


CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: May 21, 2015

To: The Honorable City Council
c/o City Clerk, Room 395
Attention: Honorable Mike Bonin, Chair, Transportation Committee

From: Seleta J. Reynolds  General Manager
Department of Transportation

Subject: **DEOBLIGATION OF METRO GRANT FUNDS FOR THE ATSAC PROGRAM**

SUMMARY

The Los Angeles Department of Transportation (LADOT) is requesting authority to permit the Los Angeles County Metropolitan Transportation Authority ("Metro") to re-program approximately \$25.5 million in previously approved Call for Projects grant funds. These funds were approved in the 2001 and 2007 funding cycles for the Automated Traffic Surveillance and Control (ATSAC) Program, but were subsequently replaced with a grant from the State of California.

RECOMMENDATION

The Council, subject to the approval of the Mayor, concur with the November 14, 2007 Metro Board action to deobligate \$25.5 million in 2001 and 2007 Call for Projects grant funding for the ATSAC program due to duplicate funding received by the City through the State's Proposition 1B Public Infrastructure Bond Program.

DISCUSSION

During the 2001 and 2007 Metro Call for Projects funding cycles, the City applied for and received a total of \$49.9 million for the design and construction of eight City of Los Angeles ATSAC projects (Projects 1-8 in Attachment A). Shortly after these grant awards were made, the City also received \$150 million in grant funds from the State's Proposition 1B Public Infrastructure Bond Program for the construction of the same eight projects plus construction funding for ten additional ATSAC projects, which allowed the City to fully implement the ATSAC program (Projects 9-18 in Attachment A).

Because the Prop. 1B funding guidelines prohibit the use of the funds for project design, LADOT staff worked with Metro to develop an agreement to use \$24.4 million of the \$49.9 million in Metro Call for Projects funding to design all 18 ATSAC projects and dedicate the Prop. 1B funding for construction. City staff agreed that the remaining \$25.5 million would be deobligated, contingent upon the City receiving the full \$150 million from Prop 1B, which would allow Metro to reprogram the funds. The Metro Board approved the staff recommendation at the November 14, 2007 meeting (Attachment B).

To date, the City has received approximately \$135 million in Prop. 1B construction funds. Based on the agreement with Metro and the receipt of sufficient Prop. 1B funds, this would be the appropriate time to start the deobligation process of the remaining \$25.5 million. Metro can now deobligate \$13 million, with the remaining \$12.5 million to be deobligated as the City receives additional Prop. 1B construction funds. Metro has programmed the funds for other agencies in Los Angeles County, but cannot proceed

with executing contracts until the City of Los Angeles formally agrees to the exchange. The City expects to receive the remaining Prop 1B funding over the next two years as final elements of the ATSAC program are designed and constructed.

It should be noted that none of the \$49.9 million in Metro funding can be used for any other City project without Metro Board approval since the grants were requested and awarded for the sole purpose of implementing the City's ATSAC program.

Inquiries relative to this report can be directed to Verej Janoyan of my staff at 213-972-5050.

SJR:VJ

Attachment

C: Borja Leon, Office of the Mayor
 Nat Gale, Office of the Mayor
 Maria Souza-Rountree, Office of the Chief Legislative Analyst
 Ida Rubio, Office of the City Administrative Officer
 Paul Backstrom, Council District 11

City of Los Angeles Existing and Proposed Signal Projects

ATTACHMENT A

ATSAAC Project	Total Project Cost	Local Match %	Project Design Cost	Project Construction Cost	Approved Metro Funding	Proposed Local Match	Proposed Metro Funding	Surplus Metro Funding	Project Const Prop 1B
1) ATSAAC - Reseda	15,044,900	31.00%	1,504,490	13,540,410	9,875,000	466,392	1,038,098	8,836,902	13,540,410
2) ATSAAC - Wilmington	12,466,600	28.00%	1,246,660	11,219,940	6,401,000	349,065	897,595	5,503,405	11,219,940
3) ATSAAC - Canoga Park	14,293,200	32.00%	1,429,320	12,863,880	9,292,000	457,382	971,938	8,320,062	12,863,880
4) ATSAAC - San Pedro	8,913,900	36.00%	891,390	8,022,510	5,713,000	320,900	570,490	5,142,510	8,022,510
5) ATSAAC - Harbor - Gateway 2	9,921,000	26.02%	992,100	8,928,900	3,525,000	258,144	733,956	2,791,044	8,928,900
6) ATSAAC - Coliseum / Florence	18,009,000	26.60%	1,800,900	16,208,100	6,964,000	479,039	1,321,861	5,642,139	16,208,100
7) ATSAAC - Pacific Palisades/Canyons	6,261,000	25.39%	626,100	5,634,900	5,108,000	158,967	467,133	4,640,867	5,634,900
8) ATSAAC - Platt Ranch	5,469,000	36.20%	546,900	4,922,100	2,984,000	197,978	348,922	2,635,078	4,922,100
Subtotal	90,378,600		9,037,860	81,340,740	49,862,000	2,687,868	6,349,992	43,512,008	81,340,740
Replacement Projects									
9) ATSAAC - Foothill	6,225,000	20.00%	622,500	5,602,500	-	124,500	498,000	-	5,602,500
10) ATCS - Santa Monica Fwy Corridor I	8,269,000	20.00%	992,280	7,276,720	-	198,456	793,824	-	7,276,720
11) ATCS - Santa Monica Fwy Corridor II	8,319,000	20.00%	998,280	7,320,720	-	199,656	798,624	-	7,320,720
12) ATCS - Westwood / West Los Angel	4,375,000	20.00%	525,000	3,850,000	-	105,000	420,000	-	3,850,000
13) ATCS - Wilshire East	5,995,000	20.00%	719,400	5,275,600	-	143,880	575,520	-	5,275,600
14) ATCS - Echo Park / Silver Lake	6,885,000	20.00%	826,200	6,058,800	-	165,240	660,960	-	6,058,800
15) ATCS - West Adams	5,161,000	20.00%	619,320	4,541,680	-	123,864	495,456	-	4,541,680
16) ATCS - Central Business District	9,215,000	20.00%	1,105,800	8,109,200	-	1,693,553	6,774,213	-	747,234
17) ATCS - Central City East	4,885,000	20.00%	586,200	4,298,800	-	977,000	3,908,000	-	-
18) ATCS - Los Angeles	31,802,280	20.00%	3,816,274	27,986,006	-	763,255	3,053,019	-	27,986,006
Subtotal	91,131,280		10,811,254	80,320,026	-	4,494,404	17,977,616	-	68,659,280
Grand Total	\$ 181,509,880	\$ -	\$ 19,849,114	\$ 161,660,766	\$ 49,862,000	\$ 7,182,272	\$ 24,327,608	\$ 43,512,008	\$ 150,000,000

Previously Approved Metro Funding =	\$ 49,862,000
Proposed Metro Funding =	\$ 24,327,808
Surplus Metro Funding =	\$ 25,534,392
Total Local Match =	\$ 7,182,272
Local Match % =	22.79%

Attachment A



Metro

Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

Attachment B

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**PLANNING AND PROGRAMMING COMMITTEE
NOVEMBER 14, 2007**

SUBJECT: PROPOSITION 1B TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATIONS

- A. Authorize the Chief Executive Officer to enter into a Memorandum of Understanding (MOU) with the City of Los Angeles (City) to exchange \$18 million in City Signal Synchronization projects previously approved through the Call for Projects (Attachment A, projects 1-8) to fund eligible replacement signal projects to be submitted by the City (Attachment A, projects 9-18); and
- B. Contingent upon the City receiving its full \$150 million from Proposition 1B, deobligate \$25.5 million in Call funding being returned by the City to cover the \$5 million advanced from the 2009 Call for Projects as well as for use in future Calls for Projects.

ISSUE

In November 2006, voters approved the State Infrastructure Bond program. The Bond contained several categories of funding including the \$250 million Highway Safety, Rehabilitation and Preservation Account Traffic Signal Synchronization program. Through SB 88, the program's implementing legislation, \$150 million of Signal Synchronization funds were targeted for the City of Los Angeles. Caltrans is currently developing the program guidelines which will emphasize funding for projects which are ready for construction. Since many of the City's Signal projects funded through the 2001 and earlier Calls for Projects are construction ready, the City has requested that Metro allow it to use Proposition 1B funds to construct eight existing Call projects and that it be allowed to submit ten replacement projects (Attachment A).

POLICY IMPLICATIONS

The recommended action is a departure from the Call for Projects process where grant funds are not normally transferable to other projects. The recommended action is consistent, however, with good financial practice to maximize the amount and use of outside sources of funding for Metro's transportation program.

To address the concern as to whether the "replacement" projects would be eligible for the Call, the City has agreed to submit project descriptions for Metro's consideration. Based on these descriptions, Metro will determine whether the projects are eligible for Call for Projects dollars.

OPTIONS CONSIDERED

The Metro Board could elect to: (1) not to allow the City to shift the Call funds to “replacement” projects; (2) approve the exchange of funds for a lesser amount; (3) require that the City not compete for signal projects in the 2009 or 2011 Calls for Projects, as appropriate, or (4) change the conditions under which Metro would approve the exchange of funds. None of these options are recommended. Based on Los Angeles County's state formula allocation, the County as a whole could reasonably have expected to receive \$70 million in bond funds through this program. The City of Los Angeles' targeted dollars surpass this expectation resulting in more State funds coming into Los Angeles County for transportation purposes. Additionally, the deobligated dollars can be used to cover the \$5 million advanced from the 2009 Call and programmed through the 2007 Call for Projects to fund the City of South Gate's I-710 Early Action Program-Intersection Improvement project as well as add funds to the 2009 Call for Projects funding mark.

FINANCIAL IMPACT

There is a net positive financial impact of this exchange for Metro and Los Angeles County as a whole. By securing the \$150 million in bond funds, the City of Los Angeles has ensured that more State funds come into Los Angeles County. Additionally, Metro advanced funds from the 2009 Call for Projects to fund the City of South Gate's I-710 Early Action program project with the expectation that the cash flow requirements could be met through first priority for funding from deobligated or delayed projects. The funds will now be made available through the \$25.5 million being deobligated by the City which will allow Metro to program the dollars towards eligible modal categories in future Calls for Projects.

DISCUSSION

The City has requested that for previously approved signal mode Call projects, Metro allow it to exchange construction funding to bond proceeds and to submit replacement projects for these dollars (Attachment A). The City has also agreed to submit project descriptions to ensure that the “replacements” are eligible for Call funding.

Metro has considered the City's request and feels that by allowing this trade, it will create a “win-win” for Los Angeles County's local jurisdiction as it will bring more transportation dollars into the County; strengthen the City's chances of obtaining the full \$150 million in bond funds; provide additional deobligated dollars for future Calls for Projects. Additionally, the City's signal system provides the backbone for the City's transit priority program. The Transit Priority System (TPS) provides state-of-the art bus signal priority that enhances transit travel times and allows for the expansion of the Metro Rapid program and other high volume municipal or regional transit services.

The City could keep Metro's Call money on the existing projects and wait to request its bond funds for placement on later projects. Because of the overall State budget situation and the uncertainty of future bond allocations, however, this could jeopardize the City's ability to receive the full \$150 million.

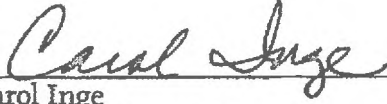
NEXT STEPS

Upon Metro Board approval, a Memorandum of Understanding will be developed and executed with the City. Metro will review the submitted replacement projects' descriptions to ensure eligibility for Call for Projects funding.

ATTACHMENT

A. List of City of Los Angeles Existing and Proposed Signal Projects

Prepared by: Renee Berlin, Executive Officer, Countywide Planning and Development
David Yale, Deputy Executive Officer, Countywide Planning and Development



Carol Inge
Chief Planning Officer



Roger Snoble
Chief Executive Officer

ATSAC FUNDING PLAN SUMMARY

ATSAC Project	Total Project Cost	Project Design Cost	Project Construction Cost	Approved Metro Funding	Proposed Local Match	Proposed Metro Funding	Expenditure of "Proposed Metro Funding" According to Proposed Construction Schedule					
							2007-08	2008-09	2009-10	2010-11	2011-12	
1 ATSAC - Reseda	15,044,900	1,504,490	13,540,410	9,875,000	499,392	1,038,098	1,038,098	-	-	-	-	-
2 ATSAC - Wilmington	12,466,800	1,246,800	11,219,940	8,401,000	349,065	897,595	897,595	-	-	-	-	-
3 ATSAC - Canoga Park	14,293,200	1,429,320	12,863,880	9,292,000	457,382	971,938	971,938	-	-	-	-	-
4 ATSAC - San Pedro	8,913,900	891,390	8,022,510	5,718,000	320,900	670,490	670,490	-	-	-	-	-
5 ATSAC - Harbor - Gateway 2	9,821,000	992,100	8,928,900	3,525,000	258,144	733,959	733,959	-	-	-	-	-
6 ATSAC - Coliseum / Florence	18,008,000	1,800,900	16,208,100	6,984,000	479,039	1,321,961	-	1,321,961	-	-	-	-
7 ATSAC - Pacific Palisades / Canyons	9,281,000	626,100	8,654,900	5,108,000	168,987	467,133	-	467,133	-	-	-	-
8 ATSAC - Platt Ranch	5,469,000	549,900	4,922,100	2,084,000	197,978	348,922	-	348,922	-	-	-	-
Sub-Total	90,378,600	9,037,860	81,340,740	49,862,000	2,687,869	6,348,962	4,212,076	2,137,916	-	-	-	-
9 ATSAC - Foothill	9,225,000	622,500	8,602,500	-	124,600	498,000	-	498,000	-	-	-	-
10 ATCS - Santa Monica Fwy Corridor Ph 1	8,269,000	892,280	7,376,720	-	198,458	793,624	-	793,624	-	-	-	-
11 ATCS - Santa Monica Fwy Corridor Ph 2	8,319,000	898,290	7,320,720	-	199,659	798,624	-	798,624	-	-	-	-
12 ATCS - Westwood / West Los Angeles	4,975,000	525,000	3,850,000	-	108,000	420,000	-	420,000	-	-	-	-
13 ATCS - Wilshire East	5,965,000	719,400	5,275,600	-	143,880	575,520	-	-	575,520	-	-	-
14 ATCS - Echo Park / Silver Lake	6,895,000	826,200	6,068,800	-	195,240	880,960	-	880,960	-	-	-	-
15 ATCS - West Adams	5,161,000	619,320	4,541,680	-	129,884	485,466	-	-	485,466	-	-	-
16 ATCS - Central Business District	9,215,000	1,105,600	8,109,200	-	1,893,653	8,774,218	-	-	-	8,774,218	-	-
17 ATCS - Central City East	4,885,000	596,200	4,288,800	-	977,000	3,908,000	-	-	-	-	3,908,000	-
18 ATCS - Los Angeles	31,802,280	3,816,274	27,986,008	-	763,265	3,053,019	-	3,053,019	-	-	-	-
Sub-Total	91,131,280	10,811,264	80,320,026	-	4,494,404	17,977,618	-	6,224,427	1,070,976	10,682,213	-	-
Grand Total	\$ 181,509,880	\$ 19,849,114	\$ 161,660,766	\$ 49,862,000	\$ 7,182,272	\$ 24,327,608	\$ 4,212,076	\$ 8,362,343	\$ 1,070,976	\$ 10,682,213	\$ -	\$ -
												\$ 24,327,608

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