



Board Report

File #: 2021-0065, File Type: Agreement

Agenda Number: 42.

EXECUTIVE MANAGEMENT COMMITTEE MARCH 18, 2021

SUBJECT: INGLEWOOD TRANSIT CONNECTOR JOINT POWERS AUTHORITY

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING AND DIRECTING the Chief Executive Officer (CEO) to execute the Inglewood Transit Connector Joint Powers Authority Joint Exercise of Powers Agreement to join with the City of Inglewood to own, manage, and oversee the design, construction, financing, operation and maintenance of the 1.6-mile Inglewood Transit Connector Project, an elevated automated people mover to provide a critically needed direct transit connection between Metro's network, the soon to be completed regional Crenshaw/LAX Line, and key housing and employment centers, and sports and entertainment venues within the City.
- B. AUTHORIZING the CEO to take such further actions incident to execution of the Joint Exercise of Powers Agreement as are necessary to formalize formation and establishment of the Inglewood Transit Connector Joint Powers Authority as a separate legal entity.

ISSUE

Over the past two years, the City of Inglewood (City) has engaged in discussions with Metro while the City has examined various ownership structures for the Inglewood Transit Connector Project (Project). Recognizing their mutual interest in the successful completion of the Project and commencement of passenger service prior to the 2028 Los Angeles Olympics, Metro and City executive management believe that the formation of the Inglewood Transit Connector Joint Powers Authority (Authority) will combine the City's understanding of local mobility needs with Metro's experience successfully developing rail transit projects and would provide the optimal solution for Project ownership, management and governance without obligating Metro to make financial contributions.

The City and Metro executed a non-binding Memorandum of Understanding on November 2, 2020, agreeing to work together to negotiate a Joint Exercise of Powers Agreement (JPA) for establishment of the Authority pursuant to the Joint Powers Exercise of Powers Act (Gov. Code §§6500 *et. seq.*) (the Joint Powers Act). The purpose of the Authority is to exercise the City's and Metro's mutual

powers to own, manage, and oversee the design, construction, financing, operation and maintenance of the Project.

City and Metro staff have completed negotiation of the JPA, and concur that execution of the JPA in the form provided in Attachment A will establish the optimal governance structure to achieve timely, efficient and successful development of the Project, and will be in the best interest of Metro, the City, and the public. The City Council has approved the JPA and authorized City's Mayor to execute the JPA.

Metro Board approval is now needed to authorize the CEO to execute the JPA in order to support advancement of the Project. Approval of the JPA supports Project development, and authorizes establishment of the Authority, which the City and Metro have identified as the Project governance structure best suited to provide a critically needed direct transit connection between the City's emerging sports and entertainment district and Metro's transit network. By participating as members in a joint powers authority, City and Metro will leverage and combine their respective expertise, resources and capabilities for the benefit of the public traveling to, from and within the City.

BACKGROUND

To improve transit and mobility for its residents and community stakeholders, and to accommodate new residents, businesses, and visitors arriving in record numbers due to the City's rapid economic revitalization and transformation, the City is planning to construct the Inglewood Transit Connector Project. The Project is an approximately 1.6-mile elevated fixed-guideway transit system with three stations that will provide direct transit connections to:

- Metro Crenshaw/LAX line, Downtown Inglewood Station
- The Forum
- SoFi Stadium and the Los Angeles Sports and Entertainment District at Hollywood Park
- The Inglewood Basketball and Entertainment Center (IBEC)

The Project incorporates Metro's policies to closing critical first/last mile gaps by extending the Crenshaw/LAX Line to the City's major housing, commercial, entertainment and employment centers.

Over the last year, the City has made significant strides towards the goal of completing the Project before the start of the 2028 Summer Olympics, including:

- issuing a Draft Environmental Impact Report, pursuant to the California Environmental Quality Act (CEQA), for the development of the Project;
- receiving a \$95.2 million grant from the California State Transportation Agency;
- receiving a \$233.7 million commitment from the South Bay Cities Council of Governments of Metro Measure R funds, projected to become available July 2021 as provided in the Board-approved 2020 Measure R Decennial Transfer;

- securing commitments of certain new City revenue streams, which include future ticket tax pledges from the IBEC;
- garnering world class support from key stakeholders, including elected officials, business leaders, community groups, surrounding cities, transit advocates, environmental organizations, labor, and the Los Angeles Olympic and Paralympic Organizing Committee (see Attachment B for a list of additional Project supporters); and
- engaging a multi-disciplinary consulting team for financial, technical, legal, and program management advisory services.

DISCUSSION

As identified by the Los Angeles County Assessor's 2020 Annual Report, the City of Inglewood is the fastest growing city in Los Angeles County (13.6% growth in the last year), with exponential growth in housing and regional employment opportunities. This rapid economic revitalization and historic transformation, with projected significant increases in population, housing, and employment density over the next 20 years will have significant effects on mobility within the City and surrounding subregion. It is critically important that City's residents and visitors have a direct means of connecting to Metro's Metro Crenshaw/LAX line, and Downtown Inglewood Station.

The City identified this urgent need and began investing significant resources in developing the best solution to meet the need several years ago. In 2017, the City contracted with Metro to perform a focused analysis of a 1.2-mile transit connection from the Metro Crenshaw/LAX light rail line to the Inglewood NFL Stadium/Hollywood Park mixed use development, exploring the implementation of a convenient, reliable, high-capacity transit service connecting to the regional Metro Rail system. The study's findings, set forth in the *City of Champions/Inglewood (NFL) Project Focused Analysis of Transit Connection*, dated July, 2017 (the Study), recommended that the City undertake further steps to evaluate potential transit connection projects, select a project to be environmentally cleared pursuant to CEQA and possibly the National Environmental Protection Act, initiate an Enhanced Infrastructure Financing District process, and engage stakeholders and conduct public outreach.

The City followed the Study's recommendations and has been engaged in the recommended activities to the present date. Now, given the progress the City has made, the time has come to put in place a governance structure to facilitate the Project's ownership and operation.

Pursuant to the California Constitution, the City has broad plenary power to establish, purchase and operate public works to furnish transportation to its inhabitants. As a charter city, it has the additional power to develop, operate and maintain transportation equipment and facilities such as the Project, and to join with other public agencies to accomplish the same. Likewise, Metro has the power to provide mass transit guideway projects in Los Angeles County and to participate in a joint powers authority to do so.

After careful study and evaluation, the City and Metro management have determined that the best option for Project governance is formation of a new joint powers authority as a separate legal entity for the sole purpose of developing, owning, financing, operating and managing the Project. To that

end, City and Metro have negotiated the terms and conditions for their formation and participation in the Authority, as set forth in the JPA.

The City is currently carrying out Project planning and development activities which include finalizing CEQA compliance documentation, planning a procurement to award a contract to design, build, finance, operate and maintain the Project (the Project Agreement), and the refinement of a feasible plan of finance and preparation for property acquisition. The City and Metro intend for the City to continue in that role until the Authority is ready to assume such responsibilities, at or about the time that the City completes award of the Project Agreement, and the close of financing for the Project (Project Financial Close).

In furtherance of its development activities, the City is in the process of adopting a Project-specific ordinance to authorize procurement authority of the Project Agreement. As currently envisioned, upon Project Financial Close, the City will transfer the Project Agreement and other essential Project assets to the Authority, and the Authority will assume responsibility thereafter for delivery, operation and maintenance.

Until Project Financial Close, the City and Metro will consult and coordinate regarding Project progress and the tasks being performed and conclusions being derived from key work product. The City will serve as administrator of the Authority, and the Authority will operate with limited and potentially seconded staff necessary to its early activities to establish itself so that it is ready to assume ownership and responsibility for the Project upon Project Financial Close. To this end, any services that Metro staff provide to assist the Authority will be compensated pursuant to a separate agreement between the Authority and Metro.

The JPA provides the terms and conditions for the Authority's establishment and governance. Key terms include:

- The City and Metro are the initial parties to the JPA and Members of the Authority. Additional Members would require amendment of the JPA, and approval by the governing body of each party.
- The JPA creates the Authority as a separate legal entity. To the maximum extent permitted by law, no Member will have liability for the debts, liabilities or obligations of the Authority.
- No Member may be compelled to contribute funding or other resources to the Authority or the Project. Members may make contributions of money or assets and provide loans, or contribute personnel, equipment or property subject to separate agreement between the Member and the Authority, approved by the Member's governing body and the Authority's Board.
- The purpose of the Authority is to carry out the planning, financing, acquiring of property for (including through the exercise of the power of eminent domain as necessary), owning, designing, building, operating, maintaining, repairing, reconstructing and replacing the Project.
- The Authority will be governed by a five-member Board of Directors:

- Two Metro representatives (senior staff members with appropriate expertise appointed by the CEO).
 - Two City representatives (Mayor and councilperson elected by City Council)
 - Los Angeles County Second District Supervisor.
 - Each Director will have an alternate who may act in the Director's absence.
 - City's Mayor will Chair the Board; City Councilperson will be Vice Chair.
 - 3 Directors constitute a quorum for Board action.
 - Except for specified matters of unique and particular significance to the City, listed on Exhibit A of the JPA, a majority vote of Directors present at a meeting is required to pass matters voted on by the Board.
 - Board may establish advisory committees, including community advisory committees that may include key venue stakeholders and members of the public.
 - No Director shall be personally liable on any Authority indebtedness, or subject to any personal liability or accountability by reason of the Authority's obligations.
 - The Authority does not compensate directors and alternate Directors, but Board may authorize reimbursement of direct expenses.
- 30-year term of JPA, with automatic 5-year extensions unless sooner terminated.
 - Authority has power to exercise powers common to the City and Metro to accomplish purposes of the JPA. Specific enumerated powers include:
 - Enter into contracts, including assumption of the Project Agreement and other essential Project assets.
 - Incur debts, liabilities and obligations.
 - Acquire, hold and dispose of real and personal property, infrastructure and equipment.
 - Finance or refinance acquisition of transit equipment.
 - Receive contributions and donations of property, funds, services and assistance.
 - Apply for licenses, grants, loans and other forms of aid.
 - Sue and be sued in its own name.
 - Employ agents and employees.
 - Receive, collect and disburse moneys, including farebox revenue.
 - Contract with a Member to act as an administrator.
 - Consult with and coordinate Project planning with the Members, and owners and operators of destinations within the City.
 - Approve and implement marketing, fare structure and operational policies.
 - Set fare rates and charge fares for ridership on the completed Project.
 - Enter into agreements with Members.
 - Adopt rules, regulations, policies, bylaws and procedures governing operation of the Authority.
 - Support and oppose legislation.
 - Exercise all powers provided in the Joint Powers Act, including those related to

issuance of bonds in Government Code sections 6584 *et. seq.*

- All other powers necessary to carry out the purposes of the JPA.
- Pursuant to Government Code section 6509, the powers of the Authority are subject to the restrictions upon the manner of exercising power possessed by the City and any other restrictions on exercising powers of the Authority that the Board may adopt.
- JPA Board will retain a Chief Executive Officer to oversee day-to-day Authority operations. Other officers include Secretary and Treasurer/Controller.
 - The City's secretary or board clerk serves as Authority's secretary until Board elects its own.
 - The City's Assistant Finance Director serves as the Authority's Treasurer/Controller until Board elects its own.
- The City will serve as Administrator of Authority prior to Project Financial Close, performing such services:
 - Coordination/preparation for Board meetings.
 - Identification of City staff/consultants to provide services to Board.
 - Appointment, employment, management and termination of personnel, contractors and consultants.
 - Provision of legal services to the Authority.
 - Implementing policies, decisions and directions of the Board.
 - Coordinating and conferring with Members' technical staff.
- Authority Board will adopt the annual budget.
- Upon Project Financial Close, the City will transfer to the Authority, and the Authority will accept and assume from City, the Project essential assets, including the Project Agreement and all grant and funding agreements, consultant and advisory services contracts, and all other agreements and real and personal property that are material to the Authority's continued development and management of the Project. Upon such transfer, the City shall have no further rights, obligations or liability arising from such agreements.
- Minimum 18 months prior written notice to withdraw; City has option to purchase Project upon termination.

Consistency with Metro's Equity Platform Framework

To help address disparities in access to opportunities across Los Angeles County, the Metro Board adopted the Equity Platform policy framework in February 2018 and a working definition of Equity Focus Communities in June 2019.

The Project is consistent with Metro's Equity Platform in that the Project alternatives help address accessibility for residential and employment centers in disadvantaged communities, support transit-

oriented community policies, support first/last-mile connections, and investment in disadvantaged communities. In addition, ridership estimates suggest that a large share of the ridership demand will include low-income riders.

To date, the City has conducted robust community engagement and public outreach to all stakeholders in the Project. As of the close of the Project Draft Environmental Impact Report public comment period on February 8, 2021, the City received 73 comment letters from local agencies, organizations and residents. The City has held over 50 community and stakeholder meetings over the past three years. Key stakeholders (see Attachment B) have all expressed support for the Project.

DETERMINATION OF SAFETY IMPACT

The Project will be a world class, state-of-the-art transit connector, designed, built and operated to the highest safety standards. Metro's participation in the Authority will enhance Metro's role in ensuring that its own customers have a safe, optimal experience as they transfer to and from Metro's lines to access destinations in City.

FINANCIAL IMPACT

The JPA does not require Metro to make any capital contributions to the Authority. Any future contributions of capital or services will be made at Metro's discretion, pursuant to separate agreements between Metro and the Authority.

Impact to Budget

Participation in the Authority pursuant to the terms and conditions of the JPA does not impact Metro's budget.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Execution of the JPA and formation of the Authority to collaborate with City in development and operation of the Project, bringing Metro's experience and record of success in development and operation of rail transit projects, will support each of the goals specified in Metro's Vision 2028 Metro Strategic Plan:

- A direct, convenient and environmentally sustainable transit connection, the Project will provide an additional high-quality mobility option, enabling people to spend less time traveling to and from the City's new major employment, commercial, housing and entertainment centers, and will reduce gridlock experienced during major events at SoFi Stadium, the Forum, the Los Angeles Sports and Entertainment District and the Inglewood Basketball and Entertainment Center.
- Participation with the City in a special-purpose entity dedicated to the sole purpose of delivering and operating the Project will enhance Metro's role in ensuring that its customers continue their outstanding trip experience as they transfer from the Metro Crenshaw/LAX line and the Downtown Inglewood Station to and from the Project.

- By supporting the City's economic revitalization and redevelopment, the Project will enhance communities and lives through mobility and access to opportunities.
- Participating in the Authority to deliver and operate a state-of-the-art, sustainable transit connection furthers Metro's goal of transforming LA County through regional collaboration and leadership.
- By joining in governance of the Authority, Metro will play a significant role in ensuring the responsive, accountable and trustworthy governance of the Project.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the recommendation. This is not recommended as Metro's participation in the Authority will enhance the prospects for successful delivery of the Project to provide a critically needed direct transit connection between Metro's network, the soon to be completed regional Crenshaw/LAX line, and key housing and employment centers in a disadvantaged community, and sports and entertainment venues within City, and will facilitate focused and effective collaboration and coordination between the Authority and Metro in delivering this Project in time for the 2028 Los Angeles Olympics.

NEXT STEPS

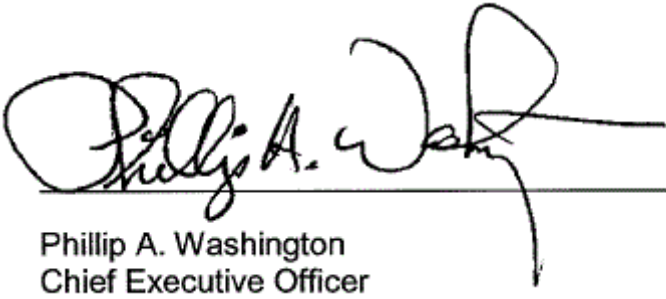
Upon Board approval, Metro staff will continue to assist City in its efforts to advance Project development to demonstrate economic feasibility. Metro's CEO and the City's Mayor will execute the JPA at the appropriate time in this process, whereupon the City and Metro will take the steps required by the Joint Powers Act to formalize formation of the Authority as a separate legal entity.

ATTACHMENTS

Attachment A - Inglewood Transit Connector Joint Exercise of Powers Agreement
Attachment B - Project Supporters

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Phillip A. Washington
Chief Executive Officer

**INGLEWOOD TRANSIT CONNECTOR JOINT POWERS AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT**

THIS JOINT EXERCISE OF POWERS AGREEMENT (“Agreement”), is made and entered into by and between the CITY OF INGLEWOOD (the “City”), a charter city organized and operating under Article XI of the California Constitution, and the LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (“Metro”), a county transportation authority. The City and Metro are sometimes referred to in this Agreement individually as a “Member” and collectively as the “Members.” Capitalized terms used in the Recitals and not separately defined in the Recitals have the meanings provided in Section 1.1.

RECITALS

- A.** The Members are public agencies sharing various powers under California law.
- B.** The Members desire to use any power common to them to participate jointly in and/or contract with third parties for the design, construction, financing, operation and maintenance of the proposed approximately 1.6 mile Inglewood Transit Connector Project (the “ITC”), an elevated automated people mover to provide a critically needed direct transit connection between Metro’s network, the soon to be completed regional Crenshaw/LAX Line, and key City housing and employment centers, and sports and entertainment venues wholly within the City.
- C.** Section 9, Article XI of the California Constitution expressly provides broad plenary power to any California city to establish, purchase and operate public works to furnish transportation to its inhabitants.
- D.** As a charter city, the City has constitutional home rule power over municipal affairs such as the ITC, as a concurrent, additional and distinct source of power from those set forth in Article XI, Section 9 of the California Constitution.
- E.** The City’s charter powers include the power to design, build, finance, operate and maintain transportation equipment and facilities such as the ITC, and to join with any other city or cities, district or county to accomplish the same.
- F.** Metro’s powers include the power to design, build, finance, operate and maintain public mass transit guideway projects in Los Angeles County pursuant to the Rapid Transit District Law (“Public Utilities Code [“PUC”] §§ 30000 *et. seq.*, the “RTD Law”) and the County Transportation Commissions Act (PUC §§ 130000 *et. seq.*, the “CTC Act”).
- G.** Consistent with the City’s power to furnish transportation to its inhabitants, the RTD Law provides, at PUC § 30367, that the laws governing rapid transit facilities and services shall not be construed as in any way preventing or restricting any city from exercising any powers that it has under Section 9, Article XI of the California Constitution, including, without limitation, establishing and operation of any point to point lines or system of rapid transit in connection with any other transportation services established and operated by such city.
- H.** The Members have determined that a new joint powers authority (the “Authority”) should be formed as a separate legal entity for the sole purpose of developing, owning, financing, operating and managing the ITC.

- I. By participating as Members in a joint powers authority for such purpose the City and Metro will leverage and combine their respective expertise, resources and capabilities for the benefit of the public traveling to, from and within the City.
- J. The Authority will be governed by a Board of Directors that will establish policies, approve agreements, establish fares and, over time, provide direction to its engaged resources.
- K. Taking into account the Project's unique technology, financing and risk challenges, the City concluded that the most cost effective delivery model that will achieve ITC objectives involves the competitive award to a qualified Design-Build-Finance-Operate & Maintain entity of a contract to design, build, finance, operate and maintain the ITC (the "Project Agreement") pursuant to the City's procurement authority.
- L. The City is currently carrying out ITC planning and development and the Members intend for the City to continue in that role until the Project is at the point at which it is prudent for the Authority to assume such responsibilities, potentially on or about the time of the close of financing for the ITC ("ITC Financial Close") and the notice to proceed under the Project Agreement.
- M. At such point the Authority and City will enter into an agreement ("Transfer Agreement") setting forth the terms and conditions under which the City will transfer such responsibilities to the Authority, including the transfer of the City's rights and obligations under the Project Agreement; the other contracts the City has in place for ITC consultant and advisory services and such other assets and funding commitments the City holds that are essential for the Authority to carry out the transferred ITC responsibilities ("Essential ITC Assets").
- N. From the Effective Date of this Agreement (hereinafter defined) until the ITC Financial Close, the Members desire to establish that the City serve as the Authority's Administrator in order to provide consistent project management, financing, legal and vendor contract support, as well as clerk and Treasurer services, and to work with direct Authority hires as they are engaged.
- O. Upon the formation of the Authority, the City and the Authority will enter into an agreement setting forth the terms and conditions pursuant to which the City will use grant funds dedicated to ITC activities to cover allowable costs of the Authority's operations until the transfer of ITC responsibilities to the Authority upon the effective date of the Transfer Agreement.
- P. During this period the Authority, working with the Administrator, will assemble an executive management team capable of assuming as needed responsibility over Authority functions, utilizing a combination of internal staff, some of whom may be Member-seconded, and consultants and contractors with capabilities in specific areas.
- Q. The Members anticipate that the Authority's Board of Directors may establish advisory committees to assist it in carrying out its functions and implementing the ITC, including community advisory committees and technical advisory committees that may include key venue stakeholders and members of the public who are not members of the Board of Directors.

- R. The City is the Lead Agency under CEQA in connection with the consideration and analysis of the environmental impacts of the ITC Project. The City will prepare, process, and complete environmental clearance for the Project pursuant to the California Environmental Quality Act (“CEQA”), any other public review and hearing processes and subject to all applicable governmental approvals.
- S. Because the City has not completed a CEQA review, this Agreement does not constitute or evidence an approval by the Members of, or commitment of the Members to, any action for which prior environmental review is required under CEQA. The City, as the CEQA Lead Agency, retains the absolute discretion to make decisions under CEQA, which discretion includes, without limitation (i) deciding not to proceed with the Project (known as the “no build” alternative), and (ii) deciding to approve the Project and/or any of the agreements contemplated in this Agreement (the Potential Actions”). This Agreement is not intended to evidence an approval or commitment by the Members regarding development of the ITC, and the Members do not intend to enter into an agreement or make a commitment to develop the ITC unless and until the City, as the CEQA Lead Agency, and Metro, as a potentially responsible agency, have considered the impacts of the ITC based upon information resulting from the CEQA environmental review process.
- T. Except for limited purposes required by law and specified in this Agreement, no Member will be required to contribute funds, property or services to the Authority, except as may be established by separate written agreement(s) between a Member and the Authority.
- U. Metro’s funding obligations under the Measure R Decennial Transfer Funding Agreement, consistent with South Bay Cities Council of Governments approval and other sources of funds that are subject to Metro budget approvals, are not modified by this Agreement.
- V. In accordance with the foregoing premises, the Members desire, by means of this Agreement, to establish the Authority as a separate public entity for the sole purpose of undertaking, and/or contracting with third parties for, the planning, design, construction, financing, operation, maintenance, and administration of the ITC following the City’s procurement of the Project Agreement and assignment of the Essential Project Assets to the Authority, and the Authority’s acceptance of the Essential Project Assets and assumption of such responsibilities.
- W. Each Member’s respective Governing Body, has determined independently that the public interest requires, and applicable law permits, entering into this Agreement, and has taken all steps required by law or its procedures, to authorize such Member to execute this Agreement.

NOW THEREFORE, in consideration of the above Recitals and of the mutual promises and agreements contained herein, the Members agree as follows:

**ARTICLE 1
GENERAL PROVISIONS**

- 1.1 **Definitions.** Unless the context otherwise requires, the words and terms defined in this Section 1.1 shall, for the purposes of this Agreement, have the meanings herein specified.

- 1.1.1 **Act** means Articles 1 through 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of powers common to public agencies.
- 1.1.2 **Administrator** means the Member designated by this Agreement to manage and administer the Authority, or the Board of Directors constituted by this Agreement. If the Member designated by this Agreement is unable or unwilling to act as the Administrator, the Board of Directors shall manage and administer the Authority or appoint officers or employees for such purposes.
- 1.1.3 **Agreement** means this Joint Exercise of Powers Agreement.
- 1.1.4 **Annual Budget** means the budget adopted pursuant to Section 7.2.2 of this Agreement.
- 1.1.5 **Authority** means the Inglewood Transit Connector Joint Powers Authority created by this Agreement, as defined in Recital H.
- 1.1.6 **Board** or **Board of Directors** means the Board of Directors referred to in ARTICLE 2 of this Agreement, which is the governing body of the Authority.
- 1.1.7 **Board Member** means a Director.
- 1.1.8 **Bylaws** means bylaws adopted by the Board for governance of the Authority's day-to-day operations. Each Member shall receive a copy of any bylaws developed and adopted under this Section
- 1.1.9 **City** means the City of Inglewood, a California charter city, organized and operating under Article XI of the California Constitution.
- 1.1.10 **CTC Act** has the meaning provided in Recital G.
- 1.1.11 **Director** means a member of the Board appointed pursuant to Section 2.2 of this Agreement.
- 1.1.12 **Effective Date** means the last date on which all parties to this Agreement have executed the Agreement.
- 1.1.13 **Essential ITC Assets** has the meaning provided in Recital M, and will be defined in more particularity and set forth in the Transfer Agreement to be executed concurrent with ITC Project Financial Close, as further described in Recital M.
- 1.1.14 **Fiscal Year** means the period commencing on October 1 of each year and ending on and including the following September 30.
- 1.1.15 **Governing Body** means, for the City, its City Council; for Metro, its Board of Directors; and for any other public agency, the equivalent policy making body that exercises ultimate decision-making authority over such agency.
- 1.1.16 **ITC** means the Inglewood Transit Connector currently planned to be built and operated pursuant to this Agreement, as further described in Recital B.

- 1.1.17 **ITC Financial Close** means the point in time when the City assigns the Project Agreement and other Essential ITC Assets to the Authority and the Authority assumes full responsibility for the ITC, as further described in Recital L.
- 1.1.18 **Member(s)** means the City and Metro, and any other entity that has been added to this Agreement by a subsequent amendment and that has not withdrawn from the Authority.
- 1.1.19 **Metro** means the Los Angeles County Metropolitan Transportation Authority, a California transit district and county transportation commission.
- 1.1.20 **Metro CEO** means the Chief Executive Officer of Metro.
- 1.1.21 **Project Agreement** has the meaning provided in Recital K.
- 1.1.22 **RTD Law** has the meaning provided in Recital F.
- 1.1.23 **Second District Supervisor** means the member of the Los Angeles County Board of Supervisors representing the Second District of Los Angeles County.
- 1.1.24 **Start-Up Period** means the period of time from the Effective Date until the ITC Financial Close.
- 1.1.25 **Transfer Agreement** has the meaning provided in Recital M.
- 1.2 **Purpose.** This Agreement is made pursuant to the Act by the Members, each of which is authorized to contract with the other. The purposes of this Agreement are to: (1) create the Inglewood Transit Connector Project Joint Powers Authority; (2) provide for the governance and administration of the Authority; (3) undertake to, and/or contract with third parties to, plan for, finance (including issuance of revenue bonds) and/or obtain funding to, design, construct, own, lease, operate, maintain, repair, reconstruct and replace the ITC; (4) coordinate the development of the ITC and connect it with the regional transit system and housing, business, sports and entertainment venues within the City; (5) perform services related to the ITC, or assume obligations of the Members and non-member Agencies specifically related to the ITC and approved by the Board; (6) define the rights and obligations of the Members in connection with the Authority's purposes; and (7) any other purposes authorized by the Act.
- 1.3 **Inglewood Transit Connector Joint Powers Authority Created as Separate Legal Entity.** Pursuant to Government Code sections 6506 and 6507, there is hereby created a public entity known as the "Inglewood Transit Connector Joint Powers Authority." The Authority shall be a legal public entity separate and apart from the Members and shall administer this Agreement as provided herein.
- 1.4 **Term.** The term of this Agreement shall commence on the Effective Date and shall continue for an initial minimum term of thirty (30) years, which term shall thereafter automatically extend for successive periods of five (5) years each unless and until terminated by the Members as provided in ARTICLE 8 of this Agreement.

1.5 **Powers of Authority.**

1.5.1 General Powers. The Authority shall exercise, in the manner herein provided, the powers common to the Members, powers otherwise permitted under the Act, and powers necessary to accomplish the purposes of this Agreement. The Authority shall not possess the authority to compel any of the Members to contribute funding or other resources to the ITC. The goal and intent of the Authority is one of voluntary cooperation among the Members for the collective benefit of the Members, other public agencies and the general public that will result from successful completion and operation of the ITC. Notwithstanding the foregoing, any Member may make contributions of money or assets to the Authority, advance payments of public funds or provide loans to defray the cost of ITC operations or provide operating capital, and contribute personnel, equipment or property to the Authority for the ITC, subject to a separate agreement between the Authority and the Member approved by the Authority's Board of Directors and the Member's Governing Body.

1.5.2 Specific Powers. The Authority is hereby authorized, in its own name, to do all acts necessary, convenient and appropriate for the exercise of the foregoing powers for the purposes set forth in this Agreement and to do any or all of the following:

- (a) Make, enter into and assume contracts, including but not limited to accepting and assuming any and all rights and obligations in the Essential ITC Assets, including the Project Agreement,
- (b) Incur debts, liabilities and obligations, provided that no debt, liability or obligation of the Authority shall be a debt, liability or obligation of any Member except as separately agreed to in writing by a Member,
- (c) Acquire, lease, hold, construct, manage, maintain, sell or otherwise dispose of, in whole or in part, land, facilities, appurtenances and other real and personal property and infrastructure and equipment necessary or convenient for the development and operation of the ITC by appropriate means, including through the exercise of the power of eminent domain, and including by acceptance of Essential ITC Assets from the City or third parties,
- (d) Finance or refinance the acquisition or transfer of transit equipment or transfer federal income tax benefits with respect to any transit equipment by executing agreements, leases, purchase agreements, and equipment trust certificates in the forms customarily used by a private corporation engaged in the transit business to effect purchases of transit equipment, and dispose of the equipment trust certificates by negotiation or public sale upon terms and conditions authorized by the Members,
- (e) Receive contributions and donations of property, funds, services and other forms of assistance from any source,

- (f) Apply for, accept, and receive licenses, and apply for, accept, receive and disburse grants, loans and other aids from any agency of the United States of America, the State of California, or any other public or private institution,
- (g) Sue and be sued in its own name,
- (h) Employ agents and employees,
- (i) Lease real or personal property as lessee and as lessor,
- (j) Receive, collect, invest and disburse moneys,
- (k) Execute and deliver certificates of participation, issue revenue bonds and issue other forms of indebtedness, as provided for and permitted by law,
- (l) Carry out other duties as required to accomplish its purposes and other responsibilities as set forth in this Agreement,
- (m) With Board approval, assign, delegate or contract with a Member or third party to perform any of the duties of the Board, including but not limited to, acting as an administrator for the Authority,
- (n) Consult with and coordinate, ITC planning and development activities with members of the public, including owners and operators of major destinations within the City,
- (o) Approve and implement all marketing, fare structure and operational policies,
- (p) Set fare rates and charge fares for ridership on the completed ITC, and any other improvements developed by the Authority in carrying out its powers in connection with the ITC,
- (q) Enter into and approve agreements with the Members, including the lease or license of necessary rights in ITC related assets from or to Members, to ensure that the ITC maximizes the usefulness of the resources available to the Authority, and maximizes the usefulness of the ITC facilities for transit operations and pedestrian circulation,
- (r) Adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority,
- (s) Support and oppose legislation related to the Authority or the ITC,
- (t) Exercise any and all powers which are provided for in the Act and in Government Code Section 6584 *et seq.*, including without limitation Government Code Section 6588, as they exist on the Effective Date of this Agreement or may hereafter be amended, and
- (u) Exercise all other powers necessary and proper to carry out fully the purposes of this Agreement.

- 1.5.3 Additional Powers to be Exercised.** In addition to those powers common to each of the Members, the Authority shall have those powers that may be conferred upon it by law and subsequently enacted legislation.
- 1.5.4 Limitation on Powers.** As required by Section 6509 of the Act, the powers of the Authority are subject to the restrictions upon the manner of exercising power possessed by the City and any other restrictions on exercising powers of the Authority that may be adopted by the Board.
- 1.5.5 Obligations of the Authority.** The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of any Member unless the Member separately agrees in writing to assume any of the debts, liabilities and obligations of the Authority with the approval of such Member's Governing Body, in its sole discretion. In addition, pursuant to the Act, no Director shall be personally liable on any Authority indebtedness, or subject to any personal liability or accountability by reason of the Authority's obligations.

ARTICLE 2 GOVERNANCE

2.1 Board of Directors.

- 2.1.1 Creation.** The Authority shall be governed by a five-member Board of Directors, which is hereby established and which shall be composed of two representatives from the City, two representatives from Metro, and the Second District Supervisor, as appointed in accordance with Section 2.2.1. The governing board shall be known as the "Board of Directors of the Inglewood Transit Connector Joint Powers Authority." All voting power shall reside in the Board.
- 2.1.2 Modification.** Any change in the size and composition of the Board other than what is described in this ARTICLE 2 shall require an amendment of this Agreement in accordance with Section 8.2.

2.2 Members of the Board of Directors.

2.2.1 Directors and Alternates Appointed.

- (a) The City shall appoint the Mayor and one other member of the City Council to be Directors. Each Director representing City shall appoint an alternate Director.
- (b) The Metro CEO shall appoint two Directors who are Metro senior executive level staff with expertise most valuable for the then applicable stage of development or operation of the ITC. The Chief Executive Officer of Metro shall appoint an alternate Director for each Director representing Metro. The terms served by Directors appointed by Metro shall be determined at the pleasure of the Metro CEO.
- (c) The Second District Supervisor shall be a Director and shall appoint an alternate Director.

- (d) In the absence of the Director, the alternate Directors may vote on matters before the Board, in committees, may chair the Board and committees committee meetings, and may fully participate in discussion and debate during meetings of committees. All Directors and alternates shall be subject to the Board's adopted Conflict of Interest Code.
- (e) Each Member shall determine the term of office for its alternate Directors.

2.2.2 Compensation. Directors and alternate Directors are not entitled to compensation. The Board may authorize reimbursement of expenses directly incurred by Directors or alternate Directors. The Member appointing each Director and alternate may approve the payment of compensation to its appointed Directors and alternates, in which case any such compensation will be solely the responsibility of such Member, and for the avoidance of doubt, shall not be treated as a contribution by such Member to the Authority.

2.3 Powers of the Board. The Board shall have and exercise all the power and authority of the Authority. All Directors are eligible for appointment to one or more committees that the Board may establish pursuant to ARTICLE 2. The Board may in its discretion delegate certain powers to committees but may not delegate the power to amend the Bylaws.

2.3.1 Purposes of the Board. The general purposes of the Board are to:

- (a) Provide structure for administrative and fiscal oversight;
- (b) Retain a Chief Executive Officer to oversee day-to-day operations of the Authority as and when deemed necessary by the Board;
- (c) Identify and pursue funding sources;
- (d) Set policy;
- (e) Maximize utilization of available resources; and
- (f) Oversee all committee activities.

2.3.2 Specific Responsibilities of the Board. The specific responsibilities of the Board shall be as follows:

- (a) Identify ITC needs and requirements;
- (b) Formulate and adopt an annual budget and appropriate funds prior to the commencement of the fiscal year;
- (c) Develop and implement a financing and/or funding plan for ongoing Authority operations and capital improvements, if applicable;
- (d) Retain necessary and sufficient staff and adopt personnel and compensation policies, rules and regulations;
- (e) Implement and administer a workforce policy that promotes a local, sustainable and inclusive workforce;

- (f) Implement and administer policies for procuring contracts necessary to meet operational needs after ITC Financial Close, such as contracts for professional and advisory services, equipment and/or supplies;
- (g) Implement and administer procedures for acquisition of real property, including without limitation, the approval of negotiated right-of-way acquisitions, adoption of Resolutions of Necessity, and approval of settlement agreements, in connection with the exercise of the Authority's power of eminent domain or otherwise;
- (h) Implement and administer rules for the disposal of surplus property;
- (i) Establish standing and ad hoc committees as necessary to ensure that the interests of the Authority and concerns of each Member are represented to ensure effective operational, technical and financial functioning of the Authority;
- (j) Wind up and resolve all obligations of the Authority in the event the Authority is terminated pursuant to ARTICLE 8;
- (k) Address community concerns and concerns of the ITC's customers;
- (l) Conduct and oversee Authority operational audits at appropriate intervals determined by the Board;
- (m) Arrange for an annual independent fiscal audit;
- (n) Adopt such Bylaws, rules and regulations as are necessary or desirable for the Authority to govern its day-to-day operations and to achieve the purposes hereof; provided that nothing in the Bylaws, rules and regulations shall be inconsistent with this Agreement. Each Member shall receive a copy of any Bylaws, rules and regulations adopted under this Section;
- (o) Establish a fare setting mechanism and implement a fare structure for ridership on the completed ITC; and
- (p) Discharge other duties as appropriate and/or required by law, including by delegation of powers that may be delegated lawfully to Members or third parties to carry out on behalf of the Board. However, the Board may not delegate its power to adopt or amend Bylaws.

2.4 Ex Officio Members. The Board may provide in Bylaws adopted pursuant to Section 2.3(n) for ex officio members or alternates to participate in meetings of the Board. Any ex officio member or alternate shall not be entitled to vote, shall not be counted toward a quorum of the Board, and shall serve without compensation from the Authority.

2.5 Start-Up Period. During the Start-Up Period, the City shall continue to act on its own behalf in conducting activities that the City considers necessary and appropriate to achieve ITC Financial Close, including but not limited to completing the environmental review process, conducting community outreach, pursuing public and private financing opportunities, and procuring the Project Agreement. As provided in Section 4.7 of this

Agreement, prior to ITC Financial Close, the City, when acting as the Authority's Administrator, will provide such limited services to the Board as are necessary for the Board to carry out the Authority's purposes during the Start-Up Period.

During the Start-Up Period, the Board shall, without limitation, have the duties to:

- (a) Obtain financing and/or funding necessary to support its Start-Up Period activities and working capital needs;
- (b) Evaluate the need for, acquire and maintain insurance;
- (c) At the appropriate time(s), consider and take action on the execution of agreements with Members for the Members' provision of services and and/or personnel to the JPA;
- (d) At the appropriate time(s), consider and take action on consulting and services agreements related to the Authority's start up and implementation activities, subject to the City advancing payment pursuant to separate agreement between the Authority and City; and
- (e) At the appropriate time(s), consider and take action on the assumption of the City's rights and obligations with respect to the ITC Essential Assets and acceptance of title to or ownership of ITC Essential Assets.

ARTICLE 3 MEETINGS OF THE BOARD

3.1 Meetings.

- (a) All regular meetings of the Board shall be held in the State of California at the principal office of the Authority or such other places in the State as determined by the Board. When authorized by law or executive order, the Board may hold its meetings via teleconferencing during any period in which state or local public health authorities have imposed or recommended social distancing measures.
- (b) The Board shall provide for regular meetings provided that it shall hold at least one regular meeting in each quarter of each year and such further meetings as may be reasonable depending upon the Authority's business needs. The dates upon which and the hour and place at which regular meetings shall be held shall be communicated in a timely manner to each Member.

3.2 Ralph M. Brown Act. All meetings of the Board and its standing committees, including without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act, commencing with Section 54950 of the Government Code.

3.3 Voting. Each Board Member shall have one vote. Except as otherwise provided by law or by this Agreement, all actions of the Board shall be approved on the affirmative vote of a majority of the Members of the Board.

- (a) Matters that may come before the Board that uniquely affect the City, such as matters concerning the exercise of the power of eminent domain to acquire property within the City, the location of stations and connections between the ITC and Metro's transit facilities, closing and rerouting of traffic within the City for the ITC, the definition of ITC Essential Assets and the scope of the title to such ITC Essential Assets that the City will assign to the Authority, and similar matters with significant impact on the legal rights to assets associated with the ITC acquired by the City, shall require the affirmative vote of the Directors representing the City.
- (b) A list of specific matters that shall require the City's affirmative vote is set forth in Exhibit A hereto.

3.4 Quorum. Three Members of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time.

3.5 Board Action. The Board may act by ordinance, resolution or motion. Unless otherwise provided in the Bylaws, ordinances shall not be required to be introduced and adopted at separate meetings of the Board. The enacting clause of all ordinances shall be, "The Board of Directors of the Inglewood Transit Connector Joint Powers Authority does ordain as follows."

3.6 Minutes. The Secretary of the Authority shall cause minutes of regular, adjourned regular, and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director, each alternate Director, and to each Member.

ARTICLE 4

INTERNAL ORGANIZATION; OFFICERS AND EMPLOYEES OF THE AUTHORITY

4.1 Officers and Employees. The officers of the Authority are the Chair, Vice Chair, Chief Executive Officer, Secretary, Treasurer/Controller and such other officers with titles and duties as shall be determined by the Board as and when the Board determines such officers are necessary and appropriate to carry out the Authority's purposes. Any number of offices may be held by the same person, provided that the Chair and Vice Chair shall not also serve as the Treasurer. As provided in Section 6505.5 of the Act, the Board may authorize the Treasurer of one of the Members to serve as the Treasurer, provided that the funds of the Authority are kept in accounts separate from those of that Member.

4.2 Chair. The Mayor of the City shall be the Chair of the Board.

4.3 Vice-Chair. The City's Director of Public Works shall be the Vice Chair of the Board.

4.4 Chief Executive Officer. The Authority shall employ a Chief Executive Officer to carry out the Board's policies, purposes and goals. The Chief Executive Officer shall report directly to the Board and shall:

- (a) Serve as the Board's chief advisor on all policy and operational issues,
- (b) Recommend policies to the Board and then implement policies approved by the Board,

- (c) Prepare an annual budget for approval by the Board, and
- (d) Take all personnel actions, consistent with the policies of the Board and applicable law, with respect to all other employees.

4.5 Secretary. The Authority's Secretary shall be the Administrator's secretary or board clerk, or his or her designee, unless the Board elects to appoint as the Secretary another individual of its own choosing. If the Board does not elect to appoint another individual of its own choosing as the Secretary, the Secretary shall serve at the pleasure of the Administrator and may be removed at any time, with or without cause, in the sole discretion of the Administrator's governing board or management-level employee. The Secretary shall be responsible for the minutes and other records of the proceedings of the Board of Directors and shall perform such other duties as specified by the Administrator pursuant to a written agreement between the Authority and the Administrator. If the Board elects to appoint another individual of its own choosing, the Secretary shall perform such other duties as the Board of Directors specifies.

4.6 Treasurer/Controller. Pursuant to Government Code Sections 6505.5 and 6505.6, the Authority's Treasurer/Controller shall be the City's Assistant Finance Director, unless the Board elects to appoint as the Treasurer Controller another individual of its own choosing. The Treasurer/Controller shall have authority as is delegated to it by the Board. The Treasurer/Controller shall be the depository and have custody of all money of the Authority, from whatever source, and shall have all the duties and obligations set forth in Sections 6505 and 6505.5 of the Government Code. The offices of Treasurer/Controller may be held by separate individuals, or combined and held by one individual as the Board may elect. If the Board does not elect to appoint another individual of its own choosing as the Treasurer/Controller, the Treasurer and Auditor/Controller shall serve at the pleasure of the Administrator and may be removed at any time, with or without cause, in the sole discretion of the Administrator's governing board or management-level employee.

4.7 Other Employees/Agents. The Board shall have the power by resolution to hire employees or appoint or retain such other agents, including officers, loan-out employees or independent contractors, as may be necessary or desirable to carry-out the purposes of this Agreement, pursuant to the terms and conditions adopted by the Board.

4.8 Administrator. Upon ITC Financial Close, the Board shall serve as the Administrator.

During the Start-Up Period, the City shall serve as the Authority's Administrator, unless and until the Board elects to administer this Agreement on its own behalf or appoints officers or employees to do so. As Administrator, the City shall perform services reasonably necessary for the management and administration of the Authority during the Start-Up Period, including but not limited to:

- (a) Coordinating and preparing for Board meetings,
- (b) Identifying key City staff and consultants who will provide services to the Board and the Authority on behalf of the City as the Administrator, including staff who shall serve as Secretary and Treasurer in accordance with the directions given by the Board,

- (c) Being responsible for the appointment, employment, management and termination of any personnel, contractors or consultants providing services to the Authority including, but not limited to, contractors and consultants necessary to prepare the Authority to assume its responsibilities with respect to delivery and operation of the ITC following the ITC Financial Close,
- (d) Providing legal services to the Authority,
- (e) Implementing the policies, decisions and directions of the Board, and
- (f) Coordinating and conferring with the Members' technical staff.

For purposes of clarification, the agreements and employment relationships referenced in clause (c), above, are agreements and employment relationships directly between the Authority and the agreement counter-parties, or employees. For purposes of its role as developer of the ITC prior to ITC Financial Close, the City shall enter into those agreements and employment relationships as it deems necessary on its own behalf, and assignment to and assumption by the JPA of such agreements and employment relationships shall be subject to both the City's and the JPA's approval of the transfer agreement effecting such assignment and assumption. The terms and conditions pursuant to which the Authority shall compensate the City for performance of services as Administrator shall be set forth in a separate services agreement between the Authority and the City. In performing services as Administrator, the City shall be an independent contractor and not an employee of the Authority. No employee or agent of the City shall become an employee of the Authority by virtue of performing interim administrative services. The City employees or agents assigned to provide services shall remain under the exclusive control of the City.

The Authority shall defend, indemnify and hold harmless the City and its officials, officers, employees, contractors, agents and authorized volunteers from any and all claims, demands, damages, liabilities, fines, expenses, and related costs and fees, including attorney's fees, arising from or related to the City's performance of services as the Administrator.

If the City is still serving as the Administrator when ITC Financial Close occurs, then upon the ITC Financial Close, the City shall cease to be the Administrator, and the Board shall be the Administrator.

4.9 Official Bond. Pursuant to Government Code section 6505.1, the public officer, officers or persons who have charge of, handle or have access to any property of the Authority shall be so designated and empowered by the Board. Each such officer or person shall file an official bond with the Board in an amount to be fixed by the Board. The premiums on any such bonds attributable to the coverage required herein shall be appropriate expenses of the Authority.

4.10 Status of Officers and Employees. In accordance with Government Code section 6513, all of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers compensation and other benefits which apply to the activities of officers, agents or employees of any of the Members when performing their respective functions shall apply to them to the same degree and extent while

engaged in the performance of any of the functions or other duties under this Agreement. None of the officers, agents or employees appointed by the Board shall be deemed, by reason of their employment by the Board, to be employed by any of the Members, or by reason of their employment by the Board, to be subject to any requirements of such Members.

ARTICLE 5 COMMITTEES

- 5.1 Committees.** The Board of Directors, by a majority vote, may form committees for any purpose that the Board deems appropriate to assist the Board in carrying out its functions and implementing the provisions of this Agreement and the ITC. Such vote shall designate the criteria to qualify for appointment on said committees, the method for appointing committee members, the scope of the duties and responsibility of the committee, whether the committee is a standing or ad hoc committee, rules, regulations, policies, or procedures to govern such committees and whether members shall be compensated or entitled to reimbursement for expenses, and such other matters as the Board may deem appropriate. Committees, unless otherwise provided by law, this Agreement, the Bylaws or direction of the Board, may be composed of Directors, alternate Directors and non-Directors.
- 5.2 Community Advisory Committee.** The Board may establish a Community Advisory Committee comprised of non-Board members, with the primary purpose of advising the Board and providing a venue for ongoing citizen support and engagement in the strategic direction, goals and programs of the Authority. The Community Advisory Committee, if established, shall be advisory only, and shall not have decision-making authority, nor receive any delegation of authority from the Board. Each Member may nominate a committee member(s) and the Board shall determine the final selection of committee members.
- 5.3 Meetings of Advisory Committees.** All meetings of the standard committees and committees consisting of a quorum of the Board of Directors shall be held in accordance with the Brown Act. For the purposes of convening meetings and conducting business, unless otherwise provided in the Bylaws, a majority of the members of the committee shall constitute a quorum for the transaction of business, except that less than a quorum or the secretary of each committee may adjourn meetings from time to time. As soon as practicable, but no later than the time of posting, the Secretary of the committee shall provide notice and agenda to each Member, Director(s) and alternate Director(s).
- 5.4 Officers of Advisory Committees.** Unless otherwise determined by the Board, each committee shall choose its officers, comprised of a Chair, a Vice Chair, and a Secretary.

ARTICLE 6 PROJECT COORDINATION

- 6.1 Coordination with the Members.** The Members may convene their respective staffs to review issues associated with the Project and the other purposes of this Agreement from time to time. If authorized by a written agreement between the Authority and a public agency, which is not a Member, or authorized by the Board, a non-Member may designate a representative to review such issues with staff of the Members as appropriate.

ARTICLE 7 FINANCES

7.1 Fiscal Year. The Fiscal Year of the Authority shall be as defined in Section 1.1 of this Agreement.

7.2 Annual Budget.

7.2.1 Interim Budget. The Board shall, within 120 days of the Effective Date of this Agreement, approve an interim budget, which shall constitute the operating budget until the Annual Budget is adopted. The Board may revise the interim budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses

7.2.2 Annual Budget. Annually, prior to [July 1] of each year, the Board shall adopt a budget for all expenditures to be made by the Authority during the upcoming Fiscal Year. The Annual Budget shall reflect the Board's budget and expenditure plan based on annual projections of funding sources and uses for the upcoming Fiscal Year. The budget shall include separate components for administrative, operations and capital costs anticipated to be incurred by the Authority during the fiscal year. Each Annual Budget shall be adopted and shall be effective on the affirmative vote of a majority of the Directors.

7.2.3 Contingencies and Unexpected Expenses. The Board may revise the interim budget and annual budget from time to time as reasonably necessary to address contingencies and unexpected expenses.

7.3 Funds, Accounts and Reports. There shall be strict accountability of all funds and reporting of all Authority receipts and disbursements.

7.3.1 Sources of Funds. The Authority shall arrange for the receipt of funds from any sources available to the Authority that are necessary and appropriate for the conduct of the Authority's activities. Funds may be received directly, or through pledges of funds from other public agencies. Members shall not be required to make any financial contributions or payments to the Authority, or to contribute to the cost of operating and maintaining the ITC, and the Authority shall have no right to require such a contribution or payment unless expressly set forth herein, such as provided in Section 8.6 with respect to retirement benefits upon termination, or except as otherwise required by law. Notwithstanding the foregoing, a Member may volunteer to provide, or negotiate terms with the Authority to provide the following:

- (a) contributions from its treasury for the purposes set forth in this Agreement;
- (b) advances of public funds to defray the cost of the purposes of the Agreement and Authority, such advances to be repaid as provided by written agreement; or
- (c) its personnel, equipment or property in lieu of other contributions or advances.

Any agreement with the Authority to provide any of the above-referenced contributions or payments shall require a vote of the Board. No Member shall be required, by or for the benefit of the Authority, to adopt any local tax, assessment, fee or charge under any circumstances.

- 7.3.2 Accounts.** Revenues or funds received or made available to the Authority from any source whatsoever, shall be deposited into separate accounts established by the Authority in its own name, and not commingled with funds of any Member or any other person or entity. The Authority may expend its funds in any legal manner, subject to such reservations as may be imposed by the Authority from time to time.
- 7.3.3 Reports.** The Treasurer shall, within one hundred and eighty (180) days after the close of each Fiscal Year, give a complete written report of all financial activities for such Fiscal Year to the Board and to each Member. The Authority's books and records shall be open to inspection at all reasonable times by representatives of each Member. The Treasurer shall prepare and provide such additional reports, including audited financial statements and ongoing disclosure reports, as are required by separate agreements entered into by the Authority. Annual financial statements shall be prepared in accordance with Generally Accepted Accounting Principles of the Governmental Accounting Standards Board.
- 7.4 Payments and Advances.** No expenditures in excess of those budgeted and appropriated shall be made unless otherwise approved by the Authority's Board.
- 7.5 Audit.** In accordance with Sections 6505 through 6505.6 of the Government Code, the Treasurer shall cause an annual audit of the accounts and records of the Authority to be made and reported. The audit shall be conducted by an independent certified public accountant or public accountant. The audit shall conform to generally accepted auditing standards. Such report shall be filed within twelve (12) months of the end of the Fiscal Year under examination.
- 7.6 Procurement Methods.** The Board may adopt, implement and administer such policies relating to procurement of services, equipment, supplies and other materials needed to accomplish the purposes of this Agreement.
- 7.7 Cost Reimbursement.** The Authority shall, to the extent allowed by law or outside funding sources, reimburse each Member for its individual contributions toward technical, engineering, environmental, financial, permitted, and other pre-procurement activities associated with the ITC prior to execution of the Project Agreement.
- 7.8 Agreement to Transfer and Accept ITC.** Upon the ITC Financial Close, the City will transfer and assign to the Authority, and the Authority will accept and assume from the City, the ITC Essential Assets, including but not limited to the Project Agreement and all grant and funding agreements, consultant and advisory services contracts, and all other agreements and real and personal property that the City has determined and the Authority agrees are material to the Authority's continued planning, design, construction, financing, owing, leasing, operation, maintenance, repair, and/or replacement of the ITC. Upon such assignment and assumption, the City shall have no further rights, obligations or liability arising under any of the foregoing agreements.

- 7.9 **Excess Operating Revenues.** If the ITC's fare box revenues exceed the Authority's operating and maintenance expenses in a Fiscal Year, all reserve accounts are fully funded, and all obligations to persons having priority for distributions or allocations of cash from operation of the ITC have been satisfied, the Authority may use the excess revenues for purposes relating to and supporting City's facilitation of transportation-related services within the City.

ARTICLE 8 AMENDMENT/TERMINATION

- 8.1 **Duration and Termination.** This Agreement shall become effective as of the Effective Date and shall continue in full force and effect until terminated by the mutual written consent of all Members. If there are only two Members and one Member intends to withdraw, the other Member's written consent to terminate this Agreement shall not be unreasonably conditioned or delayed, provided that the Member wishing to terminate its membership in the Authority shall give at least eighteen months' written notice to the Authority. Notwithstanding the prior provisions of this Section 8.1, this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets, and all other functions necessary to conclude the affairs of the Authority.
- 8.2 **Amendment.** This Agreement may be amended at any time by the written consent of the Governing Body of each Party hereto.
- 8.3 **Successor Statutes.** All statutes cited herein shall be deemed to include future amendments and/or successor statutes.
- 8.4 **Admission to Membership.** Any public agency that has not executed this Agreement on or before the Effective Date may be admitted to membership upon the unanimous approval of the Directors appointed by the City and Metro, payment of costs of preparation of any necessary documents, and execution by such public agency and all Members of an amendment to this Agreement providing that such public agency shall be a party to the Agreement and added as a Member of the Authority.
- 8.5 **Withdrawal.** Notwithstanding any other provision of this Agreement, any Member may withdraw from the Authority by providing the Authority with at least 18 months' written notice of its intent to withdraw. A withdrawal from the Authority constitutes a withdrawal of that Member's representatives from the Board of Directors. If at any time there are only two Members, any desired withdrawal shall be subject to the termination provisions of this Agreement.
- 8.6 **Effect of Withdrawal.** Subject to Section 9.2 hereof, the withdrawal of a Member shall not terminate its responsibility to contribute its share, if any, of any obligation incurred by the Authority through the date of withdrawal, or to perform any other obligation arising from a separate agreement or other legally binding obligation created through the date of withdrawal, including amounts determined by the Board for future obligations arising from retirement benefits for past and existing employees of the Authority, if any.
- 8.7 **Purchase Option.**
- 8.7.1 Upon termination of this Agreement, but prior to disbursement of any assets of the Authority, the City shall have the option, exercisable in its discretion, to purchase

the ITC, in whole or in part, for the lesser of fair market value or the outstanding financial obligations of the terminating or withdrawing Member(s) at the time of the exercise of the option, by providing the Authority and other Members with one hundred twenty (120) days' notice in advance of termination. As soon as practicable after receipt of the City's notice, the Authority shall notify the City of the Authority's reasonable determination of the amount of the purchase price for the ITC assets, including a detailed calculation of such fair market value, which valuation shall be based upon commonly accepted appraisal methodologies used by professional financial advisors to value P3 transportation infrastructure projects in similar urban areas in the United States. Upon mutual agreement on a purchase price determined under this section and payment thereof, the Authority will sell, assign, transfer, convey and deliver to the City all of its right, title and interest in the purchased assets. The City shall receive a credit against the purchase price for the time-adjusted value of the assets that the City contributed to the Authority for ITC purposes, and for the reasonable cost of all obligations to be assumed by the City in connection with the Authority's assignment of the ITC to the City.

8.7.2 Subject to applicable law, the City shall also have the option, exercisable in its discretion, to purchase any ITC Assets that the Board deems surplus and unnecessary for the ITC. Such purchase option for surplus property shall be on the same terms and conditions set forth in Section 8.7.1, provided that the City shall give the Authority written notice of the City's intent to exercise such purchase option within no more than forty- five (45) days following the Board's determination to dispose of such excess property.

8.8 **Disbursement.** Upon termination of this Agreement and after payment of all liabilities, costs, expenses and charges validly incurred under this Agreement, and resolution of any purchase option exercised by the City, all remaining assets of the Authority shall be disbursed among the Members, including any Members that previously withdrew from the Authority. Real and personal property assets shall first be returned to the Member who contributed them. Remaining assets shall be divided pro rata among the Members in accordance with and proportionate to their respective contributions (including payments for services received and the fair market value of any real or personal property at the time when the Member transferred such property to the Authority) made during the term of this Agreement, if feasible to do so. Remaining assets may be sold to the highest bidder, in which case each of the Members shall have a right of first refusal. The Board may, in its discretion, and only by unanimous vote of the then-current Directors immediately prior to termination of this Agreement, distribute assets without regard to a Member's respective contributions.

ARTICLE 9 SPECIAL PROVISIONS

9.1 **Insurance.** The Authority shall maintain types and levels of insurance coverage for the Authority as the Board determines to be reasonably adequate. The Members shall be named additional insureds on the Authority's general commercial liability insurance and automobile liability insurance policies, and such other policies with respect to which such coverage is available.

9.2 **Liability of Authority, Board, Officers, Employees.** Pursuant to Government Code Section 6508.1, with the exception of retirement liabilities of the Authority, the debts,

liabilities, and obligations of the Authority, whether they sound in tort, contract or otherwise, shall not be the debts, liabilities and obligations of any of the Members or any of their respective members, officers, directors, employees or agents. Without limiting the Authority's commitment to ensure that the ITC operates with the utmost care and diligence in transporting passengers, The Authority, its Members, Directors, officers, employees, staff and agents shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. They shall not be liable for any mistakes of judgment or any other action made, taken or omitted by them in good faith, nor for any action with reasonable care, nor for loss incurred through investment of joint powers agency funds, or failure to invest. No Member, Director, alternate Director, officer or employee shall be responsible for any action taken or omitted by any other director, officer, employee, staff member or agent. No Member, its directors, council members, officers, or employees, or any of Authority's Directors, officers, employees, staff members or agents shall be responsible for any action taken or omitted by any other Member, or its directors, officers, council members, employees, staff members or agents. The Authority, its Members, Directors, officers, and employees shall be entitled to all immunities provided by law, for actions taken in good faith, without malice or fraud.

9.3 Retirement System. The Authority shall not provide retirement benefits for its Directors, alternate Directors, officers, or employees without the written consent of each Member, which shall not be unreasonably withheld, conditioned or delayed.

9.4 Indemnity. The Authority shall indemnify, defend and hold harmless the Directors, alternate Directors, the individual Members, and their members, officers, directors, employees and agents from and against any and all liability, loss, damages, expenses, costs (including, without limitations, costs and fees of litigation or arbitration) of every nature, arising out of any act or omission of the Authority related to this Agreement, except such loss or damage which was caused by the willful misconduct of the Board of Directors, any individual Member, or their members, officers, directors, employees and agents. The Authority's duty to indemnify each Member pursuant to this Agreement shall survive that Member's withdrawal from the Agency.

9.5 Conflict of Interest Code. The Authority shall adopt, by resolution, a conflict of interest code as required by law.

ARTICLE 10 MISCELLANEOUS PROVISIONS

10.1 Dispute Resolution. The Members and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Before exercising any remedy provided by law, a Member or the Members and the Authority shall engage in nonbinding mediation in the manner agreed upon by the Member or Members and the Authority. The Parties agree that each Party may specifically enforce this section. In the event that nonbinding mediation is not initiated or does not result in the settlement of a dispute within 60 days after the demand for mediation is made, any Member and the Authority may pursue any remedies provided by law.

10.2 Severability. If any section, clause or phrase of this Agreement or the application thereof to any Party or any other person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, it shall be deemed severable, and the remainder of the

Agreement or the application of such provisions to any other Party or to other persons or circumstances shall not be affected thereby. Each Party hereby declares that it would have entered into this Agreement, and each subsection, sentence, clause and phrase thereof, irrespective that one or more sections, subsection sentences, clauses or phrases or the application thereof might be held invalid.

- 10.3 Notices.** Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or by registered or certified mail, postage prepaid to the respective Members, as follows:

CITY OF INGLEWOOD:
City Clerk
One Manchester Blvd.
Inglewood, CA 90301

With copy to:
City of Inglewood City Attorney
Suite 860
One Manchester Blvd.
Inglewood, CA 90301

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY:

Metro Chief Executive Officer
One Gateway Plaza, 25th Fl.
Los Angeles, CA 90012

With copy to:

Metro General Counsel
One Gateway Plaza, 24th Fl.
Los Angeles, CA 90012

The Members may from time to time change the address to which notice may be provided by providing written notice of the change to the other Members.

- 10.4 Consent.** Whenever in this Agreement or in any amendment thereto, consent or approval is required, the same shall not be unreasonably withheld.
- 10.5 Other Agreements Not Prohibited.** Other agreements by and between Members as other than as parties to this Agreement or any other entity are neither prohibited nor modified in any manner by execution of this Agreement.
- 10.6 Section Headings.** The section headings herein are for convenience of the Members only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Agreement.

- 10.7 **Laws of California.** This Agreement is made in the State of California, under the Constitution and laws of such State, and shall be construed and enforced in accordance with the laws of such State.
- 10.8 **Construction of Language.** It is the intention of the Members that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning that renders it valid.
- 10.9 **Cooperation.** The Members recognize the necessity and hereby agree to cooperate with each other in carrying out the purposes of this Agreement.
- 10.10 **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the Members.
- 10.11 **Enforcement.** The Authority is hereby authorized to take any and all legal or equitable actions, including but not limited to seeking injunctive relief and specific performance, necessary or permitted by law to enforce this Agreement.
- 10.12 **Integration.** This Agreement constitutes the full and complete Agreement of the Members.
- 10.13 **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

SIGNATURES ON FOLLOWING PAGE(S)

IN WITNESS WHEREOF, the Members have caused this Joint Exercise of Powers Agreement to be executed and attested by their proper officers thereunto duly authorized on the day and year set forth below, making the same effective on the date signed by the last of all Parties hereto.

CITY OF INGLEWOOD

By: _____
James T. Butts, Jr., Mayor

Date: _____

ATTEST:

By: _____
Aisha L. Thompson, City Clerk

APPROVAL AS TO FORM:

KENNETH R. CAMPOS
City Attorney

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Phillip A. Washington, Chief Executive Officer

Date: _____

APPROVAL AS TO FORM:

RODRIGO CASTRO-SILVA
County Counsel

Ronald W. Stamm
Principal Deputy County Counsel

EXHIBIT A

MATTERS REQUIRING AFFIRMATIVE VOTE OF DIRECTORS APPOINTED BY CITY

Board action on the following matters shall require the unanimous affirmative vote of City-appointed Directors:

1. Actions that would affect the ITC Project in a manner requiring supplemental environmental analysis, entitlements, approvals or discretionary, non-ministerial permits.
2. Actions that would create or allow use of any Essential ITC Project Assets that City transferred to the JPA for any purpose other than those strictly necessary for construction, operation and maintenance of the ITC Project.
3. Actions that would result in the disposition to any person other than City of any ITC Essential Assets.
4. Actions that would require the permanent or temporary closure of any lanes of traffic or pedestrian or bike pathways in the City
5. Actions that would require variances from noise and sound regulations applicable to construction and operation of equipment in the City.
6. Actions that directly would result in the termination of any transportation service currently available within the City.
7. Actions that would eliminate or reduce previously approved and scheduled service of the ITC Project to any location within the City (which, for the avoidance of doubt, includes approval of change orders that authorize departures from performance-based criteria required under the Project Agreement).
8. Actions that would initiate or authorize settlement of any litigation in a manner that would affect any of the actions included on this Exhibit A.
9. Actions with respect to any matter that directly would result in a change in the physical character of the area of the City immediately adjacent to the ITC Project right of way.
10. Actions that would result in early termination of any contract that City assigned to JPA.
11. Action to terminate the ITC Project.
12. Action to initiate the acquisition of any additional property rights for the ITC Project (whether on a voluntary or eminent domain basis, and whether involving an easement, restriction, fee interest, air rights parcel interest, or any other form of property right).

ATTACHMENT B

PROJECT SUPPORTERS

- State Senate and Assembly representatives for the City of Inglewood
- Assemblywoman Autumn R. Burke, 62nd District
- Senator Steven Bradford, 35th District
- Councilman Mark Ridley-Thomas, Council District 10, City of Los Angeles
- Supervisor Janice Hahn, Fourth District
- Supervisor Hilda L. Solis, First District
- Mayor James T. Butts, Jr., City of Inglewood
- Councilman George W. Dotson, Council District 1, City of Inglewood
- Councilman Alex Padilla, Council District 2, City of Inglewood
- Councilman Eloy Morales, Jr., Council District 3, City of Inglewood
- Councilman Ralph L. Franklin, Council District 4, City of Inglewood
- Mayor Drew Boyles, City of El Segundo
- Casey Wasserman, Chairperson, LA 2028
- Stadco LA, LCC, owner of SoFi Stadium
- Los Angeles Rams
- Los Angeles City Council
- City of El Segundo
- Los Angeles Chargers
- Los Angeles County Metropolitan Transportation Authority
- Southern California Association of Governments
- Los Angeles World Airports
- University of California, Los Angeles
- Los Angeles/Orange Counties Building and Construction Trades Council
- Coalition for Clean Air
- Southwest Regional Council of Carpenters
- Move LA
- Los Angeles Cleantech Incubator
- Champions for Progress
- Faithful Central Bible Church
- Gateway Los Angeles
- The Inglewood Airport Area Chamber of Commerce

- LAX Coastal Chamber of Commerce
- The NAACP Inglewood Chapter
- The Renaissance HOA
- South Bay Cities Council of Governments
- St. John Chrysostom Catholic Church and School
- Thomas Uwal, Transit Services Operations Manager, City of Inglewood
- Century Heights Neighborhood Watch Association
- Ironworkers Local 433
- I.U.O.E. Local Union No. 12
- Laborers Local 300- LiUNA
- United Association Local Union 250
- Painters & Allied Trades, District Council 36
- United Association Local 398
- Van Wick Block Club Aero Collective
- A Toast to Artistry
- Doppelmayr
- Eye on Inglewood
- FastSigns Inglewood/LAX
- Glaser Weil
- Hilltop Coffee + Kitchen
- Jamz Creamery
- Legatum Holdings LLC
- Miracle Theater
- R. Hicks Realty
- The Sanniche Shoppe
- Three Weavers Brewing Company
- Toragrafix
- WLM Financial