

# PROPOSITION C TRANSIT IMPROVEMENT FUND

## BASIS FOR THE PROPOSED BUDGET

The 2003-04 Proposed Budget for the Proposition C Transit Improvement Fund relates to current year funding as follows:

	Amount	% Change
2002-03 Adopted Budget	\$ 62,348,956	
2003-04 Proposed Budget	\$ 69,001,947	
Change from 2002-03 Budget	\$ 6,652,991	10%

Proposition C, the one half cent sales tax for transit improvements, was approved by the voters in November 1990. Local return receipts are anticipated to be approximately \$42 million annually, depending on economic conditions. Since 1993, Proposition C funds have been spent as follows: 5.4% for bus transit; 27.0% for Metro Rail; 6.4% for other rail; 23.7% for highways; 3.9% for Transportation Demand Management; 15.3% for Matching Funds and 17.8% for support.

### BUDGET HIGHLIGHTS

- ◆ The Budget uses the MTA's countywide growth rate to forecast sales tax revenue, which predicts an increase of over 2 percent from 2002-03 receipts.
- ◆ Matching Funds: The funding provided reflects the cash flow needs for projects underway that were funded in previous year MTA Calls for Projects, in the State Department of Transportation's Safe Routes to Schools Program and to provide the City's match for TEA-21 projects. \$40.3 million is provided for MTA Calls for Projects, and a portion is reserved for anticipated cost overruns on Call Projects. These projects will be identified in the 2002-03 Transportation Grant Fund Report and the City will have to bear the costs of any project cost overruns. The need for these funds will be addressed in the 2003-04 Transportation Grant Fund Report. It should be noted that another \$1,000,000 is provided in the Proposition A Budget for MTA Call for Projects. The total amount provided for MTA Call for Projects in 2003-04 is \$41.3 million.

Proposition C Transit Improvement Fund

	<b>2002-03 Adopted Budget</b>	<b>2002-03 Estimated Expenditures</b>	<b>2003-04 Proposed Budget</b>
Balance Available, July 1	\$ 13,127,516	\$ 22,474,023	\$ 13,144,135
Less: Prior Years' Unexpended Appropriations	<u>          --</u>	<u>          --</u>	<u>          --</u>
Adjusted Balance	13,127,516	22,474,023	13,144,135
Receipts: Revenue	\$ 40,709,000	\$ 41,230,400	\$ 42,467,600
Interest	500,000	500,000	500,000
Matching Funds-Other Agencies	8,296,000	7,446,500	14,290,200
Reimbursement from Other Agencies	2,908,000	435,000	1,080,000
Other	<u>153,000</u>	<u>153,000</u>	<u>153,000</u>
Subtotal Receipts	<u>\$ 52,566,000</u>	<u>\$ 49,764,900</u>	<u>\$ 58,490,800</u>
Less: Debt Service*	<u>\$ 2,709,788</u>	<u>\$ 2,709,788</u>	<u>\$ 2,622,988</u>
Total Receipts	<u>\$ 49,856,212</u>	<u>\$ 47,055,112</u>	<u>\$ 55,867,812</u>
Total Available Balance	<u>\$ 62,983,728</u>	<u>\$ 69,529,135</u>	<u>\$ 69,011,947</u>

\* Vehicles were purchased in 1998-99 through debt issuance by the MTA on behalf of the City. The MTA pays the debt service from the City's sales tax revenue, before sales tax receipts are passed through to the City.

Proposition C Transit Improvement Fund

	2002-03 Adopted Budget	2002-03 Estimated Expenditures	2003-04 Proposed Budget
<b>APPROPRIATIONS</b>			
<b>RAIL TRANSIT FACILITIES</b>			
<b>Metro Rail Annual Work Program.</b> Funds are provided for City support of Metro Rail construction. The MTA fully reimburses the City for this work, which includes design, clean-up, construction, detour, traffic control and public safety activities required to implement various Long Beach Blue Line, Green Line, Red Line and Metrolink projects. Funds for staff salaries are provided as line items for the various bureaus and departments, shown in the Support Programs section. Increased funds are provided in 2003-04 to cover work which is fully reimbursed by MTA on the Eastside Light Rail, Exposition Rail, San Fernando Busway and Wilshire Busway. Reimbursements from the MTA are included as revenue.	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000
<b>Subtotal Rail Transit Facilities</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>\$ 2,000,000</b>
<b>TRANSPORTATION DEMAND MANAGEMENT PROGRAM</b>			
<b>Los Angeles Neighborhood Initiative (LANI).</b> Funds are provided to assist in the revitalization of transit-oriented neighborhoods through public and private partnerships.	300,000	\$ 300,000	\$ 300,000
<b>Bicycle Programs.</b> Funds are provided for the promotion of bicycle programs as an alternate mode of transportation. Funds were previously budgeted in this line item for a contract bicycle coordinator and assistant to assist in the implementation of new projects; however, these positions are proposed to be regularized in the Department of Transportation's operating budget during 2003-04.	133,000	\$ 150,000	\$ 20,000
<b>School Bike and Transit Education.</b> Funds are provided for a public education and outreach program for education on transit and bicycle safety.	200,000	\$ 200,000	\$ 200,000
<b>Caltrans Maintenance of Bus Stops.</b> Funds are provided for payment to Caltrans for the maintenance of bus stops on the Hollywood and Harbor Freeways.	30,000	\$ 30,000	\$ 30,000
<b>Subtotal Transportation Demand Management</b>	<b>\$ 663,000</b>	<b>\$ 680,000</b>	<b>\$ 550,000</b>

Proposition C Transit Improvement Fund

	2002-03 Adopted Budget	2002-03 Estimated Expenditures	2003-04 Proposed Budget
<b>OPERATING PROGRAMS</b>			
<p><b>Business Improvement District in Noho Area of North Hollywood.</b> Funds were provided on an interim basis in 1999-00 from funds available from the renegotiation of the MOS3 Agreement (C.F. 00-0196). The funds will be expended for a program to mitigate the impacts of subway construction in the North Hollywood area. The funds were not fully expended in previous fiscal years, but it is anticipated that they will be used in 2003-04. The funds are available from the prior year unexpended appropriation, therefore there is no budgetary impact.</p>	\$ --	\$ 1,500,000	\$ --
<p><b>Metrolink Crossing Improvement.</b> The Southern California Railroad Association provided an upgrade of the railroad crossing at San Fernando Road and Van Nuys Boulevard, and Prop C funding was used for the required traffic signal improvements. This upgrade significantly improved safety at the intersection. Additional funding is included in the 2003-04 Prop A Proposed Budget.</p>	75,000	75,000	--
<p><b>Railroad Crossing Program.</b> Funding is provided for the repair of at-grade railroad crossings, which are those intersections where streets and railroads cross. The 2002-03 amount includes expenditures of 2001-02 budgeted funds. The 2003-04 Budget provides funds to improve nine at-grade crossings at an approximate cost of \$56,000 per location, of which the railroad companies will pay half. This is a decrease from the 2002-03 cost of \$106,000 per location due to the varying levels of repair required at different locations.</p>	424,000	744,000	504,000
<b>Subtotal Operating Programs</b>	\$ 499,000	\$ 2,319,000	\$ 504,000
<b>STREET RESURFACING</b>			
<p><b>Street Services.</b> Funds are provided for the resurfacing of streets heavily used by public transit.</p>	\$11,000,000	\$ 11,000,000	\$ 11,000,000
<b>Subtotal Street Resurfacing</b>	\$11,000,000	\$ 11,000,000	\$ 11,000,000
<b>CAPITAL IMPROVEMENT EXPENDITURE PROGRAM</b>			
<p><b>Street Lighting Projects.</b> Funds are provided as matching and implementation funds for grant-funded transit related projects, such as transit shelter security lighting and streetscape projects.</p>	\$ 198,000	\$ 155,000	\$ 155,582
<p><b>Street Infrastructure Projects.</b> Funds are provided for various street infrastructure projects such as street widening, street reconstruction and bridge widening. These projects are on streets heavily used by public transit.</p>	2,925,961	4,219,000	3,725,725
<b>Subtotal CIEP</b>	\$ 3,123,961	\$ 4,374,000	\$ 3,881,307

Proposition C Transit Improvement Fund

	2002-03 Adopted Budget	2002-03 Estimated Expenditures	2003-04 Proposed Budget
<b>City Administrative Officer.</b> Costs associated with Proposition A and C administration.	\$ 43,200	\$ 43,000	\$ 45,000
<b>City Attorney.</b> Costs associated with Proposition A and C legal services (one position).	143,081	147,000	154,000
<b>Fire.</b> One position and overtime for Metro Rail.	244,000	244,000	288,200
<b>Mayor.</b> Two positions to serve as MTA liaison.	149,800	150,000	150,000
<b>Planning.</b> Two positions for the Congestion Management Program and one and one half positions for the Land Use Transportation Policy.	316,720	238,000	290,000
<b>Public Works:</b>			
<b>Contract Administration.</b> Three positions for Metro Rail are continued from 2002-03. Funding is also provided for inspection of Street Lighting projects funded by Prop C in the Capital Improvement Expenditure Program.	325,820	356,000	278,000
<b>Engineering.</b> Two positions for Metro Rail. Funds for these positions were transferred in the 2002-03 TGF report. Additional funding, if needed, is anticipated to be transferred in the 2003-04 TGF report.	--	350,000	--
<b>Financial Management and Personnel Administration.</b> One position for Metro Rail	51,480	52,000	55,000
<b>Street Lighting.</b> Salary funds are provided for one position for Metro Rail and one position to design transit-related projects, such as transit shelter security lighting and streetscape projects.	155,582	155,000	155,582
<b>Transportation:</b>			
Transit Program Administration	796,840	348,000	840,400
Project Development	630,587	609,000	674,400
Bikeways and Pedestrian Facilities	700,084	681,000	722,200
Fuel Efficient Signal Timing	276,205	268,000	284,300
Metro Rail	247,212	770,000	255,000
ATSAC Overtime	167,990	157,000	156,000
New Traffic Signal Construction	632,484	616,000	291,600
Pavement Marking Reinstallation	600,000	600,000	600,000
Regularization of Positions	--	--	873,486
Railroad Franchise	--	--	129,083
Subtotal Transportation	\$ 4,051,402	\$ 4,052,000	\$ 4,826,469

Proposition C Transit Improvement Fund

	2002-03 Adopted Budget	2002-03 Estimated Expenditures	2003-04 Proposed Budget
<b>Downtown Street Study.</b> The 2003-04 Proposed Budget includes funds for a consultant study to assess the impact on public transit services that would result from the conversion of existing one-way streets in Downtown Los Angeles to two-way streets. One-way streets may inhibit the creation of a pedestrian-oriented environment by increasing the speed of automobiles. This study would contribute to the assessment of the effects of a possible conversion to two-way streets.	--	--	250,000
<b>Environmental Studies.</b> Funds are proposed for as-needed consultant work for a variety of environmental, archaeological, historical and other such studies for Call projects. Project funded with federal funds require these types of studies.	--	--	10,000
<b>Project Development Database.</b> This system was funded in the 2002-03 Preliminary TGF Work Program previously approved by the Mayor and Council. Funds are provided to maintain the system	--	--	80,000
<b>Southern California Association of Governments (SCAG).</b> Prop C funds were budgeted in 2002-03 to front-fund salaries for two positions assigned to SCAG to work on the Regional Transportation Plan and the Goods Movement Study. It was subsequently determined that MTA will not allow this use of Prop C funds, therefore, the 2002-03 funds were not expended and funds are not proposed for 2003-04.	181,000	--	--
<b>Overhead Costs.</b>	2,357,229	1,470,000	2,574,311
<b>Financial Consultant Services.</b> Funds are provided for as-needed financial assistance.	50,000	50,000	50,000
<b>Technology and Communications Equipment.</b> Funds are provided for replacement computers, computer and server-related equipment and routine communications service requests.	13,500	14,000	25,200
<b>Transportation Grant Fund Work Program.</b> Funds were provided in 2002-03 for salaries for positions on long-term resolution authority. They were transferred to the Department of Transportation's salary account in the 2002-03 Preliminary TGF Work Program (C.F. 02-1815). For 2003-04, these positions are proposed to be regularized and the amount for salaries is included in the Transportation line item.	435,000	435,000	--
<b>Travel and Training.</b>	10,400	11,000	50,000
<b>Trustee Bond Services.</b>	<u>3,300</u>	<u>3,000</u>	<u>3,300</u>
<b>Subtotal Support Programs</b>	<b>\$ 8,531,514</b>	<b>\$ 7,770,000</b>	<b>\$ 9,285,062</b>

**MATCHING FUNDS**

**Matching Funds - Other Agencies.** Funds are provided to enable the City to provide matching funds for various grants received from the MTA and other organizations. The use of a revolving fund to front-fund, match and receive reimbursements allows the Department to budget only one-half of the anticipated match.

**MTA Call for Projects - Various Projects.** The 2003-04 Budget provides front and matching funds for previous year Calls for Projects. The amount also includes funding for cost overruns for Call projects.

\$36,676,600	\$	27,770,000	\$	39,299,578
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**Safe Routes to School Program.** Both the Department of Transportation and the Department of Public Works have been awarded grant funds from the State Department of Transportation for the Safe Routes to School Program. This Program was established by the State to provide grants to local government agencies for projects such as new crosswalks, sidewalks, pedestrian pathways and other traffic calming efforts which reduce the speed of vehicular traffic near schools. Front and matching funds are provided for projects that will be constructed in 2003-04.

1,350,000	\$	1,430,000	\$	2,450,000
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**TEA-21 Projects.** Funds are provided for the fifth year of a six year contribution to the Warner Center Bicycle Path project.

42,000	\$	42,000	\$	42,000
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**Subtotal Matching Funds**

<u>\$38,068,600</u>	\$	<u>29,242,000</u>	\$	<u>41,791,578</u>
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**Total All Programs**

<u>\$62,886,075</u>	\$	<u>56,385,000</u>	\$	<u>69,011,947</u>
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**OTHER APPROPRIATIONS**

**Unallocated.**

<u>\$ 97,653</u>	\$	<u>          --</u>	\$	<u>          --</u>
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**TOTAL APPROPRIATIONS**

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