

October 18, 2004

Honorable Mayor and Members of  
the Hermosa Beach City Council

Regular Meeting of  
October 26, 2004

**APPROVE MEMORANDUM OF UNDERSTANDING BETWEEN THE LOS ANGELES  
COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (MTA) AND THE  
CITY OF HERMOSA BEACH TO ESTABLISH A CAPITAL RESERVE FUND  
FOR THE PIER AVENUE STREET IMPROVEMENT PROJECT**

**Recommendation:**

It is recommended that the City Council:

1. Approve the Memorandum of Understanding between the MTA and the City of Hermosa Beach for establishing a capital reserve account for the allocation of Proposition C Local Return Program Funding towards the Pier Avenue Street Improvement Project (CIP No. 04-116); and
2. Authorize the Mayor to execute and the City Clerk to attest the agreement subject to approval by the City Attorney.

**Summary:**

Pier Avenue is a major destination point for hundreds of thousands of visitors annually coming to Hermosa Beach, leading to the Pier Plaza and the public beach areas. The City began preliminary planning to improve this street when they prepared their Downtown Implementation Plan in 1994. The proposed project would re-construct the street, curb and gutter and sidewalks along Pier Avenue from Pacific Coast Highway to Hermosa Avenue.

The City received a fund allocation of \$217,781 in Proposition C Local Return funds for Fiscal Year 2003-04, bringing our Prop C fund balance to \$963,277. Under the Proposition C Ordinances, Local Return funds have three years from the last day of each fiscal year in which the funds were originally allocated to expend these funds. To insure not losing \$263,271 in Prop C funds last July 1, 2004, the City requested that the MTA grant approval to establish a Capital Reserve Account to accumulate funds for the improvement of Pier Avenue. The City was notified (by attached letter dated September 29, 2004) that the project qualified for Prop C funding and establishment of a Capital Reserve account was approved. Execution of the attached MOU is the final step in setting up this account.

The Public Works Department will begin preliminary design this fiscal year.

**Fiscal Impact:**

There is no fiscal impact at this time.

Attachment: Memorandum of Understanding

Respectfully submitted,

Concur:

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Frank J. Senteno  
Assistant Engineer

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Richard D. Morgan, P.E.  
Director of Public Works/City Engineer

Noted for fiscal impact:

Concur:

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Viki Copeland  
Finance Director

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Stephen R. Burrell  
City Manager