

South Bay Cities Council of Government

June 30, 2016

TO: SBCCOG Board of Directors

FROM: Jacki Bacharach, Executive Director
Steve Lantz, Transportation Director

SUBJECT: Measure R South Bay Highway Program (SBHP) Project
Funding Expiration Remedies

URGENCY: Funding in six SBHP funding agreements is expiring on July 1, 2016. To prevent project delays and to allow uninterrupted reimbursement of expenses related to the projects, it is important for the SBCCOG Board to consider the recommendations no later than at its June 30, 2016 meeting. This is an urgency item that needs to be added to the Board agenda to allow timely consideration.

ADHERENCE TO STRATEGIC PLAN:

Goal A: Environment, Transportation and Economic Development. Facilitate, implement and/or educate members and others about environmental, transportation and economic development programs that benefit the South Bay.

BACKGROUND

SBCCOG staff has been working with Measure R SBHP lead agencies during the past three months to avoid expiration of funding in six Measure R funding agreements on June 30, 2016. The process included an initial review of the staff recommendations at the May 9, 2016 Steering Committee meeting with an appeal available at the May 2016 Infrastructure Working Group, and final recommendations to be approved at the June 30, 2016 Board Meeting,

At the May 9, 2016 Steering Committee meeting, SBCCOG staff recommended that the Steering Committee approve preliminary recommendations prepared by Metro and SBCCOG staff. Hermosa Beach, Inglewood, Lawndale, and Caltrans staff concurred with the recommendations related to their projects and did not appeal. Redondo Beach made an appeal presentation on their two projects at May 18, 2016 Infrastructure Working Group meeting. Following the presentations and considerable discussion, the IWG adopted the recommendations specific to the two Redondo Beach projects and a general recommendation regarding the future process for amending Measure R SBHP funding agreements in which funds are expiring.

RECOMMENDATION

The Infrastructure Working Group recommends the Board approve the following actions related to SBHP funding agreements and changes in policy:

1. Hermosa Beach Project 312.05 – Approve a one-year funding agreement extension conditioned on completion of design within 6 months with a review of project progress in October 2016;

2. Inglewood Project 312.12 – Approve a one-year funding agreement extension of FY15-16 funding; defer review of FY 16-17 funding request until October 2016;
3. Lawndale Project 312.15 – Defer project, but do not de-obligate funding at this time. Determine whether SBHP funds can be de-obligated and review project progress in October 2016;
4. Caltrans Project 312.11 – Approve a one-year funding agreement extension; do not approve an increase in the project budget at this time.
5. Redondo Beach SBHP Project #MR312.06: Approve a one-year funding agreement extension for Phase 1 conditioned on completion of Phase 1 design by March 2017; Defer approval of Phase 2 schedule until project progress can be confirmed in March 2017.
6. Redondo Beach SBHP Project #MR312.20: Approve a one-year funding agreement extension conditioned on completion of design by October 2016 and a project progress review at that time.
7. If project funding described in a MR funding agreement is expiring prior to completion of the SBHP project, Metro would be asked to issue an administrative amendment to that funding agreement with a contingency provision that explains the progress that will be made in the next year. The contingency provision in the amendment should state that if the project progress described in the contingency provision is met, then a second amendment to complete the project could be administratively approved. If the contingency provision of the funding agreement amendment is not met, then a decision to amend the funding agreement to allow a second extension would have to be approved by the SBCCOG Board. If the contingency provision is met prior to the year deadline, the city could request its second amendment sooner.

After SBCCOG approval of recommendations, SBCCOG will ask Metro to approve the recommended funding agreement amendments and will incorporate the new policy in the South Bay Highway Program Implementation Plan Update.