

A large, stylized letter 'M' is positioned in the upper right quadrant of the slide. The 'M' is composed of several white, rectangular blocks with a slight 3D effect, set against a dark green circular background. The overall slide background features a large, curved orange shape on the left and bottom, and a dark grey/black area at the bottom left.

# Measure M Draft Guidelines Executive Management Committee

March 16, 2017



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# Introduction

## Measure M is Distinct from Measure R:

- Measure M is more comprehensive & complex
- No sunset
- Increased oversight and evaluation mechanisms

## Therefore, these Guidelines must:

- Reinforce fiduciary responsibility first and foremost
- Provide guidance framework for all aspects of Measure M, not just where guidance specifically indicated
- Use lessons learned from Measure R

## Measure M Direction

**Metro is not here to escrow funds.**

**Metro is here to manage dollars  
to deliver projects and programs.**

# Fiduciary Responsibility

**Responsible funds management is imperative to deliver projects as promised.**

## **Three Core Principles:**

- **Timely Use of Funds**
- **Cashflow**
- **Multi-Year Funds Partnering & Related Toolbox**

# Timely Use of Funds

## Project Readiness:

- Demonstrate you are “ready to go” before locking down funds

## Lapsing Policy:

- If money is not being used, reprogrammed to maximize delivery

# Cashflow Management

**Responsible funds management also means moving projects based on fund availability.**

**As part of that we address the following:**

- **“Shovel Ready” – preparedness to move faster**
- **Cost Containment – maintain integrity of Measure M Commitments**
- **Comprehensive Assessments & Amendments – discipline in addressing changes**
- **Debt Policy & Contingency Funds – managing alignment of need & time**
- **3% Local Contribution – improve on Measure R**



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## Example: 3% Local Contribution

- Definition includes “Walk-shed” of ½ mile from station;
- Eligible funds include Agency funds, Local Return, or Subregional Multi-year Program Funds;
- 30% Design Determines Local Contribution;
- Active Transportation Capital Improvements must be consistent with Metro design and policy; and
- Opt out for up to 15 Years of Local Return, withheld if no agreement by bid award\*.



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\*Award of any construction bid contract within jurisdiction border.

# Multi-Year Subregional Programs (MSP)

**MSP balances flexibility with Measure M goals. Flexibility exists within the following parameters:**

- **Developed from Mobility Matrix**
- **Meet Guideline definitions**
- **Remain within Expenditure Plan program funding\*, which includes ability of Subregions to borrow from their own multi-year program funding**

**However, must meet Timely Use of Funds requirements.**

\*Based on Cashflow and Project Readiness provisions.



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## Multi-Year Subregional Programs (MSP) cont'd.

**Metro will create a MSP Toolbox in anticipation of requests for managing resource timing, within and across subregional programs.**

**Supplemental Fund Provision: Flexibility maximized when MSP project funding remains within local and subregional sources; requests for other Metro funds/resources to supplement project needs will trigger application of additional Metro policies.**



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# Competitive Funds

**Eligibility, technical criteria and competitive process will be further developed for the following capital areas:**

- **2% ATP**
- **2% Highway**
- **2% Transit**

# Operating, SGR & Regional Subsidies

**Half of Measure M funds go to LA County transit operators, cities, Access and Metro to improve mobility in Los Angeles**

Local Return (17%)	Transit Ops (20%)
ADA Paratransit/ Metro Discounts Seniors & Students (2%)	Rail Operations (5%)
Regional Rail (1%)	State of Good Repair (2%)

- Guidelines were developed collaboratively with cities, transit operators and key stakeholders
- Measure R guidelines were used as the basis, incorporating new MM eligible uses and definitions
- New reporting requirements were included to satisfy Oversight Committee

# Key areas to highlight

Measure M	Key Area	Discussion
Local Return	Method of Allocation	<ul style="list-style-type: none"> <li>▪ Proposal is to move forward with minimum allocation of \$100K per jurisdiction</li> <li>▪ Impact of reallocation: Est. \$585K</li> <li>▪ City of LA: Est. \$230K and County of LA: Est. \$60K</li> </ul>
ADA Paratransit/Metro Discounts for Seniors & Students	Two distinct uses	<ul style="list-style-type: none"> <li>▪ Comprehensive low-income program that combines our current fare subsidy programs</li> <li>▪ Add to the \$100M in discounts in our fare structure</li> <li>▪ Low-income program will be brought separately for Board approval</li> </ul>
Regional Rail	Performance Measures	<ul style="list-style-type: none"> <li>▪ Ordinance requires performance criteria to increase % allocation in FY39 from 1% to 2%</li> <li>▪ Service quality, safety, cost containment and investment measures</li> <li>▪ Continue discussions with Metrolink</li> </ul>

# Evolving Process

**Several areas require further procedural development and/or technical criteria.**

**Tax Oversight Committee: Guidelines provide framework for Committee review and reporting.**

**Metro Board has authority to adopt Guideline revisions consistent with assessment and amendment process to respond to changing circumstances.**

# Staff Recommendation

**Request that the Board authorize the release of the Draft Measure M Guidelines for public comment**



Questions?



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