valley a new option of travel to their medical appointments. In the local service, Route 3 was re-aligned and a bus stop was created on Avenue O-8 and Sierra Highway providing safe and closer access to the County of Los Angeles Department of Children and Family Services offices, a family counseling center, and private businesses.

Service Reliability:

In spring 2018, staff continued its aggressive monitoring of local service performance of the agency's contract with Transdev. Improved coordination and communication with the contractor and operators has dramatically improved On-Time-performance to 80+%. This focus on customer satisfaction has improved OTP, addresses concerns regarding appropriate driver/operator layover times, addresses changing needs associated with the electric bus fleet, and has provided improved intra-service connectivity.

Ongoing work is being done with service to Antelope Valley College to improve students' access to both the Lancaster and Palmdale campuses. AVTA implemented a new route 8 which is now servicing the students, faculty and general public that need to ride between the Lancaster College campus and the new center in Palmdale. The express route has been very successful and well received within the community. Ridership information has been compiled and is under analysis to study the daily and monthly activity at the stops near the Lancaster campus to determine future improvements

Technology:

AVTA recently completed the development and the integration of our new customer focused web site. The new web site has been designed to allow better readability and functionality on smart phones. The new site provides better access to the AVTA Trip planner, which is powered by "Google Transit", to enhance trip planning information to all of our customers. The new site also provides for greater access to "rider alerts", and information to improve the customer experience with AVTA. The new site provides the customer more transit options and be connected to all information for AVTA routes, stops, schedules, and fares.

Future Capital Improvements:

AVTA has undertaken the coordination with the new Antelope Valley Mall management to create a new bus stop at the facility. The proposed new stop would be coordinated with the planned redesign of the Mall and be adjacent to one of the main entrances, allowing for improved customer accessibility and rider safety than the current stops which are located in the far Southwest parking area along the outer-ring road. The proposed stops, being much closer to one of the main entrances is only possible due to the AVTA commitment to utilize zero-emission buses for all of its fleet. AVTA anticipates the relocation of this bus stop will enhance ridership for the routes that service the Mall location, and more importantly, positively impact rider experience with the AVTA system. The schedule to implement this

relocation of the stop will be made in conjunction with the Mall construction time frame.

In a longer planning horizon, AVTA is exploring the possibility of partnering with Local bus manufacture to connect the two downtown civic-center areas of the cities of Palmdale and Lancaster with the development of a monorail system. The above ground battery-electric monorail system, called BYD "Sky Rail" would be aimed at substantially easing traffic congestion and enhancing connectivity between the two cities. The system would be constructed with a very small footprint along major road arterials and done so with far superior cost efficiencies than current light-rail systems. The system would have the capacity to carry 10,000 to 30,000 passengers per hour. This type of modern Sky Rail would replace the need for planning and development of a BRT system, and could connect the fairgrounds to the AV Mall and eventually the Palmdale Regional Airport.

Community Outreach Efforts:

AVTA is dedicated to the community and to providing excellent customer service. Community outreach is a high priority goal and we continually seek to improve our efforts.

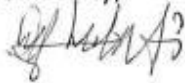
- As previously noted, AVTA has begun a year-long Regional Transit Plan (RTP) development project that will be the strategic plan for the authority for the next 5 to 10 years in the future. The development of the plan will analyze the current legacy route system that has existed for the past 25 years and make recommendations for action items that need to be implemented to improve access to residents, increase mobility options, serve new employment centers, and health care facilities. A key focus of the planning process is the outreach to a community advisory group, consisting of key stakeholders within the community.
- Our Travel Training program allows us to reach out to those who may not feel comfortable using the bus, and we have conducted sessions with many groups this year including veterans, seniors, those with disabilities and students.
- AVTA reduced the age requirement for a reduced senior citizen fare to 62 years old, joining several other agencies and opening the doors to more constituents to take advantage of its free Senior Annual Pass Program.
- AVTA implemented "free transfers" on its local transit routes. The program allows for customer to pay one fare and receive a free transfer to another route within the AVTA system within a two-hour window of time. This is intended to increase options for customers and help improve ridership.

March 4, 2019
Page 6 of 6

- AVTA continues its participation in numerous community events such as the annual Senior Expo and the Veterans Stand Down, increasing awareness of AVTA's services and processing applications at the events to help riders avoid the additional trip to the office.

AVTA values the input of our customers and stakeholders and continues to take a proactive approach to address the transit needs in the Antelope Valley. If have you questions, please contact me at (661) 729-2206.

Sincerely,



Macy Neshati, CEO/Executive Director





City of
SANTA CLARITA
TRANSIT

City of Santa Clarita Transit • Transit Maintenance Facility
28250 Constellation Road • Santa Clarita, CA 91355
Phone: (661) 295-6300 • Fax: (661) 295-6393
santa-clarita.com

Santa Clarita Valley Area
TDA Article 8 Hearings
March 4, 2019
Presented by Adrian Aguilar, City of Santa Clarita Transit Manager

The City of Santa Clarita continues its efforts to promote public transportation as a viable alternative to the automobile. Because of this continued effort, the only recommendation that resulted from the 2018 TDA Article 8 hearings was for the City to continue to evaluate funding opportunities for transit services.

In the twelve months since the last hearing, the City of Santa Clarita has accomplished a number of key milestones.

- Began the update of the City's Transit Development Plan. As part of this effort, the City conducted extensive community outreach, worked with a number of stakeholder throughout the Santa Clarita Valley, and surveyed transit riders and community members. The final plan should be completed this spring.
- Kicked off the College of the Canyons Student semester pass. In the first semester we provided nearly 14,000 rides to COC students, significantly reducing the number of automobile trips going to and from the two campuses.
- Completed 90 percent design of the Vista Canyon Metrolink Station. The 100 percent design and bid documents are on schedule to be completed within the next three months.
- Secured approximately \$5.2 million for the construction of the Vista Canyon Metrolink Station.
- Taken delivery of three CNG powered commuter buses and four CNG powered transit buses. The City is scheduled to receive four additional CNG powered buses by the end of March.
- Awarded contracts for the purchase of two commuter and four transit buses.
- Completed our bus stop improvement project which improved access to, and customer amenities at 28 locations throughout the Santa Clarita Valley.

These are a few of the many accomplishment over the past 12 months. In the coming year, Santa Clarita Transit will be working toward:

- Implementing the recommendations outlined in the new Transit Development Plan
- Undertake the next phase of our bus stop improvement project designed to improve access and amenities at bus stops throughout the Santa Clarita Valley
- Take delivery of new local, commuter and dial-a-ride buses
- Award contract for the construction of the Vista Canyon Bus Transfer Station

The City of Santa Clarita prides itself in taking a proactive approach to addressing the transit needs of our residents and is committed to providing effective and efficient service that improves the quality of life for all residents within the Santa Clarita Valley.

Thank you.

FY 2019-20 TDA ARTICLE 8

SSTAC PROPOSED FINDINGS AND RECOMMENDED ACTIONS

CATALINA ISLAND AREA

- Proposed Findings - that in the City of Avalon there are no unmet transit needs that are reasonable to meet; therefore TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions - that the City of Avalon address the following and implement if reasonable to meet: 1) maintain funding sources for transit services.

ANTELOPE VALLEY AREA

- Proposed Findings – there are no unmet transit needs that are reasonable to meet; in the Cities of Lancaster and Palmdale and the unincorporated portions of North Los Angeles County, existing transit needs can be met through using other existing funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions – That Antelope Valley Transit Authority (AVTA) address the following: 1) continue to evaluate funding opportunities for transit services.

SANTA CLARITA VALLEY AREA

- Proposed Findings - There are no unmet transit needs that are reasonable to meet; In the City of Santa Clarita, and the unincorporated portions of the Santa Clarita Valley, existing transit needs can be met through the recommended actions using other funding sources. Therefore, TDA Article 8 funds may be used for street and road projects, or transit projects.
- Recommended Actions - that Santa Clarita Transit address the following: 1) continue to evaluate funding opportunities for transit services.



Board Report

File #: 2019-0423, File Type: Budget

Agenda Number: 17.

FINANCE, BUDGET AND AUDIT COMMITTEE JUNE 19, 2019

SUBJECT: ACCESS SERVICES PROPOSED FISCAL YEAR 2020 BUDGET

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING local and federal funding request for Access Services (Access) in an amount not to exceed \$103,425,544 for FY20. This amount includes:
- Local funds for operating and capital expenses in the amount of \$97,870,848;
 - Local funds paid directly to Metrolink for its participation in Access' Free Fare Program in the amount of \$2,266,696;
 - Programming of Federal Surface Transportation Block Grant (STBG) Program funds for operating expenses in the amount of \$3,288,000; and
- B. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements to implement the above funding programs.

ISSUE

Access provides mandated Americans with Disabilities Act (ADA) paratransit service on behalf of Metro and Los Angeles County fixed route operators. In coordination with Metro staff, Access has determined that a total of \$193.1 million is required for its FY20 operating and capital needs, and in addition, \$2.3 million is required for Metrolink's participation in Access' Free Fare Program for a total of \$195.4 million. Of this total, \$95.3 million will be funded from federal grants, including STBG Program funds, passenger fares, carryover funds and other income generated by Access. The remaining amount of \$100.1 million will be funded with Measure M ADA Paratransit Service (MM 2%) funds, and Proposition C 40% Discretionary funds (PC 40%). See Attachment A for funding details.

BACKGROUND

Metro, in its role as the Regional Transportation Planning Authority, provides funding to Access to administer the delivery of regional ADA paratransit service for Metro and the 44 other public fixed route operators in Los Angeles County consistent with the adopted Countywide Paratransit Plan. The provision of compliant ADA-mandated service is considered a civil right under federal law and must be appropriately funded.

Access provides more than 4.7 million passenger trips to more than 151,000 qualified ADA paratransit riders in a service area covering over 1,950 square miles of Los Angeles County by utilizing over 1,768 accessible vehicles and taxicabs. Access' service area is divided into six regions (Eastern, Southern, West Central, Northern, Santa Clarita and Antelope Valley) operated by six contractors to ensure efficient and effective service.

DISCUSSION

Ridership

Access' budget is based on paratransit ridership projections provided by an independent third-party consulting firm, HDR Engineering, Inc. (HDR). HDR projects a 1.1% increase in total ridership for FY20 over projected FY19 levels. The paratransit demand analysis uses economic factors, historical data, and other variables to form the basis for the ridership projections. Passengers are then converted to passenger trips. The number of trips and the cost per trip are the major cost drivers in the Access budget. The FY20 Budget will fund Access' Budget request, reflecting HDR's FY20 projected ridership. However, as done in past years, Metro will set aside a reserve amount of \$3.5 million.

Cost Per Trip

The cost for paratransit trips is increasing primarily due to legislated changes in the minimum wage in Los Angeles City and Los Angeles County. Since the new minimum wage schedule took effect in 2016, the minimum wage has risen by 42.5% while Access has seen its cost per trip increase by 32.2% over the same time frame. In FY20, projected average cost per trip is \$43.17, an 8.6% increase from FY19. In past years, Access' operating contracts have either been resolicited or renegotiated with the minimum wage impacting all operating contracts. In addition, costs have increased with the inclusion of new key performance measures and liquidated damages into its contracts, which have improved customer service, operational performance and safety systemwide.

As illustrated in the chart below, the FY20 Budget for Direct Operations will increase by 5.6% compared to FY19. This increase is primarily related to the contractual increases as explained above. The largest percentage increase in the FY20 budget is for Access' Contracted Support, which is increasing by 25.9% over last year, is mainly attributable to the eligibility process. Due to a

decline in the number of new applicants in FY18, Access reduced its eligibility budget in FY19. However, year-to-date, new applicants have increased over budgeted levels, which led to an increase in the proposed FY20 budget. For Management and Administration, costs are expected to increase by approximately 4.5% compared to FY19, associated with inflation, wage increases and technology improvements, such as Access' customer relations management application (Rider 360). The total FY20 Operating Budget increased by 6.9%, or \$11.8 million over the previous year, while the total budget, including capital expenses, will increase by 4.9%.

Access Services - Budget

	FY19 Budget	FY20 Proposed Budget	\$ Change	% Change
Expenses				
Direct Operations	\$ 150,148,685	\$ 158,590,841	\$ 8,442,156	5.6%
Contracted Support	\$ 11,109,444	\$ 13,985,333	\$ 2,875,889	25.9%
Management/Administration	\$ 10,837,513	\$ 11,328,349	\$ 490,836	4.5%
Total Operating Costs	\$ 172,095,642	\$ 183,904,523	\$ 11,808,881	6.9%
Total Capital Costs	\$ 12,000,000	\$ 9,255,055	\$ (2,744,945)	-22.9%
Total Expenses	\$ 184,095,642	\$ 193,159,578	\$ 9,063,936	4.9%
Carryover	\$ 4,393,379	\$ 4,027,181	\$ (366,198)	-8.3%

FY18 Carryover Funds of \$4.0 million

Each year, Metro includes Access in the consolidated audit process to ensure that it is effectively managing and administering federal and local funds in compliance with applicable guidelines. The FY18 audit determined that Access had approximately \$4.0 million dollars in unspent or unencumbered funds. Per Access', FY19 Memorandum of Understanding (MOU), Access has the option to either return the funds to Metro or request that such funds be carried over to the next fiscal year for use in FY20 for operating expenses. Access has requested to carry over a total amount of \$4.0 million from FY18 into the FY20 proposed budget.

Performance

In FY18, the Access Board of Directors adopted additional key performance indicators (KPIs) and liquidated damages to ensure that optimal levels of service are provided throughout the region. Overall system statistics are published monthly in a Board Box report. A yearly comparison summary of the main KPI's is provided below. Overall, all main KPIs are being met year-to-date, except for preventable collisions. Access has set an aggressive goal compared to its peers to emphasize the importance of safety.

As discussed earlier in the item, the addition of KPIs and accompanying liquidated damages has improved operational performance by giving Access better tools to monitor the service and enforce operating contract standards. This has helped Access achieve its goal of delivering safe and reliable

paratransit service in Los Angeles County. The table below compares the KPIs from FY17 and FY19.

Key Performance Indicator	Target	FY 2017	*FY 2019
On Time Performance	≥ 91%	91.5%	92.1%
Average Hold Time (Reservations)	≤ 120 sec	83	82
Calls On Hold > 5 Minutes (Reservations)	≤ 5%	4.5%	4.3%
Service Complaints Per 1,000 Trips	≤ 4.0	3.8	3.4
Preventable Collisions Per 100,000 Miles	≤ 0.50	0.64	0.69
Average Hold Time (Customer Service)	≤ 180 sec	131	82
Average Hold Time (Operations Monitoring Center)	≤ 180 sec	126	62

*FY19 as of 4/30/19

Agency Update

In FY19, Access in consultation with advocacy groups such as the Aging and Disability Transportation Network, implemented several service initiatives designed to enhance service efficiency and the customer service experience. The initiatives outlined below were funded, in whole or in part, by MM 2% ADA Paratransit.

- Renegotiated contracts to include new KPIs and liquidated damages
- Deployment of *Where’s My Ride* Application (5,300 users)
- Enhanced service to Rancho Los Amigos National Rehabilitation Center
- On-line reservations

In FY20, Access plans to implement the following:

- Additional transfer service between North County and the Los Angeles Basin
- Online eligibility applications
- Brokerage system for eligibility and other premium services (Parents with Disabilities)
- Website redesign
- Access Customer Satisfaction Survey
- *Where’s My Ride* automated phone system
- Upgrade of Customer Relations Management application, Rider360

Metro Oversight Function

Metro will continue oversight of Access to ensure system effectiveness, cost efficiency and accountability. Metro staff has been and will continue to be an active participant on Access’ Board of Directors, the Budget Subcommittee, Audit Subcommittee and the Transportation Professionals Advisory Committee. As previously mentioned, Access will continue to be included in Metro’s yearly consolidated audit. Additionally, at the request of the Metro Finance, Budget and Audit Committee, Access provides quarterly updates that include an overview of Access’ performance outcomes and service initiatives.

FINANCIAL IMPACT

Access' funding will come from STBG program funds in the amount of \$3.3 million, MM 2% in an amount of \$12.9 million, and PC 40% in the amount of \$87.2 million for a total amount of \$103.4 million. There will be no financial impact on Metro's bus and rail operations.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Goal 2: Deliver outstanding trip experiences for all users of the transportation system

Goal 3: Enhance communities and lives through mobility and access to opportunity

ALTERNATIVES CONSIDERED

Not fully funding Access to provide mandated paratransit service for FY20 would place Metro and the other 44 Los Angeles County fixed route operators in violation of the ADA, which mandates that fixed route operators provide complementary paratransit service within $\frac{3}{4}$ of a mile of local rail and bus lines. This would impact Metro's ability to receive federal grants.

NEXT STEPS

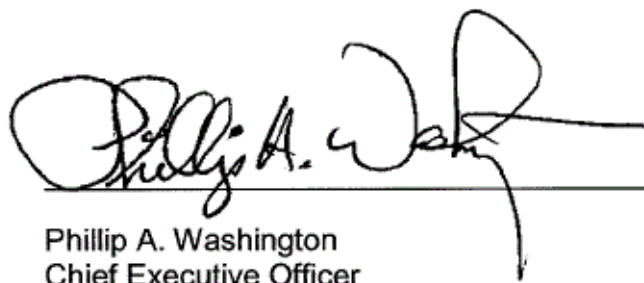
Upon approval, staff will execute all MOUs and agreements to ensure proper disbursement of funds from the STBG Program, MM 2% and PC 40%.

ATTACHMENTS

Attachment A - FY20 Access Services ADA Program

Prepared by: Giovanna Mastascuso Gogreve, Senior Manager,
 Transportation Planning, OMB
 (213) 922-2835
 Michelle Navarro, Executive Officer, OMB
 (213) 922-3056

Reviewed by: Nalini Ahuja, Chief Financial Officer, OMB
 (213) 922-3088



Phillip A. Washington
Chief Executive Officer

ATTACHMENT A

FY20 ACCESS SERVICES ADA PROGRAM		
Expenses		(\$ in millions)
FY20 Access Proposed Budget	\$	193.1
Metrolink Free Fare Program (Paid by Metro)		2.3
Total Access Program	\$	195.4
Federal/Fares/Carryover		
Federal STBG Program	\$	71.0
Passenger Fares, 5317 Grants & Misc. Income		11.5
Capital		8.8
PC 40% Carryover		4.0
Subtotal	\$	95.3
New Funding Request - Operating and Capital		
<u>Measure M 2%</u>		
FY20		
Total MM2% Subtotal	\$	12.9
<u>Proposition C 40%</u>		
FY20		81.5
Reserve		3.5
Metrolink Free Fare Program (Paid by Metro)		2.3
Total PC 40% Subtotal	\$	87.2
Total FY20 Local Funding Request	\$	100.1

Access Services FY20 Budget Request

**Finance, Budget & Audit Committee
June 19, 2019**



Metro

Access Services - FY20 Budget

ATTACHMENT A

FY20 ACCESS SERVICES ADA PROGRAM	
Expenses	(\$ in millions)
FY20 Access Proposed Budget	\$ 193.1
Metrolink Free Fare Program (Paid by Metro)	2.3
Total Access Program	\$ 195.4
Federal/Fares/Carryover	
Federal STBG Program	\$ 71.0
Passenger Fares, 5317 Grants & Misc. Income	11.5
Capital	8.8
PC 40% Carryover	4.0
Subtotal	\$ 95.3
New Funding Request - Operating and Capital	
<u>Measure M 2%</u>	
FY20	
Total MM2% Subtotal	\$ 12.9
<u>Proposition C 40%</u>	
FY20	81.5
Reserve	3.5
Metrolink Free Fare Program (Paid by Metro)	2.3
Total PC 40% Subtotal	\$ 87.2
Total FY20 Local Funding Request	\$ 100.1



Access Services - Expenses

Access Services - Budget

(\$ in millions)	FY19 Budget	FY20 Proposed Budget	\$ Change	% Change	Notes
Expenses					
Direct Operations	\$ 150,148,685	\$ 158,590,841	\$ 8,442,156	5.6%	Increase in service contracts cost due to additional performance metrics and continued legislated minimum wage increase in LA City/County
Contracted Support	\$ 11,109,444	\$ 13,985,333	\$ 2,875,889	25.9%	Increase in new applicants and appeals requests
Management/Administration	\$ 10,837,513	\$ 11,328,349	\$ 490,836	4.5%	Cost inflation/wage increases and new technology
Total Operating Costs	\$ 172,095,642	\$ 183,904,523	\$ 11,808,881	6.9%	
Total Capital Costs	\$ 12,000,000	\$ 9,255,055	\$ (2,744,945)	-22.9%	Capital Carryover from FY19
Total Expenses	\$ 184,095,642	\$ 193,159,578	\$ 9,063,936	4.9%	
Carryover	\$ 4,393,379	\$ 4,027,181	\$ (366,198)	-8.3%	Trips below budget in FY18

Access Services - Key Performance Indicators (KPIs)

Key Performance Indicator	Target	FY 2017	*FY 2019
On Time Performance	≥ 91%	91.50%	92.10%
Average Hold Time (Reservations)	≤ 120 sec	83	82
Calls On Hold > 5 Minutes (Reservations)	≤ 5%	4.50%	4.30%
Service Complaints Per 1,000 Trips	≤ 4.0	3.8	3.4
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Average Hold Time (Customer Service)	≤ 180 sec	131	82
Average Hold Time (Operations Monitoring Center)	≤ 180 sec	126	62
*FY19 as of 4/30/19			

- Access utilizes performance standards to ensure quality ADA paratransit service is delivered to its customers.
- Performance has been steady or improved in several categories.



Metro Oversight and FY20 Initiatives

Oversight

- Quarterly updates to Finance, Budget & Audit Committee
- Annual consolidated financial audit conducted by Metro
- Participation in advisory committees and working groups
- Regular monitoring of service and financial statistics
- Strengthen MOU to include additional monitoring and reporting requirements

FY20 Initiatives

- Brokerage system (TNC's and/or Taxis) for eligibility and other premium services (Parents with Disabilities)
- Additional transfer service between North County and LA Basin
- Continue upgrades to technology (on-line reservations and eligibility, Rider 360, website redesign)

Recommendations

- A. APPROVING local and federal funding request for Access Services (Access) in an amount not to exceed \$103,425,544 for FY20. This amount includes:
- Local funds for operating and capital expenses in the amount of \$97,870,848;
 - Local funds paid directly to Metrolink for its participation in Access' Free Fare Program in the amount of \$2,266,696; and
 - Programming of Federal Surface Transportation Block Grant (STBG) Program funds for operating expenses in the amount of \$3,288,000
- B. AUTHORIZING the Chief Executive Officer to negotiate and execute all necessary agreements to implement the above funding programs.