



Board Report

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Agenda Number: 17.

PLANNING AND PROGRAMMING COMMITTEE NOVEMBER 15, 2017

**SUBJECT: FY 2017 FEDERAL HOMELAND SECURITY AND STATE
PROPOSITION 1B SECURITY PROJECTS**

ACTION: APPROVE PROGRAMMING RECOMMENDATION AND RELATED ACTIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING programming of up to \$13.557 million from fiscal year (FY) 2017 federal Department of Homeland Security Transit Security Grant Program (TSGP) and state Proposition 1B California Transit Security Grant Program (Prop 1B Transit Security) funds that are available for eligible capital and operating transit security projects, as shown in Attachment A; and
- B. ADOPTING the required FY 2017 resolution, as shown in Attachment B, authorizing the Chief Executive Officer to execute any actions necessary for obtaining state financial assistance that the California Office of Emergency Services (Cal OES) may provide.

ISSUE

The Board of Directors must approve the programming of \$13.557 million in federal and state transit security grant funding for the eligible capital and operating projects, before we can begin to draw down such funding according to grant guidance. The funding will be applied towards construction of the Metro Security Emergency Operations Center, referred to as the Emergency Operations Center (EOC) in the grant. In addition, it will implement actions to address vulnerabilities at operating and maintenance facilities, including during special events, emerging threats and heightened states of alert.

DISCUSSION

In June 2017, the Department of Homeland Security announced the availability of \$88 million nationwide through the Transit Security Grant Program for projects that directly support transportation infrastructure security activities through a competitive application process. Metro applied for funds and was awarded \$675,000 in Homeland Security grants. In October 2016, the State Controller's Office also notified Metro that it was allocated \$12.882 million under the FY 2017 state Proposition 1B Transit Security Program for eligible transit system safety, security and disaster response capital

projects. The Board of Directors must approve the programming of \$13.557 million combined for eligible capital and operating projects, before Metro is permitted to draw down funds according to grant guidelines.

Federal TSGP Funding

Federal TSGP funding may be used for protecting critical infrastructure within our transit system from terrorism, especially explosives and non-conventional threats that would cause major loss of life and severe disruption within the greater Los Angeles region. Since 2004, we have received an estimated \$66 million in federal transit security funds. These grants have been used to harden subway security, enhance bus facility surveillance, operate random patrols throughout the transit system, and provide terrorist awareness training for the majority of the transit staff. The \$675,000 available in FY 2017 TSGP funding is recommended to be programmed for transit security activities shown in Attachment A. These FY 2017 TSGP federal funds must be encumbered and expended by August 31, 2020, and we anticipate expending the entire grant amount by end of FY 2019, but possibly sooner if needed.

State Proposition 1B Funding

In November 2006, California voters approved Proposition 1B (Prop 1B), which authorized \$19.925 billion of state general obligation bonds for specified transportation purposes, including transit modernization and transit safety and security improvements. Under Prop 1B, the state established the \$600 million, Transit Security Program (also referred to as the California Transit Security Grant Program - California Transit Assistance Fund (CTSGP-CTAF)). An annual allocation of \$16.1 million was approved for Metro for 10 years. In previous years, we have programmed, applied for, and received a total of \$145 million for Metro security and safety projects. The \$12.882 million available in FY 2017 Prop 1B Transit Security funding is recommended to be programmed for the project shown in Attachment A. Presently, the project is funded with seven years of Prop 1B grant allocations and approximately \$98 million was approved in prior years. This final allocation amount of \$12.822 million was less than planned due to lower than expected bond proceeds being received by the state. This had caused a revenue shortfall in the EOC's funding plan that was assumed in the approved Life of Project Budget. Staff has identified remaining balances from past year Prop 1B grant-funded transit security projects that came in under budget that can be transferred to the EOC project to help fill the funding gap. But staff will need to identify other local fund sources to complete the current funding plan as noted in Attachment C or determine whether the project cost can be reduced. FY 2017 Transit Security state bond funds must be encumbered and expended by March 31, 2019.

DETERMINATION OF SAFETY IMPACT

The implementation of these federal and state funded transit security projects will improve safety. In particular, the state funding will be allocated towards the building of the new Emergency Operation Center, which would allow continued operations and a safer system for our employees and patrons.

FINANCIAL IMPACT

No expenses for the projects listed in Attachment A are included in the FY 2018 Budget; however, \$675,000 of funding will be identified for current fiscal year use through the annual mid-year budget process for FY18. The remaining funds of \$12.882 million for the Prop 1B-funded project will be included in future year budgets. As this is a multi-year project, Cost Center 2610 will be accountable

for budgeting for costs required in future years. Given that the final year allocation of Prop 1B funds was less than planned, staff will develop a plan to address the \$1.8 million funding gap noted in Attachment C.

Impact to Bus and Rail Operating and Capital Budget

The funds programmed by this action will be identified via the mid-year budget process and come from federal and state transit security funds to finance the eligible operating and capital projects shown in Attachment A. These funds are not eligible for bus and rail operations.

ALTERNATIVES CONSIDERED

The Board of Directors may choose not to program funding or approve the related resolution. We do not recommend these options because without Board approval, we cannot access the \$13.557 million in available federal and state transit security funds for the needed transit security projects shown in Attachment A.

NEXT STEPS

With Board approval, we will process the necessary documents with the appropriate awarding agency to secure up to \$13.557 million in transit security funds available. We also will work to ensure timely implementation of the project and monitor grant compliance activities.

ATTACHMENTS

Attachment A - FY 2017 TSGP and Prop 1B Project List

Attachment B - Governing Body Resolution

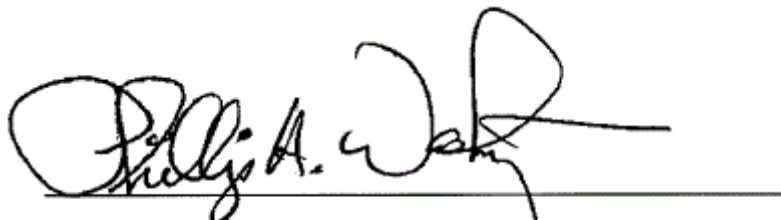
Attachment C - Transit Security Project Funding Tables

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