



staff report

TO: Honorable Mayor and Members of the City Council

ATTENTION: Jeffrey L. Stewart, City Manager

FROM: Tae G. Rhee, Finance Director/City Treasurer

SUBJECT: Consideration and possible action to authorize the City Manager to execute a Memorandum of Understanding No. 19.X between the Orangeline Development Authority, dba Eco-Rapid Transit ("Authority"), and the City of Bellflower regarding the City's provision of administrative services for the Authority's granted-funded West Santa Ana Branch Sustainable Transit Corridor Phase I Near Term Project.

DATE: August 8, 2016

EXECUTIVE SUMMARY

On February 25, 2016, the Los Angeles County Metropolitan Transportation Authority ("Metro") allocated \$18 million in Measure R funds to the Orangeline Development Authority, dba Eco-Rapid Transit ("Authority"), for predevelopment and planning of Transit-Oriented Communities ("TOC") along the West Santa Ana Branch involving a 20-mile light rail line. For Phase I of the project, Metro has provided an initial allocation of \$230,800, and the Authority is requesting that the City provide grant administration services similarly authorized under prior MOU No. 19.1 (Technical Refinement Study of West Santa Ana Branch Transit Corridor Project).

RECOMMENDATION TO THE CITY COUNCIL

- 1) Authorize the City Manager to execute MOU No. 19.X, in a form approved by the City Attorney; or
- 2) Alternatively, discuss and take other action related to this item.

FISCAL IMPACT

Under the proposed MOU No. 19.X, the City will provide the grant administration services for the Authority and will receive reimbursement of staff costs. The MOU also stipulates the Authority's grant-related invoices will be paid with the City's funds first on a monthly basis, and the City will be reimbursed with Metro funds on a quarterly basis.

ATTACHMENT

Proposed MOU 19.X with Orangeline Development Authority, dba Eco-Rapid Transit, for the City's administration of Authority's West Santa Ana Branch Sustainable Transit Corridor Phase I Near Term Project 2

**MEMORANDUM OF UNDERSTANDING NO. 19.X
BETWEEN
ORANGELINE DEVELOPMENT AUTHORITY (ECO-RAPID TRANSIT)
AND
THE CITY OF BELLFLOWER
REGARDING USE OF METRO FUNDS
FOR
WEST SANTA ANA BRANCH SUSTAINABLE TRANSIT CORRIDOR
PHASE I NEAR TERM SCOPE OF WORK**

This Memorandum of Understanding (the “Agreement”) is made by and among the Orangeline Development Authority, dba Eco-Rapid Transit (“Authority”) and the City of Bellflower, a general law city and municipal corporation (“City”), individually as a “party” and collectively as “the parties.”

Recitals

- A. The purpose of the Authority is to pursue development of a transit system that moves as rapidly as possible, uses grade separation as appropriate, and is environmentally friendly and energy efficient. The system is designed to enhance and increase transportation options for riders of this region utilizing safe, advanced transit technology to expand economic growth that maximizes ridership in Southern California.
- B. On June 2, 2016, the Gateway Cities Council of Governments (the “Agency”) and the Los Angeles County Metropolitan Transportation Authority (“Metro”), entered into a Funding Agreement (the “Funding Agreement”).
- C. On February 25, 2016, the Metro Board of Directors directed Metro to work with the Agency in pursuing Transit Oriented Communities (TOC) predevelopment and planning activities for the West Santa Ana Branch Corridor.
- D. On April 28, 2016, the Metro Board of Directors authorized entering into the Funding Agreement with the Agency for Phase I near-term scope of work elements in response to the February, 2016 Board direction in the amount of \$230,800 in Measure R 35% funds. The Measure R funds will be provided to the Agency, which will, in turn, pass through the Measure R funds to the City of Bellflower for use to fund City and Authority costs for the West Santa Ana Branch Sustainable Transit Corridor Phase I Near Term Scope of Work.
- E. The Authority will be responsible for the West Santa Ana Branch Sustainable Transit Corridor Phase I Near Term Scope of Work detailed in Attachment A – Scope of Work.
- F. The City will be reimbursed for costs related to the administration of the West Santa Ana Branch Sustainable Transit Corridor Phase I Near Term Scope of Work.

NOW, THEREFORE, in consideration of the foregoing Recitals which are incorporated into the operative provisions of this Agreement by this reference and for other goods and valuable consideration, the receipt and adequacy of which is acknowledged, the parties agree as follows:

1. Effective Date. This Agreement will be effective as of June 2, 2016 and will become operative after it is signed by an authorized representative of each party to this Agreement.
2. Commitment of Measure R Funds. City agrees it will use Authority's allocation of \$225,800 from the Metro Measure R funds ("Authority's Funding") passed through to City by the Agency for reimbursement of the Authority's West Santa Ana Branch Sustainable Transit Corridor Phase I Near Term Scope of Work. It is anticipated that the Authority will submit monthly invoices for its services to City for payment from Authority's Funding, and the City will receive compensation for City's Administrative Services in the form of additional Metro grant funding in the amount of \$2,500 ("Administrative Payment"). The Administrative Payment will not be counted as part of the Authority's Funding, but will be an additional amount paid by the Metro grant funding to City. Because Metro will make Authority's Funding available on a reimbursement basis, City's payments of the Authority's invoices will be made with City's own funds. Therefore, the Funding received by City on behalf of the Authority will be retained by City to reimburse itself, to the extent necessary, for City funds advanced to Authority for its West Santa Ana Branch Sustainable Transit Corridor Phase I Near Term Scope of Work. City will also retain the additional \$2,500 of the Metro grant funding for Administrative Payment. Upon completion of the West Santa Ana Branch Sustainable Transit Corridor Phase I Near Term Scope of Work, if Authority's Funding or the Administrative Payment does not fully reimburse the City for City's payments of the Authority's invoices, or for its services to Authority, then the Authority will pay or reimburse the City to make it whole within 30 days after the date of the written notice from the City.
3. West Santa Ana Branch Sustainable Transit Corridor Phase I Near Term Scope of Work. The Authority must prepare a Scope of Work for the purpose of reimbursement of the Authority for its role developing West Santa Ana Branch Sustainable Transit Corridor Phase I Near Term Scope of Work.
4. Quarterly Accounting of Metro Measure R Funds. The Authority must provide a written account for its use of Funding for the West Santa Ana Branch Sustainable Transit Corridor Phase I Near Term Scope of Work on a quarterly basis or as otherwise required by the administrative rules regarding use of Metro Measure R Funds. The quarterly accounting will be available for review by the governing bodies of the Authority, City, Metro and Agency upon request.
5. Non-discrimination. The Authority must not discriminate as to race, creed, gender, color, national origin or sexual orientation in the performance of its services and

duties pursuant to this Agreement and will comply with all applicable laws, ordinances and codes of the Federal, State, County and City governments.

6. Compliance with Applicable Law. The Authority and City must comply with all applicable laws, ordinances and codes of the Federal, State, County and City governments.
7. Independent Contractor. This Agreement is by and between the City and Authority and is not intended, nor will it be construed to create the relationship of agency, servant, employee, partnership, joint venture or association, as between the City and Authority.
8. Indemnification. In lieu of and notwithstanding the pro rata risk allocation which might otherwise be imposed between the parties pursuant to California Government Code Section 895.6, the parties agree all losses or liabilities incurred by a party will not be shared pro rata but instead each party agrees that pursuant to California Government Code Section 895.4, each of the parties hereto will fully indemnify and hold harmless the other party, its officers, board members, employees or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such party under this Agreement. No party, nor any officer, employee or agent, thereof, will be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of the other party or any of its officers, employees, or agents, under or in connection with or arising out of any work, authority or jurisdiction delegated to such other parties under this Agreement.
9. Notices. Any notice required to be given hereunder will be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

TO CITY: Jeffrey L. Stewart
City Manager
City of Bellflower
16600 Civic Center Drive
Bellflower, CA 90706
(562) 804-1424

TO AUTHORITY: Michael R. Kodama
Executive Director
Orangeline Development Authority
16401 Paramount Boulevard
Paramount CA 90723
(562) 663-6850

10. No Conflict of Interest. The Authority represents that it presently has no interest and may not acquire any interest, direct or indirect, in any real property located in the City, which may be affected by the services to be performed by the Authority under this Agreement. The Authority further represents that in its performance of this Agreement, no person having such interest may be employed by it.
11. Amendments. This Agreement may be amended only by a writing signed by an authorized representative of each party.
12. No Presumption Regarding Drafter. The parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed among them, and that this Agreement reflects their mutual agreement. Because of the nature of the negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore no presumption for or against validity or as to any interpretation hereof based on the identity of the drafter, will be applicable interpreting or enforcing the Agreement.
13. Severability. The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of the other provisions of this Agreement.

IN WITNESS WHEREOF, the parties have each executed this Agreement as of the dates indicated below.

City of Bellflower

Approved as to Form:

Jeffrey L. Stewart
City Manager

Karl H. Berger
City Attorney

Orangeline Development Authority
(Eco-Rapid Transit)

Approved as to Form:

Maria Davila
Chair

Teresa Highsmith
Legal Counsel