

**Introduced by Senator Kuehl**

February 20, 2003

---

---

An act to add Chapter 7 (commencing with Section 132600) to Division 12.7 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 504, as amended, Kuehl. ~~Santa Monica~~ *Exposition* Metro Line Construction Authority.

~~(1) Existing~~

*Existing* law establishes the Los Angeles County Metropolitan Transportation Authority (~~hereafter the LACMTA~~) (*LACMTA*) as the single successor agency to the Southern California Rapid Transit District and the Los Angeles County Transportation Commission. The LACMTA is responsible for most transit guideway projects in Los Angeles County and has specified duties and responsibilities with regard to transportation.

This bill would establish the ~~Santa Monica~~ *Exposition* Metro Line Construction Authority for the purpose of awarding and overseeing ~~all~~ *final* design and construction contracts for completion of the ~~Los Angeles-Santa Monica~~ *Los Angeles-Exposition* Metro Line light rail project from the Metro Rail Station at 7th and Flower Streets in the City of Los Angeles to the *downtown area of the City of Santa Monica*.

The bill would require the construction authority to (a) conduct the financial studies and the planning and engineering necessary for completion of the project, (b) adopt an administrative code, including a specified code of conduct, not later than ~~60~~ *an unspecified number of* days after establishment of the construction authority, for

administration of the construction authority in accordance with laws relating to open meetings of public entities, contracting and procurement, contracting goals for minority and women business participation, and political reform, and (c) *as necessary for final design and construction*, complete as a detailed management, implementation, safety, and financial plan for the project and submit the plan to the Governor, the Legislature, and the California Transportation Commission not later than ~~90~~ *an unspecified number of days* after establishment of the construction authority.

The bill would require that the construction authority be governed by a board consisting of 5 voting members appointed to terms of 4 years. Three members would be appointed by the City Councils of the Cities of Los Angeles, Santa Monica, and Culver City, with each city council appointing one member by a majority vote of the membership of that city council. One member would be appointed by the Los Angeles County Board of Supervisors. One member would be appointed by the LACMTA.

The bill would authorize the governing board to appoint an executive director to serve at the pleasure of the construction authority. The executive director would be authorized to appoint staff or retain consultants as necessary to carry out the duties of the construction authority. The bill would require that all contracts approved and awarded by the executive director be awarded in accordance with state ~~law~~ *and federal laws* relating to procurement. The bill would require that the awards be based on price or competitive negotiation, or on both of those things.

The bill would require the LACMTA to identify and expeditiously enter into an agreement with the construction authority to hold in trust with the construction authority all real and personal property, and any other assets, accumulated in the planning, design, and construction of the project, including, but not limited to, rights-of-way, documents, 3rd-party agreements, contracts, and design documents, as necessary for completion of the project.

The bill would require the construction authority to enter into a memorandum of understanding with the LACMTA that specifically addresses the ability of the LACMTA to review any significant changes in the scope of the design or construction, or both design and construction, of the project.



The bill would prohibit the construction authority from encumbering any future farebox revenue anticipated from the operation of the project.

The bill would prohibit the construction authority from encumbering the project with any obligation that is transferable to the LACMTA upon completion of the design and construction of the project, except as specified.

The bill would require the authority to be dissolved upon completion of the project. The LACMTA would assume responsibility for operating the project upon dissolution of the authority.

The bill would create a state-mandated local program by imposing these additional duties upon local governmental entities.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Chapter 7 (commencing with Section 132600)  
2 is added to Division 12.7 of the Public Utilities Code, to read:

3

4 CHAPTER 7. ~~SANTA MONICA~~ EXPOSITION METRO LINE  
5 CONSTRUCTION AUTHORITY

6

7 132600. For purposes of this chapter, the following terms  
8 have the following meanings:

9 (a) The “authority” is the ~~Santa Monica~~ Exposition Metro  
10 Line Construction Authority created under this chapter.

11 (b) The “board” is the governing board of the authority.



1 (c) The “commission” is the California Transportation  
2 Commission.

3 (d) The “LACMTA” is the Los Angeles County Metropolitan  
4 Transportation Authority.

5 (e) The “project” is the ~~Los Angeles-Santa Monica~~ *Los*  
6 *Angeles-Exposition* Metro Line light rail project extending from  
7 the Metro Rail Station at 7th Street and Flower Street in the City  
8 of Los Angeles to the *downtown of the* City of Santa Monica.

9 132605. The authority is hereby created for the purpose of  
10 awarding and overseeing ~~all~~ *final* design and construction  
11 contracts for completion of the project.

12 132610. (a) The authority has all of the powers necessary for  
13 planning, acquiring, leasing, developing, jointly developing,  
14 owning, controlling, using, jointly using, disposing of, designing,  
15 procuring, and building the project, including, but not limited to,  
16 all of the following:

17 ~~(1) Acceptance of grants, fees, and allocations from the state,~~

18 *(1) Acceptance of grants, fees, allocations, and transfers of*  
19 *funds from federal, state, local agencies, and private entities.*

20 (2) Acquiring, through purchase or through eminent domain  
21 proceedings, any property necessary for, incidental to, or  
22 convenient for, the exercise of the powers of the authority provided  
23 the authority shall use existing right-of-ways where feasible.

24 (3) Incurring indebtedness, secured by pledges of revenue  
25 available for project completion.

26 (4) Contracting with public and private entities for the  
27 planning, design, and construction of the project. These contracts  
28 may be assigned separately or may be combined to include any or  
29 all tasks necessary for completion of the project.

30 (5) Entering into cooperative or joint development agreements  
31 with local governments or private entities. These agreements may  
32 be entered into for the purpose of sharing costs, selling or leasing  
33 land, air, or development rights, providing for the transferring of  
34 passengers, making pooling arrangements, or for any other  
35 purpose that is necessary for, incidental to, or convenient for the  
36 full exercise of the powers granted the authority. For purposes of  
37 this paragraph, “joint development” includes, but is not limited to,  
38 an agreement with any person, firm, corporation, association, or  
39 organization for the operation of facilities or development of



1 projects adjacent to, or physically or functionally related to, the  
2 project.

3 (6) Relocation of utilities, as necessary for completion of the  
4 project.

5 (b) The duties of the authority include, but are not limited to,  
6 all of the following:

7 ~~(1) Conducting the financial studies and the planning and~~

8 (1) *Conducting financial studies, planning, and engineering*  
9 necessary for completion of the project.

10 (2) (A) Adoption of an administrative code, not later than 60  
11 \_\_\_\_ days after establishment of the authority, for administration  
12 of the authority in accordance with any applicable laws, including,  
13 but not limited to, the Ralph M. Brown Act (Chapter 9  
14 (commencing with Section 54950) of Part 1 of Division 2 of Title  
15 5 of the Government Code), contracting and procurement laws,  
16 laws relating to contracting goals for minority and women  
17 business participation, and the Political Reform Act of 1974 (Title  
18 9 (commencing with Section 81000) of the Government Code).

19 (B) (i) The administrative code adopted under subparagraph  
20 (A) shall include a code of conduct for employees and board  
21 members that is consistent with Sections 84308 and 87103 of the  
22 Government Code and prohibits board members and staff from  
23 accepting gifts valued at ten dollars (\$10) or more from  
24 contractors, potential contractors, or their subcontractors.

25 (ii) The code shall require the disclosure, on the record, of the  
26 proceedings by the officer of the agency who receives a  
27 contribution within the preceding 24 months in an amount of more  
28 than two hundred fifty dollars (\$250) from a party or participant  
29 to a proceeding, and the disclosure by the party or participant.

30 (iii) The code shall provide that no officer of the agency shall  
31 make, participate in making, or in any way attempt to use his or her  
32 official position to influence the decision in a proceeding, as  
33 described in Section 84308 of the Government Code, if the officer  
34 has willfully or knowingly received a contribution in the amount  
35 of more than two hundred fifty dollars (\$250) within the preceding  
36 24 months from a party or his or her agent, or from any participant  
37 or his or her agent if the participant has a financial interest in the  
38 decision.

39 (iv) Any officer deemed ineligible to participate in a  
40 proceeding due to the provisions of this code of conduct may be



1 replaced for the purposes of that proceeding by an appointee  
2 chosen by the appropriate appointing authority.

3 (v) Under the code of conduct, board members shall be deemed  
4 to have a financial interest in a decision within the meaning of  
5 Section 87100 of the Government Code if the decision involves the  
6 donor of, or intermediary or agent for a donor of, a gift or gifts  
7 aggregating ten dollars (\$10) or more in value within the 12  
8 months prior to the time the decision was made.

9 (3) ~~Completion~~ *As necessary for final design and construction,*  
10 *completion* of a detailed management, implementation, safety, and  
11 financial plan, ~~including, but not limited to, a full funding~~  
12 ~~program,~~ for the project and submission of the plan to the  
13 Governor, the Legislature, and the commission not later than 90  
14 \_\_\_\_\_ days after establishment of the authority.

15 (c) The authority shall make reasonable progress, as  
16 determined by the commission, in the *final* design and  
17 construction of the project.

18 132615. (a) The authority shall be governed by a board  
19 consisting of five voting members who shall be appointed as  
20 follows:

21 (1) Three members shall be appointed by the City Councils of  
22 the Cities of Los Angeles, Santa Monica, and Culver City with  
23 each city council appointing one member by a majority vote of the  
24 membership of that city council.

25 (2) One member shall be appointed by the Los Angeles County  
26 Board of Supervisors.

27 (3) One member shall be appointed by the LACMTA.

28 (b) All members shall serve a term of not more than four years,  
29 with no limit on the number of terms that may be served by any  
30 person.

31 (c) If the position of a voting member becomes vacant, an  
32 alternate voting member may be appointed by a majority vote of  
33 the board to serve until the position is filled as required under  
34 subdivision (a).

35 (d) Members of the board are subject to the Political Reform  
36 Act of 1974 (Title 9 (commencing with Section 81000) of the  
37 Government Code).

38 (e) Three members of the board shall constitute a quorum.

39 (f) The board shall elect a chairperson and vice chairperson  
40 from among the membership of the board.



1 (g) Each member of the board may be compensated at a rate of  
2 not more than one hundred fifty dollars (\$150) per day spent  
3 attending to the business of the authority. Compensation, if paid,  
4 shall not exceed six hundred dollars (\$600) per month, plus  
5 expenses directly related to the performance of duties imposed by  
6 the authority, including, but not limited to, travel and personal  
7 expenses.

8 132620. (a) The board may appoint an executive director to  
9 serve at the pleasure of the authority.

10 (b) The executive director is exempt from all civil service  
11 provisions and shall be paid a salary established by the board.

12 (c) The executive director may appoint staff or retain  
13 consultants as necessary to carry out the duties of the authority.

14 (d) All contracts approved and awarded by the executive  
15 director shall be awarded in accordance with state ~~law~~ *and federal*  
16 *laws* relating to procurement. Awards shall be based on price or  
17 competitive negotiation, or on both of those things.

18 132625. The LACMTA shall identify and expeditiously enter  
19 into an agreement with the authority to hold in trust with the  
20 authority all real and personal property, and any other assets  
21 accumulated in the planning, design, and construction of the  
22 project, including, but not limited to, rights-of-way, documents,  
23 third-party agreements, contracts, and design documents, as  
24 necessary for completion of the project.

25 132635. The authority shall enter into a memorandum of  
26 understanding with the LACMTA that shall specifically address  
27 the ability of the LACMTA to review any significant changes in  
28 the scope of the design or construction, or both design and  
29 construction, of the project. For purposes of this section, the term  
30 “significant change” means any change of mode or technology,  
31 or any other substantive change that affects the connectivity and  
32 operation of the project as part of the overall transit system  
33 operated by the LACMTA, or any combination of those things.  
34 Design and construction of a light rail project that is consistent  
35 with the current scope of the project shall not be deemed to be a  
36 significant change in the scope of the project and shall not require  
37 concurrence by the LACMTA.

38 132640. The authority shall not encumber any future farebox  
39 revenue anticipated from the operation of the project.



1 132645. The authority shall not encumber the project with  
2 any obligation that is transferable to the LACMTA upon  
3 completion of the design and construction of the project. The  
4 design and construction to be administered by the authority does  
5 not include rolling stock, which is a component of the operation  
6 of the project and shall be administered by the LACMTA.

7 132650. The authority shall be dissolved upon completion of  
8 construction of the light rail project. The LACMTA shall assume  
9 responsibility for operating the project upon dissolution of the  
10 authority.

11 SEC. 2. Notwithstanding Section 17610 of the Government  
12 Code, if the Commission on State Mandates determines that this  
13 act contains costs mandated by the state, reimbursement to local  
14 agencies and school districts for those costs shall be made pursuant  
15 to Part 7 (commencing with Section 17500) of Division 4 of Title  
16 2 of the Government Code. If the statewide cost of the claim for  
17 reimbursement does not exceed one million dollars (\$1,000,000),  
18 reimbursement shall be made from the State Mandates Claims  
19 Fund.

20 ~~Notwithstanding Section 17580 of the Government Code,~~  
21 ~~unless otherwise specified, the provisions of this act shall become~~  
22 ~~operative on the same date that the act takes effect pursuant to the~~  
23 ~~California Constitution.~~

