

Metro

*Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA*



Agenda - Final

Thursday, November 30, 2017

9:00 AM

**One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room**

Crenshaw Project Corporation

*Eric Garcetti, Chair
Sheila Kuehl, Vice Chair
James Butts, 2nd Vice Chair
Kathryn Barger
Mike Bonin
Jacquelyn Dupont-Walker
John Fasana
Robert Garcia
Janice Hahn
Paul Krekorian
Ara Najarian
Mark Ridley-Thomas
Hilda Solis
Carrie Bowen, non-voting member*

Phillip A. Washington, Chief Executive Officer

**A written request to address the Board should be submitted in person at the meeting to the Board Secretary prior to the item being called for discussion. Once discussion on an item begins, requests to speak on that item will no longer be accepted.*

METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES
(ALSO APPLIES TO BOARD COMMITTEES)

PUBLIC INPUT

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

- a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
- b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
- c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
- d. Any other unlawful interference with the due and orderly course of said meeting.

INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD

Agendas for the Regular MTA Board meetings are prepared by the Board Secretary and are available

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The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

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Internet Access to Agendas - www.metro.net

TDD line (800) 252-9040

NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

CALL TO ORDER**ROLL CALL**

1. **SUBJECT: MINUTES OF THE CRENSHAW PROJECT CORPORATION BOARD MEETING HELD DECEMBER 1, 2016** [2016-0966](#)

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held December 1, 2016.

Attachments: [ATTACHMENT A - Dec 1, 2016 CPC Minutes](#)

2. **SUBJECT: CRENSHAW PROJECT CORPORATION ANNUAL FINANCIAL REPORT** [2017-0626](#)

RECOMMENDATION

RECEIVE AND FILE the Crenshaw Project Corporation (CPC) Annual Financial Report for the fiscal year (FY) ended June 30, 2017 (Attachment A).

Attachments: [Attachment A - CPC FY17 FS FINAL](#)

3. **SUBJECT: FISCAL YEAR BUDGET** [2017-0627](#)

RECOMMENDATION

APPROVE the Fiscal Year 2017-2018 (FY18) budget in the amount of \$21,300 for the operation and administration of the Crenshaw Project Corporation (CPC).

Attachments: [Attachment A - Proposed FY2017-2018 Budget Summary](#)

4. **SUBJECT: TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA) LOAN ADMINISTRATION ACTIVITIES** [2017-0631](#)

RECOMMENDATION

RECEIVE AND FILE report on Crenshaw Project Corporation TIFIA Loan administration activities during calendar year 2017.

Attachments: [Attachment A - Funding Table](#)

GENERAL PUBLIC COMMENT**Adjournment**

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.



Board Report

File #: 2016-0966, **File Type:** Minutes

Agenda Number: 1.

**CRENSHAW PROJECT CORPORATION BOARD MEETING
NOVEMBER 30, 2017**

**SUBJECT: MINUTES OF THE CRENSHAW PROJECT
CORPORATION BOARD MEETING HELD
DECEMBER 1, 2016**

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held December 1, 2016.

Metro

*Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
3rd Floor Board Room*



MINUTES

Crenshaw Project Corporation

Thursday, December 1, 2016

9:00 AM

One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room

Directors Present:

*John Fasana, Chair
Eric Garcetti, 1st Vice Chair
Sheila Kuehl, 2nd Vice Chair
Mike Bonin
Diane DuBois
Jacquelyn Dupont-Walker
Paul Krekorian
Ara Najarian
Carrie Bowen, non-voting member*

Phillip A. Washington, Chief Executive Officer

CALLED TO ORDER at 9:15 a.m.

ROLL CALL

APPROVED Consent Calendar items: 1, 2, 3 and 4.

Consent Calendar items were approved by one motion.

DK	PK	JDW	MB	MA	MRT	JF	EG	SK	JB	HS	AN	DD
A	Y	Y	Y	A	A	Y	Y	Y	A	A	Y	Y

1. **APPROVED ON CONSENT CALENDAR Minutes of the Regular Board Meeting held December 3, 2015.** 2015-1740

2. **RECEIVED AND FILED ON CONSENT CALENDAR the Crenshaw Project Corporation (CPC) Annual Financial Report for the fiscal year (FY) ended June 30, 2016.** 2016-0781

3. **RECEIVED AND FILED ON CONSENT CALENDAR report on TIFIA loan administration activities during calendar year 2016.** 2016-0782

4. **APPROVED ON CONSENT CALENDAR the Fiscal Year 2016-2017 (FY17) budget in the amount of \$50,200 for the operation and administration of the Crenshaw Project Corporation (CPC).** 2016-0784

ADJOURNED at: 9:18 a.m.

Prepared by: Collette Langston
Board Specialist



Michele Jackson, Board Secretary

**Board Report**

File #: 2017-0626, **File Type:** Informational Report**Agenda Number:** 2.

Crenshaw Project CorporationOne Gateway Plaza
Los Angeles, CA 90012**CRENSHAW PROJECT CORPORATION BOARD MEETING
NOVEMBER 30, 2017****SUBJECT: CRENSHAW PROJECT CORPORATION ANNUAL
FINANCIAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE the Crenshaw Project Corporation (CPC) Annual Financial Report for the fiscal year (FY) ended June 30, 2017 (Attachment A).

ISSUE

The CPC was formed on March 23, 2012 to act as the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan conduit borrower for the Crenshaw/LAX Transit Corridor Project (Crenshaw/LAX Project). The CPC bylaws require that an annual financial report be prepared for review by the CPC Directors no later than 120 days after the close of the CPC's fiscal year (June 30), or such later date permissible by Public Benefit Corporation Law. Attachment A presents this required financial report.

DISCUSSION

In September 2012, the CPC secured a \$545,900,000 TIFIA loan from the United States Department of Transportation (USDOT). The TIFIA loan is secured by Measure R sales tax revenues allocated to the Crenshaw/LAX Project. The final draw down from the TIFIA loan of \$65,835,389.78 was received in August 2016. As of June 30, 2017, USDOT has disbursed the maximum amount of \$545,900,000 in TIFIA loan funds. All loan disbursements were advanced to Metro for the purpose of reimbursing the agency for eligible Crenshaw/LAX Project expenses. In addition, during FY17 the CPC paid \$21,000 in expenses that consisted of loan fees and other charges. The CPC was reimbursed for these expenditures by Metro. The Annual Financial Report states that the net position of the CPC as of June 30, 2017 was \$0. Total assets of \$566,769,000 represent advances to Metro and the total

liabilities represent the note payable to USDOT. Attachment A contains the CPC Audited Financial Statements for FY17.

FINANCIAL IMPACT

The administrative costs associated with preparing the CPC annual financial report was funded in Metro's adopted FY18 budget in various cost centers.

NEXT STEPS

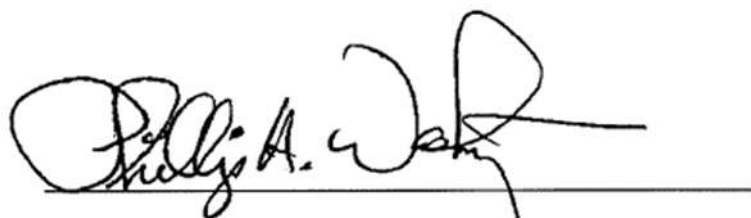
Staff will continue to provide CPC financial reports to the Board on an annual basis as required by the bylaws.

ATTACHMENTS

Attachment A: Crenshaw Project Corporation Financial Statements for the Fiscal Year Ended June 30, 2017

Prepared by: Jesse Soto, Executive Officer, Finance, (213) 922-6861

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

Crenshaw Project Corporation
(A Component Unit of the Los Angeles County
Metropolitan Transportation Authority)

Financial Statements

For the Fiscal Year Ended June 30, 2017

Crenshaw Project Corporation
(A Component Unit of the Los Angeles County Metropolitan Transportation Authority)
Financial Statements
For the Fiscal Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Crenshaw Project Corporation
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Crenshaw Project Corporation (CPC), a component unit of the Los Angeles County Metropolitan Transportation Authority, as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the CPC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the CPC, as of June 30, 2017, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 and 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2017 on our consideration of the CPC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CPC's internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Los Angeles, California
October 5, 2017

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Crenshaw Project Corporation
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Crenshaw Project Corporation (CPC) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the CPC's basic financial statements, and have issued our report thereon dated October 5, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the CPC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CPC's internal control. Accordingly, we do not express an opinion on the effectiveness of the CPC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CPC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Los Angeles, California
October 5, 2017

Crenshaw Project Corporation
(A Component Unit of the Los Angeles County Metropolitan Transportation Authority)
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2017

As management of the Crenshaw Project Corporation (CPC), we offer readers of our financial statements this narrative overview and analysis of the financial activities of the CPC for the fiscal year ended June 30, 2017. This discussion and analysis is designed to assist the readers in focusing on the significant financial issues and activities of the CPC.

We encourage the readers to consider the information presented herein in conjunction with the financial statements beginning on page 7. The financial statements, the notes to the financial statements, and this discussion and analysis were prepared by management and are the responsibility of management.

All amounts are expressed in thousands of dollars unless otherwise indicated.

Background

The Crenshaw Project Corporation (CPC) was formed on March 23, 2012, for the sole purpose of participating in financing public transportation projects of the Los Angeles County Metropolitan Transportation Authority (LACMTA).

The CPC currently serves as the conduit borrower as part of a financing agreement with the United States Department of Transportation (USDOT) under its Transportation Infrastructure Finance and Innovation Act (TIFIA) program to partially finance the construction of LACMTA's Crenshaw/LAX Transit Corridor Project (Project).

Financial Highlights

- In September, 2012, the CPC secured a \$545,900 TIFIA loan from the USDOT to partially finance the Project. The loan under the TIFIA program is secured by Measure R sales tax revenues allocated to the Project. As of June 30, 2017, the CPC has drawn down the full amount of TIFIA loan proceeds.
- Total assets of \$566,769 represent advances to LACMTA and total liabilities of \$566,769 consist of the principal amount of \$545,900 and interest accretion of \$20,869 on the TIFIA loan. Therefore, there is no net position as of June 30, 2017.
- Total expenses of \$21 consisted mostly of loan fees and other administration charges, which were reimbursed by LACMTA.
- In fiscal year 2017, total drawdowns from TIFIA loan amounted to \$65,835. As of June 30, 2017, \$1.4 billion has been expended on the Project, which is recorded in LACMTA's Comprehensive Annual Financial Report (CAFR) under the Capital Assets section of the Statement of Net Position of the Enterprise fund.

Crenshaw Project Corporation
(A Component Unit of the Los Angeles County Metropolitan Transportation Authority)
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2017

Overview of the Basic Financial Statements

This Management's Discussion and Analysis serves as an introduction to the CPC's basic financial statements. The CPC's basic financial statements are: 1) the Statement of Net Position, 2) the Statement of Revenues, Expenses, and Changes in Fund Net Position, 3) the Statement of Cash Flows, and 4) the Notes to the Financial Statements.

The CPC's basic financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles as promulgated by the Government Accounting Standards Board (GASB). The CPC is structured as an enterprise fund. Revenues are recognized when they are earned and expenses are recognized when they are incurred. See the Notes to the Financial Statements for the summary of the CPC's significant accounting policies.

The Statement of Net Position presents information on all of the CPC's assets and liabilities, with the difference between the two reported as net position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents the results of the CPC's operations. The Statement of Cash Flows presents the cash flows generated by the CPC to meet its current maturing obligations. The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Presented below are the condensed Statement of Net Position and the condensed Statement of Revenues, Expenses, and Changes in Fund Net Position as of and for the year ended June 30, 2017.

Condensed Statement of Net Position	
Non-current assets	\$ 566,769
Total assets	566,769
Non-current liabilities	566,769
Total liabilities	566,769
Net position	\$ -
Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position	
Revenues	\$ 21
Expenses	21
Net income (loss)	-
Changes in net position	-
Net position – beginning of year	-
Net position – end of year	\$ -

Crenshaw Project Corporation
(A Component Unit of the Los Angeles County Metropolitan Transportation Authority)
Statement of Net Position
June 30, 2017
(Amounts expressed in thousands)

Assets

Non-current assets	
Advances to LACMTA	\$ 566,769
Total assets	<u>\$ 566,769</u>

Liabilities

Non-current liabilities	
Notes payable	\$ 566,769
Total liabilities	<u>566,769</u>

Net position	<u>\$ -</u>
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The notes to the financial statements are an integral part of this statement.

Crenshaw Project Corporation
(A Component Unit of the Los Angeles County Metropolitan Transportation Authority)
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2017
(Amounts expressed in thousands)

Operating revenues	
Reimbursements for services	\$ 21
Operating expenses	
Professional and technical services	<u>21</u>
Change in net position	-
Net position – beginning of year	<u>-</u>
Net position – end of year	<u><u>\$ -</u></u>

The notes to the financial statements are an integral part of this statement.

Crenshaw Project Corporation
(A Component Unit of the Los Angeles County Metropolitan Transportation Authority)
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017
(Amounts expressed in thousands)

Cash flows from operating activities	
Receipts from LACMTA	\$ 21
Payments to vendors	(21)
Net cash flows from operating activities	-
 Cash flows from non-capital financing activities	
Proceeds from TIFIA loan	65,835
Advances to LACMTA	(65,835)
Net cash flows from non-capital financing activities	-
 Net increase (decrease) in cash and cash equivalents	
-	
 Cash and cash equivalents - beginning of year	
-	
 Cash and cash equivalents - end of year	
\$ -	
 Non-cash financing activity:	
Interest accretion on notes payable	\$ 13,234

The notes to the financial statements are an integral part of this statement.

Crenshaw Project Corporation
(A Component Unit of the Los Angeles County Metropolitan Transportation Authority)
Notes to the Financial Statements
June 30, 2017

The notes to the financial statements are a summary of significant accounting policies and other disclosures considered necessary for a clear understanding of the accompanying basic financial statements.

Unless otherwise stated, all dollar amounts are expressed in thousands.

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The Crenshaw Project Corporation (CPC) was formed for the specific purpose of securing a loan from United States Department of Transportation (USDOT) under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program for the construction of LACMTA's Crenshaw/LAX Transit Corridor Project (Project). The Project has an approved life-of-project (LOP) budget of \$2.05 billion that covers the design and construction of a new 8.5-mile double-track Light Rail Transit (LRT) line, including eight transit stations, procurement of a minimum of 20 light rail vehicles, and the construction of a full service maintenance facility known as the "Southwestern Yard." The Project will extend from the EXPO Line (at the intersection of Exposition and Crenshaw Boulevards) and the Metro Green Line near the existing Aviation/LAX Station.

The CPC is governed by a Board of Directors (CPC Board) consisting of the same members of the Board of Directors of LACMTA (Metro Board). The Chair, First-Chair and Second-Chair of the Metro Board shall have the corresponding positions on the CPC Board. The Board members may serve only as long as they are members of the Metro Board. Each Director shall serve a term commensurate with his or her term on the Metro Board. The CPC is a component unit of LACMTA because it is financially dependent upon LACMTA, and LACMTA's approval is needed for the CPC to expend its budgets or charges and issue long-term debt. Although the CPC is a legally separate entity, it is in-substance part of LACMTA's operations, and therefore the data from the CPC is included in LACMTA's financial data. These financial statements present only the CPC and do not purport to, and do not, present fairly the financial position of LACMTA, as of June 30, 2017, or the changes in the financial position for the year then ended.

Fund Accounting

The proprietary fund type is used to account for ongoing operations and activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. The CPC uses the proprietary fund type to account for the goods and services provided to LACMTA on a cost-reimbursement basis. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include reimbursements from LACMTA for operating expenses. Operating

Crenshaw Project Corporation
(A Component Unit of the Los Angeles County Metropolitan Transportation Authority)
Notes to the Financial Statements
June 30, 2017

expenses include professional services and administrative expenses. The CPC applies all applicable Government Accounting Standard Board (GASB) pronouncements in accounting and reporting for its proprietary operations. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments, including restricted assets, with an original maturity date of 90 days or less, are considered to be cash and cash equivalents. Otherwise, they are considered to be investments.

Receivables and Payables

Interagency' receivables/payables are amounts owed to/due from other LACMTA funds for services performed. Payables are amounts due to vendors for goods or services received.

Note 2 – Advances to LACMTA

Advances to LACMTA consist of cash advances to partially finance the construction of the Project. As of June 30, 2017, the outstanding balance of advances to LACMTA totaled \$566,769.

Note 3 – Notes Payable

In September 2012, the CPC secured a loan not to exceed \$545,900 from the USDOT under the TIFIA program to partially finance the construction of the Project. The loan, secured by a portion of LACMTA's Measure R sales tax revenues allocated to the Project, bears interest at 2.43% per annum on the outstanding balance with maturity date of June 1, 2034. On each June 1 and December 1, interest accrued in the six-month period ending on such date is capitalized and added to the outstanding balance of the TIFIA loan. The principal amount is payable in annual installments on June 1 of each year commencing on June 1, 2021, while the interest payments are payable semi-annually on June 1 and December 1 of each year commencing on December 1, 2020. As of June 30, 2017, the outstanding balance of the TIFIA loan was \$566,769.

Crenshaw Project Corporation
(A Component Unit of the Los Angeles County Metropolitan Transportation Authority)
Notes to the Financial Statements
June 30, 2017

The CPC's annual debt service requirements (including interest accretion) are as follows:

Year Ending June 30	Principal	Interest	Total
2018	\$ (13,914)	\$ 13,914	\$ -
2019	(14,196)	14,196	-
2020	(13,328)	13,328	-
2021	(59)	14,759	14,700
2022	8,619	14,781	23,400
2023-2027	107,487	69,813	177,300
2028-2032	312,329	45,270	357,599
2033-2034	179,831	6,449	186,280
	<u>\$ 566,769</u>	<u>\$ 192,510</u>	<u>\$ 759,279</u>

The annual debt service requirements were calculated based on allocation of loan payments from the principal amount of \$545,900.



Board Report

File #: 2017-0627, File Type: Budget

Agenda Number: 3.

Crenshaw Project Corporation



One Gateway Plaza
Los Angeles, CA 90012

**CRENSHAW PROJECT CORPORATION BOARD MEETING
NOVEMBER 30, 2017**

SUBJECT: FISCAL YEAR BUDGET

ACTION: APPROVE THE CRENSHAW PROJECT CORPORATION (CPC) FY18 BUDGET

RECOMMENDATION

APPROVE the Fiscal Year 2017-2018 (FY18) budget in the amount of \$21,300 for the operation and administration of the Crenshaw Project Corporation (CPC).

ISSUE

The CPC was formed in 2012 to act as the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan conduit borrower for the Crenshaw/LAX Transit Corridor Project (Crenshaw/LAX Project). CPC Bylaws, Article 5.2(b), require preparation of an annual budget for administrative support services which are provided by Metro. A summary of the proposed budget is provided as Attachment A.

DISCUSSION

As of November 30, 2016, the CPC has drawn all of the \$545.9 million TIFIA loan available to the Crenshaw/LAX project. All loan disbursements have been advanced to Metro for the purpose of reimbursing the agency for eligible Crenshaw/LAX Project expenses. In FY17, the CPC paid \$21,200 in expenses for trustee services and loan administration fees as well as other charges. The CPC was reimbursed for these expenditures by Metro.

DETERMINATION OF SAFETY IMPACT

There is no safety impact related to this action.

FINANCIAL IMPACT

The CPC Annual Budget was funded in Metro's adopted FY18 budget in various cost centers, the largest percentage in non-departmental debt management.

NEXT STEPS

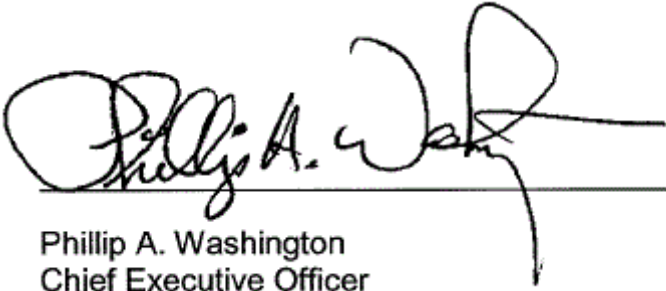
Staff will monitor actual payments to ensure CPC expenses are fiscally responsible.

ATTACHMENT

Attachment A - Proposed Fiscal Year 2017-2018 Budget Summary

Prepared by: Mary Morgan, DEO Finance, Treasury, 213-922-4143
Donna Mills, Treasurer, Treasury, 213-922-4047

Reviewed by: Nalini Ahuja, Chief Financial Officer, Office of Management & Budget (213) 922-3088



Phillip A. Washington
Chief Executive Officer

**Crenshaw Project Corporation
Fiscal Year 2017-2018 Budget Summary**

	FY17 Actual	FY18 Budget
US DOT annual fee	\$ 13,000.00	\$ 13,000.00
Trustee Fees	3,000.00	3,000.00
Accounting Fees	5,200.00	5,300.00
Grand Total	\$ 21,200.00	\$ 21,300.00



Board Report

File #: 2017-0631, File Type: Informational Report

Agenda Number: 4.

Crenshaw Project Corporation



One Gateway Plaza
Los Angeles, CA 90012

**CRENSHAW PROJECT CORPORATION BOARD MEETING
NOVEMBER 30, 2017**

**SUBJECT: TRANSPORTATION INFRASTRUCTURE FINANCE
AND INNOVATION ACT (TIFIA) LOAN ADMINISTRATION
ACTIVITIES**

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE report on Crenshaw Project Corporation TIFIA Loan administration activities during calendar year 2017.

ISSUE

The Crenshaw Project Corporation (CPC) was formed in June 2012 to act as the TIFIA Loan conduit borrower and the Transportation Investment Generating Economic Recovery (TIGER) II TIFIA Payment grant sub-recipient for the Crenshaw/LAX Transit Corridor Project (Crenshaw/LAX).

This report provides an update to the Board about CPC administrative actions taken pursuant to the loan agreement since the last update at the CPC Annual Meeting held December 1, 2016. As of November 30, 2016, the CPC has drawn all of the \$545.9 million TIFIA Loan available to the Crenshaw/LAX Project.

DISCUSSION

Subsequent to the last CPC Annual Meeting held December 1, 2016, staff has completed the following actions in 2017 to administer the TIFIA Loan and TIGER Grant:

- Obtained annual credit rating;
- Paid the annual TIFIA Lender Loan Servicing Fee;

- Submitted to TIFIA:
 - Reports and presentation material sent to rating agencies for ratings on any indebtedness secured by Proposition A, Proposition C, and Measure R sales taxes and General Revenues;
 - Preliminary Official Statements and Official Statements filed for all LACMTA bond issuances;
 - Unaudited Quarterly Financial Statements of LACMTA and CPC;
 - Audited Annual Financial Statement of CPC;
 - LACMTA's Consolidated Annual Financial Report for the period ended June 30, 2016;
 - Monthly Construction Progress Reports;
 - Monthly FTA Project Management Oversight Reports;
 - Fifth Annual Financial Plan for the Crenshaw/LAX Transit Corridor Project; and
 - Notification of Budget Revision for Crenshaw/LAX Transit Project.

- Prepared and submitted to the Federal Transit Administration the Annual Budget Review and Program Plan as required by the TIGER Grant.

FINANCIAL IMPACT

Actual expenditures in FY17 for CPC TIFIA Loan activities totaled \$21,200 to pay for the United States Department of Transportation annual fee, Trustee fees, and accounting fees. These activities are included in the FY18 proposed CPC Budget at an estimated cost of \$21,300.

NEXT STEPS

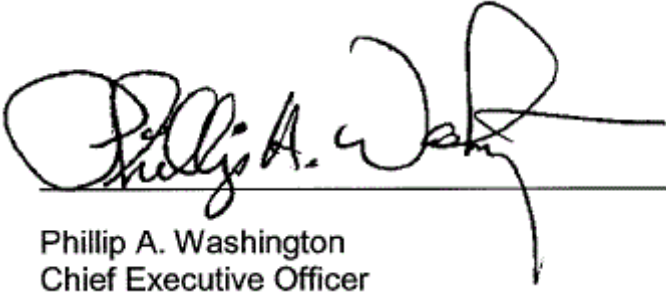
Staff will continue to take all actions required of the borrower under the Crenshaw/LAX Project TIFIA Loan and to provide annual updates to the CPC Board. Additionally, staff will return to the Board in the event there are any amendments required to the Crenshaw/LAX Project TIFIA Loan.

ATTACHMENT

Attachment A - Crenshaw/LAX Project Funding Table

Prepared by: Emma Nogales, Manager, Transportation Planning, (213) 922-3066
Cosette Stark, DEO, Countywide Planning & Development, (213) 922-2822
Laurie Lombardi, EO, Countywide Planning & Development, (213) 418-3251
Danny Jasper, Manager, Treasury, (213) 922-4026
Donna Mills, Treasurer, (213) 922-4047

Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077
Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Phillip A. Washington
Chief Executive Officer

CRENSHAW/LAX PROJECT FUNDING TABLE

Project Cost \$	\$2,058,000,000
Cost Type	LOP

Revenue

Funding Source	Type	Amount	Status
Federal Funds			
	CMAQ	\$54,000,000	Approved
	TIGER II	\$13,903,535	Approved
	Section 5309 Earmark	\$8,563,010	Approved
	RSTP	\$28,213,840	Approved
	Federal - Sec 5339 AA Prog	\$1,200,000	Approved
	STP	\$72,683,130	Approved
Fed Subtotal		\$178,563,515	
State Funds			
	AB3090 Reimbursement	\$34,400,000	Planned
	STIP	\$2,200,000	Planned
	Prop 1B SLPP	\$49,529,000	Approved
	Prop 1B PTMISEA	\$128,949,506	Approved
State Subtotal		\$215,078,506	
Local Funds			
	Proposition A 35%	\$50,390,000	Committed
	Proposition C 25%	\$378,314,789	Committed
	General Fund	\$53,000,000	Committed
	City of LA	\$107,473,000	Committed
	Measure R TIFIA Loan	\$545,900,000	Approved
	Measure R 35%	\$529,280,190	Committed
Local Subtotal		\$1,664,357,979	
Total Sources		\$2,058,000,000	