



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Administrator

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING AN EXCHANGE AGREEMENT AND ASSIGNMENT OF FEDERAL SURFACE TRANSPORTATION PROGRAM LOCAL FUNDS WITH LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

MEETING DATE: September 6, 2016

RECOMMENDATION:

Staff recommends that the City Council approve the exchange agreement with the Los Angeles County Metropolitan Authority for the City's Federal Surface Transportation Program Local (STP-L) funds, and authorize the Mayor to execute the agreement on behalf of the City.

OVERVIEW:

The Federal Surface Transportation Local (STP-L) program provides a funding source for a variety of transportation related projects. In order to obligate the use of these funds, local agencies must go through a lengthy and administratively in-depth process due to federal grant regulations. The Los Angeles County Metropolitan Authority (LACMTA) is offering the City of Commerce an opportunity to exchange Federal Surface Transportation Program – Local (STP-L) funds for more flexible LACMTA local transportation funds.

BACKGROUND:

LACMTA is offering to exchange flexible STP-L Local Transportation funds for Federal STP-L funds. The City has a Federal STP-L exchange balance in the amount of \$352,704.56. As such, the attached Exchange Agreement and Assignment of the City's Federal Surface Transportation Program – Local (STP-L) Funds to LACMTA is in the amount of \$352,704.56. LACMTA charges a two (2%) percent processing and administrative fee, which means that LACMTA will pay the City \$345,650.47 in flexible LACMTA transportation funds. This exchange makes these funds available immediately upon execution of the agreement and eliminates the costly and onerous requirements associated with the use of Federal funds.

ALTERNATIVES:

1. Approve the Resolution authorizing staff to proceed with the Federal Surface Transportation Program Local (STP-L) Exchange Agreement; or
2. Provide staff with further direction.

FISCAL IMPACT:

The City currently holds an STP-L balance of \$352,704.56. Upon execution of this exchange agreement, LACMTA will make an electronic disbursement in the amount of \$345,650.47 to the City, which includes a two (2%) percent processing and administrative fee payable to LACMTA. Staff has determined that this fee is acceptable and that this exchange will provide more funding flexibility and reduce administrative processing requirements associated with Federal grants.

RELATIONSHIP TO STRATEGIC GOALS:

This agenda report relates to the 2012 strategic planning goal: “Grow revenues to ensure all expenses are being met, so that we can remain fiscally responsible and continue to provide services to the residents,” as this exchange will make \$345,650.47 available immediately upon execution of the agreement; and eliminates the costly and onerous requirements associated with the use of Federal funds.

Recommended by: Claude McFerguson, Director of Transportation
Fiscal impact reviewed by: Vilko Domic, Director of Finance
Approved as to form by: Eduardo Olivo, City Attorney
Respectfully submitted: Jorge Rifá, City Administrator

Attachment: Letter from LACMTA and STP-L Fund Exchange Agreement