

A large, stylized letter 'M' is the central focus of the top half of the slide. The 'M' is composed of several white, rectangular blocks with a slight 3D effect, set against a dark green circular background. This green circle is partially overlaid by a large, curved orange shape that sweeps across the middle of the slide. The bottom left corner features a dark grey circular area containing the Metro logo.

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

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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