

**ASSEMBLY BILL**

**No. 889**

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**Introduced by Assembly Member Lieu**  
(Coauthor: Senator Oropeza)

February 22, 2007

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An act to add Chapter 8 (commencing with Section 132700) to Division 12.7 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 889, as introduced, Lieu. Metro Green Line Construction Authority.

Existing law establishes the Los Angeles County Metropolitan Transportation Authority (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.

Existing law establishes the Exposition Metro Line Construction Authority for the purpose of awarding and overseeing final design and construction contracts for completion of the 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, as specified.

The bill would establish the Metro Green Line Construction Authority for the purpose of awarding and overseeing final design and construction contracts for completion of the Los Angeles-Metro Green Line light rail project that would establish a coastal extension of the Metro Green Line to the north and south, including an initial segment to the Los Angeles International Airport. The bill would, upon allocation of federal

and local funds by the LACMTA for these purposes, require the construction authority to (1) conduct the financial studies and the planning and engineering necessary for completion of the project, (2) adopt an administrative code, including a specified code of conduct 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 (3) as necessary for final design and construction, complete 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.

The bill would require that the construction authority be governed by a board consisting of members to be determined by the Legislature.

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 and federal laws relating to procurement. The bill would require that the awards be based on price or competitive negotiation, or on both.

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, to outline the design review, construction, and testing process, and to describe the funding sources of the authority, the financial elements, and the approved budget for 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 impose a state-mandated local program by placing 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.

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 8 (commencing with Section 132700)  
2 is added to Division 12.7 of the Public Utilities Code, to read:

3  
4 CHAPTER 8. METRO GREEN LINE CONSTRUCTION AUTHORITY

5  
6 132700. For purposes of this chapter, the following terms have  
7 the following meanings:

8 (a) The “authority” is the Metro Green Line Construction  
9 Authority created under this chapter.

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

11 (c) The “commission” is the California Transportation  
12 Commission.

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

15 (e) The “project” is the Los Angeles-Metro Green Line light  
16 rail project that would establish a coastal extension of the Metro  
17 Green Line to the north and south, including an initial segment to  
18 the Los Angeles International Airport.

19 132705. The authority is hereby created for the purpose of  
20 awarding and overseeing final design and construction contracts  
21 for completion of the project.

1 132710. (a) The authority has all the powers necessary for  
2 planning, acquiring, leasing, developing, jointly developing,  
3 owning, controlling, using, jointly using, disposing of, designing,  
4 procuring, and building the project, including, but not limited to,  
5 all of the following:

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

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

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

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

18 (5) Entering into cooperative or joint development agreements  
19 with local governments or private entities. These agreements may  
20 be entered into for the purpose of sharing costs, selling or leasing  
21 land, air, or development rights, providing for the transferring of  
22 passengers, making pooling arrangements, or for any other purpose  
23 that is necessary for, incidental to, or convenient for the full  
24 exercise of the powers granted to the authority. For purposes of  
25 this paragraph, “joint development” includes, but is not limited to,  
26 an agreement with any person, firm, corporation, association, or  
27 organization for the operation of facilities or development of  
28 projects adjacent to, or physically or functionally related to, the  
29 project.

30 (6) Relocation of utilities, as necessary for completion of the  
31 project.

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

34 (1) Conducting financial studies, planning, and engineering  
35 necessary for completion of the project.

36 (2) (A) Adoption of an administrative code for administration  
37 of the authority in accordance with any applicable laws, including,  
38 but not limited to, the Ralph M. Brown Act (Chapter 9  
39 (commencing with Section 54950) of Part 1 of Division 2 of Title  
40 5 of the Government Code), contracting and procurement laws,

1 laws relating to contracting goals for minority and women business  
2 participation, and the Political Reform Act of 1974 (Title 9  
3 (commencing with Section 81000) of the Government Code).

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

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

15 (iii) The code shall provide that no officer of the agency shall  
16 make, participate in making, or in any way attempt to use his or  
17 her official position to influence the decision in a proceeding, as  
18 described in Section 84308 of the Government Code, if the officer  
19 has willfully or knowingly received a contribution in the amount  
20 of more than two hundred fifty dollars (\$250) within the preceding  
21 24 months from a party or his or her agent, or from any participant  
22 or his or her agent, if the participant has a financial interest in the  
23 decision.

24 (iv) Any officer deemed ineligible to participate in a proceeding  
25 due to the provisions of this code of conduct may be replaced for  
26 the purposes of that proceeding by an appointee chosen by the  
27 appropriate appointing authority.

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

34 (3) As necessary for final design and construction, completion  
35 of a detailed management, implementation, safety, and financial  
36 plan for the project and submission of the plan to the Governor,  
37 the Legislature, and the commission.

38 (c) The authority shall make reasonable progress, as determined  
39 by the commission, in the final design and construction of the  
40 project.

1 (d) The duties and responsibilities imposed by this section shall  
2 be contingent upon allocation of federal and local funds by the  
3 LACMTA for these purposes.

4 132715. The authority shall be governed by a board consisting  
5 of members to be determined by the Legislature.

6 132720. (a) The board may appoint an executive director to  
7 serve at the pleasure of the authority.

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

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

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

16 132725. The LACMTA shall identify and expeditiously enter  
17 into an agreement or agreements with the authority to do all of the  
18 following:

19 (a) Hold in trust with the authority all real and personal property,  
20 and any other assets accumulated in the planning, design, and  
21 construction of the project, including, but not limited to,  
22 rights-of-way, documents, third-party agreements, contracts, and  
23 design documents, as necessary for completion of the project.

24 (b) Outline the design review, construction, and testing process  
25 that acknowledges LACMTA's direct role in the review of the  
26 project to ensure the final project will be compatible, functionally  
27 connected, and operative within LACMTA's existing metro rail  
28 system.

29 (c) Describe the various funding sources and the obligations of  
30 the authority to assist LACMTA obtain federal, state, and local  
31 funds for the project, and the authority's obligations and duties  
32 upon receipt of the funds necessary to construct the project.

33 (d) Describe all financial elements of the project, and the budget  
34 approved for the project.

35 132735. The authority shall enter into a memorandum of  
36 understanding with the LACMTA that shall specifically address  
37 the ability of the LACMTA to review any significant changes in  
38 the scope of the design or construction, or both design and  
39 construction, of the project. For purposes of this section, the term  
40 "significant change" means any change of mode or technology,

1 or any other substantive change that affects the connectivity and  
2 operation of the project as part of the overall transit system  
3 operated by the LACMTA, or any combination of those things.  
4 Design and construction of a light rail project that is consistent  
5 with the current scope of the project shall not be deemed to be a  
6 significant change in the scope of the project and shall not require  
7 concurrence by the LACMTA.

8 132740. The authority shall not encumber any future farebox  
9 revenue anticipated from the operation of the project.

10 132745. The authority shall not encumber the project with any  
11 obligation that is transferable to the LACMTA upon completion  
12 of the design and construction of the project. The design and  
13 construction to be administered by the authority does not include  
14 rolling stock, which is a component of the operation of the project  
15 and shall be administered by the LACMTA.

16 132750. The authority shall be dissolved upon completion of  
17 construction of the light rail project. The LACMTA shall assume  
18 responsibility for operating the project upon dissolution of the  
19 authority.

20 SEC. 2. If the Commission on State Mandates determines that  
21 this act contains costs mandated by the state, reimbursement to  
22 local agencies and school districts for those costs shall be made  
23 pursuant to Part 7 (commencing with Section 17500) of Division  
24 4 of Title 2 of the Government Code.