

**City of Culver City, California
Agenda Item Report**

Meeting Date: 05/28/13		Item Number: A-6	
CITY COUNCIL AGENDA ITEM: Discussion Regarding Potential Deobligation of Metro Funds for the Downtown Real Time Motorist Information System Project and Direction to the City Manager Related Thereto.			
Contact Person/Dept.: J. Christopher Evans/PW		Phone Number: (310) 253-5621	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Agenda and Meetings – City Council (05/21/2013).			
Department Approval: Charles D. Herbertson (05/16/13)		City Attorney Approval: Carol Schwab (by H. Baker) (05/21/13)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (05/21/13)		City Manager Approval: John M. Nachbar (05/21/13)	

RECOMMENDATION:

Staff recommends the City Council discuss the potential deobligation of Metro Grant Funds for the Real Time Motorist Information System Project (Project) and direct the City Manager as deemed appropriate.

BACKGROUND:

Given the current design, this Project would utilize dynamic message signs (DMS) located in the downtown and Washington/National area to communicate real-time parking availability information to motorists. The signs will display the availability of parking in the downtown public parking structures and the proposed parking structure adjacent to the Expo Light Rail Station. The Project will also include parking space availability signage at the entrance to each parking structure and at strategic locations inside the parking structures.

On May 7, 2013 the City received a Notice of Potential Deobligation of Project Funding (see Attachment 1) from the Los Angeles County Metropolitan Transportation Authority ("Metro"). Metro administers the grant that provides 80% (\$858,000) of the project funds from a Federal Congestion Management and Air Quality (CMAQ) grant, with the remaining 20% (\$214,000) of the required local match provided by former Redevelopment Agency funds. Due to the potential loss of Redevelopment Agency matching funds and the fact that the Project is about to exceed the completion date of June 30, 2013, Metro is requesting that the City identify other local matching funds and appeal for an extension of the Project completion date or have the Project grant fund "deobligated" and assigned to another grantee.

City of Culver City, California
Agenda Item Report

City engineering consultant, Kimley-Horn, with input from staff and City Council has finalized the Project design and specifications. Due to the loss of the former Redevelopment Agency matching funds and ongoing negotiations with the State Department of Finance (DOF) over control of the former Redevelopment Agency owned downtown parking structures and Washington/National site, proceeding with the project at this time has significant potential negative consequences for the City, the two most pressing of which are (1) the DOF's ultimate denial of the matching funds and (2) the State's potential "clawback" (seizure) of the parking lots. Therefore, staff has significant concerns about proceeding with the Project at this time.

DISCUSSION:

To facilitate discussion staff proposes the following options:

Option 1: Direct staff to appeal the deobligation of Project grant funds (if necessary), request a two year extension for completion of the Project to June 30, 2015, and commit Measure R funds as the local match should former Redevelopment Agency funding not be restored to the Project.

To date \$84,740 has been expended to complete the design of the Project. Of that amount, 20% or \$16,948 has been funded through former Redevelopment Agency matching funds. The City would need to commit \$197,052 ($\$214,000 - \$16,948 = \$197,052$) to meet the grant's required local match.

Option 2: Direct staff to not appeal deobligation of grant funds and allow Project funding to lapse.

There is the possibility that DOF may not approve the use of former Redevelopment Agency funding that is earmarked for this Project. City discussions with the DOF are now underway; however a final decision is not expected for at least three to four months. Also, as the City Council is aware, the DOF has been issuing contradictory and unfavorable decisions throughout the State regarding the application of former Redevelopment Agency funding. This has created an environment of significant uncertainty as any former Redevelopment Agency funds that are disallowed by the DOF subject the City to having to fund the matching funds or risk withholding by the State of the City's future property and sales tax revenues.

In addition, should the State "clawback" (seize) the parking structures and the Washington/National site, then this Project may no longer be desirable.

To appeal the deobligation of grant funds, City attendance and presentation may be required at the June 5, 2013 Metro – Transportation Advisory Committee (TAC)

City of Culver City, California
Agenda Item Report

meeting. The TAC is a recommending body and if they do not grant an extension, the City has another opportunity to appeal the deobligation at the Metro Board meeting. Should the City Council determine to authorize the use of other funds (Measure R, Gas Tax or General Fund) for the required matching funds, Metro has indicated that they will remove the project from the deobligation list.

Staff requests that City Council discuss the desirability to proceed with this Project given the significant uncertainty created by the DOF and direct the City Manager as deemed appropriate.

FISCAL ANALYSIS:

The total cost of design and installation of the Project is estimated to be \$1,072,000. The grant requires applicants to provide 20% funding of the total cost. The former Redevelopment Agency was to contribute \$214,000 ($\$858,000 + \$214,000 = \$1,072,000$) as the local match. To date, former Redevelopment Agency funds have provided \$16,948 of Project design costs. In order to fund the remaining local match, the City would need to commit \$197,052 ($\$214,000 - \$16,948 = \$197,052$) to meet its grant required local match. In the event the City Council determines to proceed with the project, Staff recommends that the City Council allocate future Metro Measure R funds for the required 20% matching funds.

ATTACHMENT:

1. Notice of Potential Deobligation of Project Funding, dated May 7, 2013

MOTIONS:

That the City Council:

Discuss the Downtown Real Time Motorist Information System Project and direct the City Manager as deemed appropriate.