



SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

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October 4, 2013

Diane Dubois, Chair
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012

Dear Chair Dubois:

In response to the June 20, 2013 letter from Immediate Past Chair Mike Antonovich and your August 21, 2013 letter, the South Bay Cities Council of Governments (SBCCOG) has discussed our concerns and potential regional, sub-regional, and local programs /projects that we would like considered for inclusion in a potential future Los Angeles County transportation sales tax measure, the next Metro Long-Range Transportation Plan, and SCAG Regional Transportation Plan / Sustainable Communities Strategy. We have several overarching concerns described below and have attached a list of potential South Bay projects and programs.

We encourage Metro to continue the collaborative sales tax measure development process initiated by Supervisor Antonovich and we look forward to participating in the development of a new sales tax design. We strongly believe that a successful measure requires a transparent and inclusive process that puts "Neighborhoods First" and builds from the neighborhood up to the region rather than the region-down focus of previous sales tax measures. We also believe that a new measure should incorporate a strong sub-regional emphasis that provides funding for inter-jurisdictional projects and programs. In addition to using sales tax resources, we would like to explore converting the current Metro Call for Projects into a sub-regional multi-modal subvention formula program.

South Bay cities are committed to developing sustainable mobility programs that address local and sub-regional congestion issues, achieve emissions reductions by dramatically growing the zero emission vehicle fleet, and integrating sustainability strategies where appropriate. We understand the urgency of improving the quality of life in our suburban neighborhoods while improving the connectivity of our sub-region to the regional highway, bus, and rail networks.

We believe that a first priority of a future ballot measure must be a program that provides a more equitable consideration of all areas of the county. While we understand that there are regional needs that are not necessarily dispersed throughout the entire county, a more thoughtful attempt should be made to consider the needs of those sub-regions that are generating the sales tax when developing the allocations of locally-generated new funds.

We also understand that a future ballot measure should ensure that Metro's current transit and highway commitments made in Proposition A, Proposition C, and Measure R are fully funded in the proposed sales tax measure before new commitments are made. These existing commitments should include changes in projected lifecycle operations, maintenance and rehabilitation costs related to the recently-approved Metro Acceleration Plan.

LOCAL GOVERNMENTS IN ACTION

Carson El Segundo Gardena Hawthorne Hermosa Beach Inglewood Lawndale Lomita
Los Angeles Manhattan Beach Palos Verdes Estates Rancho Palos Verdes Redondo Beach Rolling Hills
Rolling Hills Estates Torrance Los Angeles District #15 Los Angeles County

Our local jurisdictions are also facing severe funding shortages for maintenance and rehabilitation of the current transportation infrastructure and are advocating that a new funding source should give local jurisdictions the flexibility to prioritize restoration and rehabilitation of their local streets and roads ahead of new capital projects or capacity improvements consistent with the “Fix It First” philosophy of U.S. DOT and MAP-21.

We believe that a measure that is principally used to complete prior commitments is not sufficient for success; therefore, it must also include new programs and projects that have reasonable life-cycle cost estimates, are cost effective, and will attract investment by other public and private transportation project partners. We believe that incorporation of the previously described elements could energize strong voter support for the proposed tax measure.

At this early stage of deliberations, we need to make clear that incorporation of these initial suggestions does not constitute nor imply support for any potential sales tax measure to be developed. The SBCCOG would need to review the specific provisions and projects in the proposed measure to determine our position. We expect a comprehensive and collaborative development process will take more than two years to complete and do not believe a successful measure should be presented to the voters before 2016.

Realizing that this is only the first step in what appears to be a lengthy process, the SBCCOG has worked with our cities to compile the attached listing of programs and projects that we believe are important to South Bay voters. We have included an extensive list of South Bay needs understanding that these priorities cannot be funded solely by a new measure. However, because there has been little regional visibility to the South Bay sub-regional and neighborhood needs in considering the design of previous measures, we thought it prudent to include the most extensive list. Even before incorporating the identified major regional projects, the potential costs of the priorities which have been identified as accurately as possible at this stage total more than \$2.5 billion. Other costs can be estimated as the measure design is better understood.

The SBCCOG looks forward to working closely with the other partners and stakeholders in the design of a new ballot measure should the Metro Board decide to proceed with this idea. Thank you for this opportunity to express our initial concerns, to identify our needs, and to express our interest in collaborating in the development of an innovative sales tax measure.

Sincerely,

Dan Medina, Chairman
South Bay Cities Council of Governments

Cc: Metro Board of Directors
SBCCOG Board of Directors
Arthur Leahy, Metro CEO

Attachment

South Bay Cities Council of Governments

South Bay Programs and Projects for a potential transportation sales tax (updated 10/2/13)

Regional Projects

- Fully fund Transit and Highway regional projects promised in Measure R
 - Crenshaw - LAX Transit Corridor Project
 - Green Line - LAX Connector
 - Preventive Maintenance / Rehabilitation of Transit (Bus & Rail)
- Green Line: Southern extension from South Bay Galleria to Torrance Transit Center (\$350,000,000), San Pedro (\$TBD), or Long Beach Blue Line (\$TBD)
- Metro “Rapid” lines for regional connectivity
- Coordination of Rehabilitation and Improvement of State Highways (non-freeway routes) between Caltrans, Metro and South Bay Cities Council of Governments
- State Highway Bridge and major arterial seismic retrofit program
- Countywide ITS / Traveler Information Systems Operation and Maintenance
- South Bay Goods movement projects related to Port of Los Angeles and LAX
- Freeway Capacity Improvements
 - Add 1 or 2 lanes to northbound and southbound I-405 between Inglewood northern border and I-110; consider inclusion of transit-only fixed guideways
 - Add ExpressLanes on I-405 and I-105
 - Improved Connector Ramps on I-110 between SR-91 and I-405
 - Freeway Operational Improvements (Measure R SBHP Candidate Projects):
 - Improved Connector ramps I-405 northbound to I-110 southbound - \$100,000,000
 - HOV Connectors from I-105 westbound to northbound and southbound I-405 – \$200,000,000
 - Widen southbound I-405 on-ramp from southbound La Cienega Blvd. – \$13,000,000
 - Widen southbound I-405 off-ramp to Rosecrans Ave. \$13,000,000
 - Add northbound auxiliary lane on I-405 from Inglewood Ave to Rosecrans Ave. - \$51,000,000
 - Add southbound auxiliary lane on I-405 from Rosecrans Ave. to Inglewood Ave. - \$50,000,000
 - Improve northbound on ramp and southbound on-ramp on I-405 at Inglewood Ave. - \$13,000,000
 - Add northbound auxiliary lane on I-405 from Hawthorne Blvd. to Inglewood Ave - \$52,000,000
 - New southbound Hawthorne Blvd. to northbound I-405 on ramp - \$13,000,000
 - Add northbound auxiliary lane on I-405 from Artesia Blvd. to Hawthorne Blvd. - \$41,000,000
 - Add southbound auxiliary lane on I-405 from Manchester Blvd. to Century Blvd. \$41,000,000
 - Add northbound lane on I-405 from El Segundo Blvd. to I-105 - \$20,000,000
 - Widen northbound I-405 off ramp at Rosecrans Ave. - \$13,000,000
 - Add third lane on northbound I-405 from westbound Artesia Blvd - \$13,000,000
 - Improve I-405 at 182nd / Crenshaw northbound off and on ramps - \$29,500,000
 - Widen southbound I-405 on-ramp at 190th St. - \$13,000,000
 - Add northbound auxiliary lane on I-405 from Normandie Ave. to Western Ave. - \$20,000,000
 - Widen I-405 through I-110 Interchange from three to four lanes - \$120,000,000

- Add westbound auxiliary lane on I-105 from Crenshaw on-ramp to Crenshaw off-ramp - \$13,000,000
- Add westbound auxiliary lane on I-105 from Prairie Ave. to I-405 - \$30,000,000
- Add eastbound auxiliary lane on I-105 from Yukon to Crenshaw - \$29,000,000
- Add HOV connectors from northbound I-110 to eastbound and westbound I-105 - \$200,000,000
- Add HOV connectors from northbound and southbound I-110 to eastbound SR 91 and from westbound SR-91 to northbound I-110 - \$200,000,000
- Widen southbound I-110 off-ramp at Pacific Coast Hwy. - \$15,000,000
- Improve northbound I-110 off-ramps at Pacific Coast Hwy. - \$15,000,000
- Widen Anaheim Street and reconfigure I-110 ramps at Anaheim St. - \$15,000,000
- Reconfigure I-110 / C Street interchange and intersection, add new northbound direct connector from Harry Bridges-Alameda St. to northbound I-110 - \$39,500,000
- Construct grade separation at La Cienega Blvd. and Manchester Blvd. - \$62,000,000
- Implement Interagency Corridor Management System on I-110 between Artesia Blvd. and Pacific Coast Hwy- \$30,000,000

Sub-Regional Programs (possibly funded through the creation of a sub-regional program within the measure under which cities could determine within their COGs the most appropriate sub-regional uses of their proportionate share of the Sub-regional Program funds.)

- Local Return Program allocated for entire term of sales tax measure to fund neighborhood transportation and sustainability improvements, street and transit maintenance and rehabilitation selected at the discretion of each local jurisdiction using eligibility criteria consistent with and determined by State and Federal Gas Tax fund eligibility requirements.
- Sub-regional Sustainability Program - capital and operating funds for complete/green streets, alternate vehicles / charging infrastructure, broadband networks and neighborhood-serving network access, arterial bus priority program for regional transit connectivity, first/last mile transit access improvements, and bikeways and pedestrian improvements. - \$300 million in the South Bay separate from SBHP
- South Bay Plug-in Electric Vehicle Public Infrastructure Program
- High frequency South Bay Municipal operator “Rapid” lines for regional connectivity to South Bay Rail and Express Bus Stations
- "First/Last-mile" connections for transit (@O&D) walkability, bike, shuttle services to:
 - Metro Green Line, I-110 ExpressLanes stations
 - Transit hubs for ease of transfers
- Establish “Neighborhood-Oriented Development” Program
- Implement a Sub-Regional Traffic Management Center
- Develop “complete streets” designed to accommodate Neighborhood Electric Vehicles
- Mobility and traffic safety projects
- Focused Circulation/parking improvements at major commercial /shopping centers
- Car and bike sharing programs
- Streetscape improvements that enhance transportation capacity and safety
- Safe Routes to School implementation
- Flooding/erosion-related roadway geometric/safety improvement projects
- Illuminated Street Name Signs (LED)
- Beach access/circulation improvements and parking visitor information/way-finding

City Program and Project Priorities

- South Bay Street Maintenance and Rehabilitation – scope and cost data on backlog available from Metro
- Municipal Transit Capital and Operations and Paratransit Services Capital and Operations unmet funding needs as determined by local jurisdictions and documented in Short Range Transit Plans submitted to Metro.
- Arterial Operational Improvement Projects (Measure R SBHP Candidate Projects) and other local street maintenance, rehabilitation, reconstruction, and signal system upgrades.

Carson

- Del Amo Blvd. / Santa Fe Ave. Intersection Improvement - \$477,000
- Sepulveda Blvd. / Wilmington Ave. Intersection Improvement - \$500,000
- Carson Street Improvement – I-405 to I-110 - \$12,000,000
- StubHub Arena Event Management System - \$3,500,000
- Main St. / Del Amo Blvd. Intersection Improvement - \$ TBD

El Segundo

- Sepulveda Blvd. Improvement – Imperial Hwy. to El Segundo Blvd. - \$3,500,000
- Park Place extension and Railroad Grade Separation – Nash St. to Allied Way - \$35,000,000
- Aviation Blvd. / El Segundo Blvd. Intersection Improvement - \$1,500,000
- El Segundo Blvd Improvement – Sepulveda Blvd. to Continental Blvd. - \$1,500,000

Gardena

- Redondo Beach Blvd. Improvement – Crenshaw Blvd. to Vermont - \$3,340,000
- Crenshaw Blvd. Improvement – Redondo Beach Blvd. to El Segundo Blvd. - \$2,130,000
- Artesia Blvd. Improvement – Vermont Blvd. to Western Ave. - \$2,905,000
- Normandie Ave Improvement – El Segundo Blvd. to 177th St. - \$20,670,000
- Gardena Blvd St. Improvement – Vermont Ave to Western Ave , \$1,500,000
- 166th St. Improvement – Berendo Ave to Gramercy Place, \$1,500,000
- 139th St. Improvement – Ardath Ave to Budlong Ave, \$1,500,000
- Western Ave St. Improvement – Artesia Blvd to El Segundo Blvd, \$5,900,000
- Van Ness Ave St. Improvement – Redondo Beach Blvd to El Segundo Blvd, \$2,300,000
- Park and Ride facility – southeast corner of Rosecrans Blvd. and Wadkins - \$2,473,247

Hawthorne

- 120th St. Improvement – Prairie Ave. to Inglewood Ave. - \$1,700,000
- Prairie Ave. Improvement – Imperial Blvd. to Rosecrans Ave.- \$8,306,300
- Crenshaw Blvd. Improvement – 131st St. to Rosecrans Ave. \$1,500,000
- Hawthorne Blvd. Improvement – El Segundo Blvd. to Imperial Hwy. - \$3,500,000
- El Segundo Blvd. Improvement – Inglewood Ave. to Crenshaw Blvd. \$8,398,400

Hermosa Beach

- Aviation Blvd-Pacific Coast Highway Corridor Improvement - \$1,689,000

Inglewood

- Century Blvd. Improvement – Van Ness Ave. to Felton Ave. - \$4,000,000

- Manchester Blvd and La Cienega Blvd Corridor Improvement (with City of Los Angeles) - \$779,428

Lawndale

- Redondo Beach Blvd. Improvement from Hawthorne to Prairie, roadway improvements and signal upgrades, \$6,000,000
- Inglewood Ave. Improvement from Rosecrans to Marine Avenue, \$4,000,000
- Rosecrans Ave. Improvement from Inglewood to Prairie, roadway improvements and signal upgrades , \$3,000,000
- If there is no Green Line Extension, Railroad Grade Separation over Inglewood Blvd. and Manhattan Beach Blvd. - \$80,000,000

Los Angeles City

- Anaheim St Roundabout @ Gaffey / Vermont / PV Drive North - \$7,000,000
- Figueroa St. Improvement – 146th St. to Redondo Beach Blvd. - \$5,000,000
- District 15 Intelligent Transportation System Improvements - \$2,000,000
- Gaffey St. / 1st St. Intersection Improvement - \$2,000,000
- Redondo Beach Blvd. Improvement – I-110 to Figueroa - \$3,000,000

Los Angeles County

- Normandie Ave. Improvement - 95th St. to El Segundo Blvd. - \$2,000,000
- Manhattan Beach Blvd. ITS Improvement from Manhattan Ave. to Van Ness Ave. - \$2,000,000
- Hawthorne Blvd. ITS Improvement from Imperial Hwy. to Manhattan Beach Blvd. - \$2,000,000
- South Bay Arterial Operational Improvements, Signal Synchronization, Backbone network redundancy, CCTV @ 16 locations - \$3,620,000
- Pavement Preservation – \$21,817,000
- Sidewalk Curb Parkway Preservation - \$10,491,000
- Pedestrian Improvements -\$3,238,000
- Aesthetics Beautification - \$8,825,000
- Traffic Signal Improvements -\$17,100,000
- Regional Bikeways -\$66,121,000
- Local Bikeways - \$132,242,000

Manhattan Beach

- Sepulveda Blvd. Improvement – El Segundo Blvd. to Artesia Blvd. - \$1,500,000
- Public Transit Services Annual Operating – \$150,000
- Street Improvements – Annual Rehabilitation - \$1,500,000
- Capacity enhancements - \$650,000
- Bikeway / Pedestrian Improvements - \$100,000
- Annual Pedestrian Improvements - \$400,000
- New Pedestrian Improvements - \$450,000

Redondo Beach

- | | |
|---|--------------------|
| | <u>Annual Need</u> |
| • Residential Street Pavement Rehabilitation | \$1,000,000 |
| • Arterials/Collectors Street Pavement Rehabilitation | \$1,100,000 |

- Pedestrian Path of Travel Improvements (including sidewalk, curb, gutters, ramps, and storm drain inlet devices)
\$615,000
- Traffic Signals and Street Lights – Regular Deferred Maintenance \$300,000

Torrance

- Sepulveda Blvd. / Western Ave. intersection improvement (with City of LA) - \$6,900,000
- Pacific Coast Highway / Crenshaw Blvd. intersection improvement - \$11,750,000
- Hawthorne Blvd Improvement – 182nd St. to Lomita Blvd. - \$3,479,318
- 190th St. / Van Ness Ave. Intersection Improvement - \$1,200,000
- 190th St. / Crenshaw Blvd. Intersection Improvement - \$900,000
- Crenshaw Blvd. / Sepulveda Blvd. Intersection Improvement - \$5,000,000
- Crenshaw Blvd. / Carson St. Intersection Improvement - \$5,000,000
- Crenshaw Blvd. / Torrance Blvd. Intersection Improvement - \$5,000,000
- Pacific Coast Highway / Hawthorne Blvd. Park and Ride structure - \$ TBD
- Pedestrian walkway and elevators from proposed rail station to bus bay - \$5,000,000
- Phase II of the Regional Parking and Ride Facility (Parking Structure) - \$15,000,000
- Furniture and Equipment to complete Phase I of the Regional Park and Ride Facility (RTC) - \$1,500,000
- Enhanced facility and vehicle security camera system - \$1,000,000
- Solar lighting at RTC, Bus Shelters and stops - \$1,500,000
- Real-Time Passenger information at all major stops and transfer points - \$3,000,000
- Operating funds for RTC to DAFC shuttle - \$3,000,000
- CNG Station (Madrona Site) upgrade - \$1,500,000
- Annual maintenance and operations funding for RTC - \$750,000
- Enhanced Bicycle right-of-way and rack - \$1,000,000

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South Bay Cities Council of Governments
POLICY RECOMMENDATIONS

Metro Long Range Transportation Plan (LRTP)
Metro Call for Projects (CFP) Restructuring,
New Transportation Sales Tax, &
South Bay Highway Program (SBHP) Update

SBCCOG LRTP Recommendations for Restructuring LRTP Investments

- Significantly increase funding for sub-regional transit and highway projects;
- Restore Local Return funding to 25%;
- Replace Call for Projects with a Sub-regional subvention program in which a competitive funding process is used to allocated more than current 3% of LRTP;
- Fund current transit and highway operations and maintenance before new major capital projects;
- Reduce operating costs through public/private partnerships;
- Design in funding flexibility for future innovation; and

SBCCOG Metro Call for Projects Restructuring Recommendations

A. For a new Sub-regional CFP Process

- Eliminate CFP and replace it with a simpler, less bureaucratic, more timely sub-regional subvention process;
- Re-design the CFP process to mirror current sub-regional project development processes (such as SBHP) that provide funding for discrete project development phases when lead agencies are ready to proceed; and
- Allocate CFP reimbursements based on projected cash flow needs of lead agencies.

B. If Metro retains the current CFP Countywide Process

- Ensure flexible sub-regional evaluation criteria;
- Do not create a separate Complete Streets CFP category; each category should include Complete Streets performance measures; and
- Use the existing Metro Technical Advisory Committee to review ongoing policies and issues rather than creating a new CFP Steering Committee; don't create new bureaucracy.

SBCCOG Sales Tax Measure Recommendations and Priorities For Metro Consideration

- The LRTP should be completed prior to the sales tax;
- A new sales tax measure should meet SBCCOG priorities:
 - A "Neighborhoods First"- bottoms-up focus that is not a clone of the previous A, C and R Sales Tax designs;
 - A safe, clean & cost-effective transportation system in a State of Good Repair;
 - Sub-regional project selection flexibility within minimum-required Metro eligibility guidelines;

- A flexible design that funds innovative projects that respond to changing mobility and sustainability priorities and needs over the next 40 years; and
 - Re-pay Measure R debt service by the 2039 expiration date of the measure.
- Recommended SBCCOG Sales Tax Regional Capital Projects to be Submitted to Metro
 - Fully fund SBHP “Operational Improvements”
 - Restore Local Return funding share to 25%
 - Add capacity / widening the I-405 South Bay Curve
 - Modernize the I-405/I-110 Interchange, add HOV connector ramps & new auxiliary lanes
 - Add HOT lane on I-105 from I-405 to I-605
 - Extend Green Line South to Crenshaw in Torrance with mitigation measures comparable to those implemented in communities adjacent to the Gold Line
 - Create South Bay Slow Speed / Complete Streets Network
 - Build South Bay Intelligent Transportation System Fiber-optic Network
 - Create South Bay Goods Movement Rail/Hwy. Grade Separations
 - Add Rapid Bus Lines to connect with Transit Centers and Rail Stations
 - Build Automated Guideway Transit Line in Inglewood
 - Extend I-110 ExpressLane south of I-405 / I-110 Interchange
 - Fund sustainable project elements in the augmentation element of the new sales tax – examples include:
 - Complete Streets;
 - Clean-vehicle slow-speed lanes;
 - Active transportation;
 - Mobile source emission reduction strategies;
 - Private sector transportation initiatives;
 - Other Innovative Transportation/Communication Technologies.

SBCCOG SBHP Implementation Plan Recommendations

Staff recommends deferring preparation of the SBHP IP Update until 2016 when there will be more certainty about the planning and funding context. However, Staff recommends that project nexus analysis and scheduling be completed for the 2016 SBHP Metro Budget Request to allow approval by the SBCCOG Board in November 2015 and submittal to Metro by the December 2015 deadline.

- Key new policy issues to be addressed in 2016 SBHP IP Update:
 - Conforming new SBHP IP with Metro changes in the LRTP, CFP and Sales Tax Design;
 - SBCCOG policies related to implementing larger, more complex projects;
 - Leveraging SBHP funding – other sources, funding shares / caps, inter-agency partnerships;
 - Criteria for use of SBHP funds for project development studies;
 - Change from SBHP allocation basis to cash flow basis;

- SBCCOG Intelligent Transportation System policy that clarifies regional/local partnership for capital, operating and maintenance funding;
- SBCCOG policy for authorizing acceleration of projects beyond SBHP annual cash flow limits.
- Converting from an intersection-based to a corridor-based arterial performance measurement system;
- SBCCOG policy that balances corridor mobility (vehicle delay) and sustainability (multi-modal access and VMT reduction); and
- SBCCOG policy regarding eligible SBHP funding share for the planning, development, and implementation of Complete Streets elements in SBHP projects.

RECOMMENDATION – REQUEST TO METRO

In response to the attached letter from Hermosa Beach and the fact that we do not have IN WRITING any of the concerns that Metro has in using Measure R funds for complete streets, the SBCCOG Board directs that a letter be sent to Metro asking for clarification of the Metro Board policy and the funding of “Complete Streets” highway projects with Measure R Funds.

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South Bay Cities Council of Governments

March 24, 2016

TO: SBCCOG Board of Directors

FROM: SBCCOG Steering Committee

SUBJECT: Metro Sales Tax Measure and Call for Projects Update Adherence to Strategic Plan:

Goal B: Regional Advocacy. Advocate for the interests of the South Bay.

BACKGROUND

L. A. Metro staff is simultaneously developing policies for the design of a potential sales tax measure for the November 2016 General Election ballot and the subsequent update of the Metro Long Range Transportation Plan (LRTP). Additionally, the COG CEOs have been in discussions with Metro staff concerning the Call for Projects (CFP) process. Because SBCCOG is actively involved in discussions with Metro staff and other stakeholders on these issues, the Steering Committee at its March 14, 2016 meeting recommended policies for SBCCOG Board approval to be used in the ongoing discussions.

LRTP Update During late 2014 and early 2015, SBCCOG and the other Councils of Governments participated in a Metro Mobility Matrix process through which Metro received an unconstrained list of more than 2,300 sub-regional priorities. At Metro's request, a South Bay priority list was included in a letter that was approved by the SBCCOG Board on August 27, 2015 and submitted to the Metro Board on August 28, 2015. The South Bay priority list was included in a consolidated Metro list of funding targets for sub-regional projects as an attachment to a December 3, 2015 Metro Board item. The South Bay section of the Metro Priority List included:

South Bay Highway Operational Improvements – \$500,000,000

I-405 South Bay Curve widening - \$150,000,000

I-405 / I-110 Interchange HOV Connector Ramps and Interchange Improvements - \$355,000,000

I-110 ExpressLane extension to the I-405 / I-110 interchange - \$51,500,000

New I-105 ExpressLane from the I-405 to the I-605 - \$200,000,000

Green Line extension to Crenshaw Blvd. in Torrance - \$607,500,000

Transportation System and Mobility Improvements Program - \$350,000,000

The Steering Committee at its March 14, 2016 meeting recommended that the ExpressLane projects be funded within the Metro regional program rather than as sub-regional elements because they are major alterations of the state freeway system that can and should be funded with toll revenues and innovative financing. This recommendation reflects the recognition that no other proposed ExpressLane projects are being funded through the sub-regions. Additionally, the funding that would have been used on the ExpressLane projects reflected on our list - \$251,500,000 should remain in the South Bay for other Transportation System and Mobility Improvements.

The August 28, 2015 letter also included the following key SBCCOG policy recommendations related to the LRTP:

- Significantly increase funding for sub-regional transit and highway projects;

- Ensure a safe, clean and cost-effective transportation system in a state of good repair;
- Fund current transit and highway operations and maintenance before undertaking new major capital projects;
- Reduce operating costs through public/private partnerships;
- Retire all Measure R debt incurred by the expiration of the Measure R sales tax measure (either the current 2039 or the date to which the measure is extended).

Call for Projects

The SBCCOG's August 28, 2015 letter to the Metro Board of Directors also included recommendations related to restructuring the Call for Projects (CFP) process. Since that time South Bay transit operators have expressed their support for continuing the Transit Capital modal category of the CFP in a countywide CFP process. The Public Works Directors supported converting the CFP into a sub-regional subvention program with the exception of the Transit Capital category. In addition, there is strong concern among the COG CEOs that Metro will not commit sufficient sustained funding for the CFP. Over the years the funding for a CFP has shrunk from a high of \$800 million to less than \$200 million in federal, state and local funds. In addition, California last month reduced its transportation expenditures by more than \$750 million due to reduced gasoline excise tax revenues. The Council of Governments CEOs have requested that Metro staff provide a summary of the projected federal, state and local revenues by funding type that would be included in the LRTP update assumptions. Advocacy on the issue has been temporarily suspended pending a better understanding of Metro's long term funding assumptions.

Proposed Sales Tax Measure

The SBCCOG Board adopted the following guiding principles related to a new sales tax on August 27, 2015 and included them in the August 28, 2015 letter to the Metro Board:

- The LRTP should be completed prior to the sales tax;
- A new sales tax should meet SBCCOG priorities - a Neighborhoods First design that is not a clone of the existing A, C and R sales tax designs; a safe, clean and cost-effective transportation system in a state of good repair; subregional project selection flexibility with minimum required eligibility guidelines; a flexible design that funds innovative projects that respond to changing mobility and sustainability priorities and needs over the next 40 years; repayment of Measure R debt service by the 2039 expiration date of Measure R; and sustainable project elements funded in the augmentation element of the new sales tax. (The sales tax measure is proposed to have two elements - extending the current Measure R and augmenting it with a new Sales Tax program scope. We do not want to change the design of Measure R and but the new scope should cover sustainable projects.)

At its March 14, 2016 meeting, the SBCCOG Steering Committee recommended the following policies related to design of a potential sales tax measure:

- Restore Local Return funding to 25% in a future sales tax measure;
- Expand eligibility of project types in a future sales tax measure, but do not include earmarks for specific modal categories in sub-regional or local programs. We understand that Metro staff is releasing

their recommended sales tax measure design on March 16, 2016. SBCCOG staff will present Metro's conceptual design of the measure to the SBCCOG Board at its March 24, 2016 meeting.

RECOMMENDATION The SBCCOG Steering Committee recommends that the SBCCOG Board approve the following guiding policies for use in SBCCOG advocacy: LRTP Policies

- Significantly increase funding for sub-regional transit and highway projects;
- Ensure a safe, clean and cost-effective transportation system in a state of good repair;
- Fund current transit and highway operations and maintenance before undertaking new major capital projects;
- Reduce operating costs through public/private partnerships;
- Fund ExpressLane expansion within the Regional program rather than the Sub-regional program. And, the funding that would have been used on the ExpressLane projects reflected on the South Bay list - \$251,500,000 should remain in the South Bay for other Transportation System and Mobility Improvements. Sales Tax Policies
- A new sales tax should be based on a Neighborhoods First design that is not a clone of the existing A, C and R sales tax design;
- Restore Local Return funding to 25% in a future sales tax measure;
- Expand eligibility of project types in a future sales tax measure, but do not include earmarks for specific modal categories in sub-regional or local programs;
- Retire all Measure R debt incurred by the expiration of the Measure R sales tax measure (either the current 2039 or the date to which the measure is extended);
- The measure should incorporate a flexible design that funds innovative projects that respond to changing mobility and sustainability priorities and needs over the next 40 years; and
- Sustainable project elements should be funded in the augmentation element of the new sales tax rather than the extension of Measure R.

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**SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS**

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March 24, 2016

Honorable Mark Ridley-Thomas, Chairman
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90045

Dear Chairman Ridley-Thomas:

We understand that the Metro Board is requesting comment on its draft expenditure plan and the SBCCOG will be undertaking a comprehensive review of the plan over the next 6 weeks. However, there is one issue that we believe requires attention now because of how the projects have been ranked and funded in the draft expenditure plan.

Last fall, when Metro requested that all subregions submit a list of our sub-regional priorities for possible inclusion in a potential sales tax measure, we included in our list some ExpressLane projects. Now we are formally requesting that the ExpressLanes on I-105 and I-110 be removed from the Subregional Stakeholder Draft Project Priorities list that appears in Attachment D of the March 24 Metro Board Agenda Item #4.1. We are making this request because we believe that ExpressLanes should be considered a regional, rather than sub-regional program and we note in the same attachment that no other subregion has submitted an ExpressLane project for their area. As a matter of fact, Attachment H which lists all of the projects to be funded, only includes the ExpressLanes that we listed.

Besides the lack of equity inherent in the South Bay being the only part of the region with ExpressLanes, specific to the I-105 ExpressLane project between the I-605 and I-405 freeways, this project is primarily in the Gateway subregion, not the South Bay. However, the project has been 100% allocated to the South Bay by Metro staff because we included it on our list based on our understanding of where Metro wanted to put ExpressLanes. Therefore, we would request that all ExpressLane projects be deleted from the South Bay list. If Metro wants them, they should be paid for with regional funds.

The SBCCOG has previously advocated for broad discretion in subregional funding allocations to allow the subregions to respond to undetermined future mobility and sustainability projects that will be developed during the 40-50 year life of the proposed sales tax measure. Metro staff has responded to this request by allocating sub-regional funds to a category in the South Bay project priority list identified as the Transportation System and Mobility Improvements Program. We request that the \$251.5 million allocated to the I-110 and I-105 ExpressLane projects be transferred to this South Bay Transportation System and Mobility Improvement Program. This would keep the South Bay's target share of the funds in tact.

LOCAL GOVERNMENTS IN ACTION

Carson El Segundo Gardena Hawthorne Hermosa Beach Inglewood Lawndale Lomita
Manhattan Beach Palos Verdes Estates Rancho Palos Verdes Redondo Beach Rolling Hills
Rolling Hills Estates Torrance Los Angeles District #15 Los Angeles County

If you have any further questions, please contact Jacki Bacharach, Executive Director, at jacki@southbaycities.org.

Thank you. We look forward to your approving our request.

Sincerely,

A handwritten signature in blue ink that reads "Jim Gazeley". The signature is written in a cursive, flowing style.

Jim Gazeley, SBCCOG Chair
Mayor, City of Lomita

South Bay Cities Council of Governments

Extract from April 28, 2016 SBCCOG Board of Directors' Meeting minutes:

C. Metro Proposed Sales Tax – review priorities and possible position

Jacki Bacharach and Steve Lantz reported on the workshop held prior to the Board meeting. One important outcome is that the SBCCOG will begin creating a coalition with other Councils of Governments to arrive at a consensus on the local return issue. Metro currently is proposing a local return rate at 16% and the cities want a minimum of 20% in the new measure but are united in asking for 25%.

Additionally, Metro is proposing that when the new sales tax ends either in 40, 45 or 50 years, they retain 1/4 cent in perpetuity for Metro for state of good repair and bond repayments. The SBCCOG wants local return to continue in perpetuity as well for another ¼ cent for local state of good repair and bond repayments, for a total of ½ cent.

Mr. Lantz also mentioned that when Metro is building a rail line through a city, the city is required to contribute 3% of local money to help pay for that line. It is the SBCCOG's intention to recommend that this requirement be eliminated as well since city's have other expenditures to prepare their communities for the rail line. Mr. Lantz also said that sunseting of the proposed measure is another key issue. He stated that considering Metro is proposing a sunset of 2057 or possibly 2060, when it goes out that far into the future, it's questionable that a sunset is needed.

Mr. Lantz noted that another issue with the local return is the formula by which it is calculated for the cities and currently, the amount is based on population only. There are alternatives, such as the formula used by OCTA, which factors the amount of sales tax generated by the city. Mr. Lantz stated that it is desirable to have a formula that will result in a more equitable distribution of funds in Metro's local return program.

The last major issue raised at the workshop was the need to accelerate the Green Line project south to Torrance. It is currently slated to begin in the 2030's, but the SBCCOG feels it should begin shortly after the proposed measure gets approved, as early as 2018. The City of Redondo Beach made the case that getting the rail line to the South Bay Galleria is a key issue to attract housing and would support the LA Air Force Base.

Mr. Lantz then noted that an important issue for the Board is to think about what would trigger formal SBCCOG opposition to the new measure. It was suggested that two possible triggers for opposing might be if local return is kept at 16% as proposed and if rail projects are not accelerated; in addition, attention needs to be on the South Bay Highway Program.

Board Member Goodhart asked if this summary of key issues could be formalized and mailed out to each city so each city can be aware of the SBCCOG concerns and be uniform in their responses to Metro. His city has already received a written request by Metro CEO Phil Washington for support of the Metro proposed ballot measure. Jacki Bacharach said that she will send information out to the cities regarding

the status of the issues surrounding the proposed measure.

Board Member Fangary asked if SBCCOG staff could attend City Council meetings to present information regarding the discussion that is occurring on the proposed ballot measure, and Mr. Lantz responded that it possible. Jacki Bacharach emphasized that currently it is too early to take a position, as this is a work in progress. Mr. Lantz also noted that another position that can be taken is to recommend deferring with the idea that the measure be held off until 2018. Formal comments are due to Metro by the end of May.

May 11, 2016

Honorable Mark Ridley-Thomas
Chairman
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, Ca. 90012

Dear Chairman Ridley-Thomas,

This letter is written in response to Metro's request for comments during the public review of the draft expenditure plan and funding allocation structure of its proposed sales tax measure. We understand that Metro will be considering public comments received as it finalizes the draft expenditure plan and the Board decides whether to adopt the final structure and components in June or July 2016 to meet the submittal deadline for a November 2016 countywide ballot measure.

After reviewing and analyzing Metro's potential ballot measure (PBM), the South Bay Cities Council of Governments (SBCCOG) has adopted several principles that are essential to gaining the SBCCOG's support of the measure. Each principle contributes to an over-arching PBM design goal that serves our "communities first" in order to re-balance the regional emphasis of the three prior sales tax measures, Proposition A, Proposition C, and Measure R.

The South Bay subregion is the size of Portland, Oregon. While L.A. County needs countywide transportation connectivity, the connections within sub-regions are where most of the trips occur. Metro's Mobility Matrix found that trips in the South Bay average 7 minutes. Findings for other sub-regions validated this metric as well. L.A. County residents are increasingly staying more within their sub-regions or, to a lesser extent, are going to the adjacent sub-regions. This reduction of regional vehicle miles travelled is the most cost effective and efficient solution to sustainable mobility and illustrates the importance of this infrastructure.

That is why the SBCCOG strongly believes that the time has come for any new transportation measure to address local communities first.

Community Connections First / Local Return

16% for Local Return is inadequate: The SBCCOG has consistently advocated that 25% of all tax revenues from the prospective measure be returned to the cities in the form of Local Return. This increase is justified as cities have traditionally relied upon sales tax revenues for the improvement and maintenance of local streets. Yet, in each successive sales tax measure, Metro has reduced the amount of Local Return revenues: from 25% in Proposition A to 20% in Proposition C, and 15% in Measure R. Compounding these reduced sales tax revenues, the cities of Los Angeles County are dealing with declines in State and Federal Gas Tax revenues due to more fuel-efficient vehicles and hybrid/electric vehicles on our roads. These dramatic

losses in revenues are already adversely impacting our ability to reduce congestion, improve access and safety, and to maintain our local streets and roads in a state of good repair.

Numerous surveys and public opinion polls have identified that the residents and businesses within our communities increasingly identify the urgent need to repair our local streets and highways. As elected officials, we are constantly approached with requests for street repair projects. Our local communities will be important in providing public information on the proposed sales tax measure to our constituents. We cannot afford to “kick the can down the road” any longer.

The 16% Local Return in the current PBM design fails to recognize that a city’s streets are the foundation of all the other elements of our transportation system. Bicyclists, buses, delivery and service vehicles, as well as police and fire departments use local streets. Transit users, whether accessing their stop or station by carpooling, walking or biking, use local streets. In addition, storm water pollution caused by vehicles is carried through our streets into the region’s drainage systems harming the water quality of local streams, lakes and the Santa Monica Bay. The region’s cities are subject to a Federal Consent Decree to address pollution stemming from the region’s streets and highways.

Local city streets will always be the foundation of transportation in urban areas. The SBCCOG is not alone on this issue; the Gateway Cities Council of Governments has also identified the 16% Local Return allocation as inadequate to meet the needs of LA County cities. We expect other sub-regions to agree as well.

Required Local Rail Contribution: We have also heard that Metro is considering including in the PBM a provision that requires local jurisdictions through which a Metro Regional rail project is constructed to contribute 3% of the capital cost of the extension based on a proportionate share of route miles. The SBCCOG opposes including the 3% local contribution provision in the PBM. When a rail line and stations are added to a community, the local jurisdiction must pay for significant local infrastructure changes in the areas adjacent to the line or stations. These costs are not included in the cost of the rail line being constructed by Metro which has access to regional, state and federal funds. The direct rail line costs should not be exacted from local jurisdictions. Instead, the local jurisdictions should be encouraged to invest in community infrastructure that will improve access to the stations, enhance safety and aesthetics adjacent to the rail rights of way, and undertake economic development initiatives that will add local ridership once the project is completed.

In addition, the SBCCOG is concerned with the 3% allocation methodology that bases the allocation on a proportionate share of the local jurisdiction’s route miles within the entire project rather than the projected cost of constructing those miles within each jurisdiction.

No Earmarks: The SBCCOG believes that local decisions should be made at the most local level possible. For this reason, the SBCCOG strongly encourages Metro to refrain from establishing any earmarks within the Local Return program. This allows Local Return recipients the broadest possible flexibility to meet their specific local mobility, safety, sustainability, and state-of-good-repair needs.

Revise Local Return Funding Formula: In addition to an increase in the proposed allocation of local return, SBCCOG and Gateway COG encourage Metro to work with the County's local jurisdictions to determine a more equitable Local Return allocation formula that reflects the needs of the smaller cities. Propositions A & C and Measure R Local Return revenues are allocated solely based on population. This does not address the needs of cities with low residential populations but high daytime employment populations, or those that generate significant sales tax revenues.

South Bay cities like El Segundo and Torrance face transportation issues that cannot begin to be addressed with their current population-based Local Return allocation formula. The SBCCOG would like to work with Metro to revise the existing Local Return formula in an equitable way that will aid cities with large transportation issues and small populations. As an example, the SBCCOG requests Metro to consider a Local Return allocation based on 1/3 lane miles, 1/3 population and 1/3 sales tax generated from the local jurisdiction similar to the formula currently used by the Orange County Transportation Authority

Reallocating the Expenditure Plan: The SBCCOG encourages Metro to redistribute the PBM funds to raise the Local Return allocation to 25% of PBM revenues. Examples of modifications to the PBM that could be made include: decreasing the 1.5% Administrative allocation; transferring the 2% allocation for Active Transportation/First-Last Mile/Complete Streets into the Local Return program; and eliminating the I-105 and I-110 Express Lanes projects from the PBM and financing these and similar net-revenue-generating projects from non-sales-tax sources.

Continuing Local Return with No Sunset: Metro is advocating that the PBM includes a sunset provision (in 2057, 2064, or 2067). However, the agency has also included a provision stating that a significant share of the PBM revenues (¼-cent of the new sales tax) would continue indefinitely after the Measure sunsets for providing ongoing funding to maintain Metro's system in a state of good repair and for Metro's debt service.

Given the ongoing need to fund and maintain local streets and local transit, both COGs would like to see another ¼ cent of the PBM remain indefinitely and be dedicated to local jurisdictions for Local Streets and Transit State of Good Repair and local debt service. As an option, the SBCCOG also would support elimination of the proposed PBM sunset provision with an assurance that the Local Return and Sub-regional Programs would continue indefinitely consistent with the SBCCOG-recommended PBM revenue allocation design.

SBCCOG Capital Project Allocations

Keep Current Commitments: The SBCCOG has always supported the principle that promises made under previous sales tax measures should be honored before new priorities are funded. SBCCOG strongly believes that new projects should not be accelerated or programmed ahead of the existing commitments and that project acceleration should not allow new projects to jump to the head of the queue. In addition, projects that are expenditure plan commitments under previous sales tax measures should be completed without the need for performance

evaluation which has caused L.A. Metro to prioritize new projects over former commitments in the PBM.

Accelerate the Green Line South Extension: SBCCOG has worked with Metro for nearly a decade to expedite delivery of the Green Line South Extension to Torrance. We believe that a rail route through the South Bay will provide an essential mobility option for our residents and businesses and an economic development platform for our subregion. SBCCOG strongly supports acceleration of this Measure R project commitment to allow completion of the environmental approval and design processes by 2018 so that construction can be completed within the first decade of the PBM.

Continue Successful Subregional Programs: The SBCCOG has consistently supported an ambitious sub-regional program funded by an equitable sub-regional allocation of sales tax funding. The South Bay Highway Program (SBHP) is a model sub-regional partnership between Metro, Caltrans, the SBCCOG and eligible South Bay local jurisdictions. The SBCCOG strongly supports continuation of the SBHP for the duration of the PBM to reduce delays and improve safety on our South Bay highway network.

The SBCCOG also recognizes that the PBM must address the evolving need to provide a sustainable sub-regional and local mobility network that is accessible to all modes. As a result, the SBCCOG appreciates Metro's PBM inclusion of the South Bay Transportation System and Mobility Improvements line item that will allow the South Bay to undertake a more flexible range of initiatives than is possible in the SBHP and to improve access to emerging activity centers in the subregion.

We also appreciate Metro's ongoing support for maintaining a 20% share of PBM funding for Municipal Transit Operators throughout the term of the measure.

As indicated above, the SBCCOG priorities continue to be significantly different from the PBM that is currently under review. The SBCCOG position on the PBM will consequently depend on Metro's response to our recommendations to improve the current PBM design. Thank you for the opportunity to be substantively involved in the design.

Sincerely,

Jim Gazeley, SBCCOG Chair
Mayor, City of Lomita

c.c.: SBCCOG Board Members and Alternates
Metro Board Members
Jacki Bacharach, SBCCOG Executive Director
Phillip Washington, Metro CEO

SOUTH BAY CITIES COUNCIL OF GOVERNMENTS

Extract from May 26, 2016 SBCCOG BOARD Meeting Minutes:

C. Metro Sales Tax – Proposed Changes to the Expenditure Plan

Steve Lantz reported that the SBCCOG sent a four-page letter to Metro regarding concerns about the proposed ballot measure. Since that time, he's been working with Public Works Directors and other COGs to see whether they share similar concerns. City Managers in the next week will meet with Metro CEO Phil Washington to express their concerns. The public comment period is closed and Metro received input from throughout the county. Metro will now pull those recommendations and come up with a recommendation for the actual ballot measure.

The Metro Board has said they will finely tune the ballot measure in June and be done by July in order to get the paperwork finished in time to be on the November ballot. In June, Steve will come back to the Board with a better picture of what the ballot measure will look like and recommend the Board take a position.

Jacki Bacharach added that Metro has not indicated they will increase the Local Return rate as the SBCCOG has requested. Ms. Bacharach told the Board that she feels it is important to stay in sync with the Gateway COG because together, we represent almost half of all the cities in LA County. Carson City Manager Ken Farfaring is leading meetings with the Gateway COG to create a unified message for SBCCOG and Gateway COG in their meeting with Metro CEO Phil Washington. They have agreed that they would negotiate to 20% Local Return with the understanding that the funding formula be changed. They are suggesting a formula of 1/3 lane miles, 1/3 sales tax generation, and 1/3 population. They will also discuss the sunset clause and that if there is, they would want the Local Return to continue as well. Ms. Bacharach stressed to the Board how important it is for City Managers to speak with one voice in their meeting with Phil Washington.

Board Member Horvath asked for clarification on whether the City Managers were told that the goal is to have a uniform voice in their meeting with Phil Washington. He also wants to clarify that when they meet, they are going in asking for 25% Local Return and would negotiate to 20%. Ms. Bacharach responded that 25% was already asked of Metro and it hasn't gotten them anywhere. This group has put 20% Local Return in writing, adding that they knew they wanted 25%, but would be okay with 20% understanding that the formula be changed and that there be no earmarks.

West Hollywood re: Crenshaw Extension Project Overview (attachment)

Steve Lantz introduced Joanna Hankamer and Norman Emerson representing the City of West Hollywood. Mr. Lantz informed the Board of a proposal regarding the Crenshaw Line Northern Extension. This proposal states that after extending the Green Line south to Torrance, it should also be extended north and to have it connect with the Expo, Purple, and Red Lines. Upon completion, this would enhance regional connectivity by allowing riders uninterrupted rail service stretching from the Torrance to Hollywood.

This proposal came up as an alternative to a possible subway under the 405 Freeway that would go from the 101 Freeway to the 10 Freeway. That project would potentially cost \$5-8 billion.

Mr. Lantz said that this alternative may be worth further study because the City of West Hollywood believes it offers better regionally connectivity than the tunnel would provide at far less cost. The City

of West Hollywood is asking the SBCCOG Board to vote to support the further study of this project and the possibility of its inclusion in the next ballot measure.

Several Board Members raised concerns about the prospects of Green Line extension south to Torrance getting pushed back in order to start this project first. Mr. Lantz informed them that the recommendation to the Board was written that the SBCCOG's support is contingent on the Green Line extension south to Torrance be completed first and added that the Green Line project is far ahead in the planning process than the Crenshaw North proposal.

Board Member Valentine asked if there would be connectivity so that riders did not have to exit a station and walk to other stations to ride the next line. Mr. Lantz informed her that the lines would all connect so riders would not have to leave any of the stations to catch their connecting train. MOTION by Board Member Horvath, seconded by Board Member Weideman, to SUPPORT continued study of the Crenshaw North Extension and to write a letter to Metro expressing the SBCCOG's support. No objection. So ordered

RECAP of Metro Board Actions related to use of 3% Local Contribution for Active Transportation and First/Last Mile Access

5/26/16 Metro Board Meeting Agenda Item 14.1:

APPROVED AS AMENDED Motion by Garcetti, Bonin, Kuehl, Solis, 2016-0442 DuBois and Najarian that the Board adopt the Active Transportation Strategic Plan {Item 14}; and, WE FURTHER MOVE that the Board direct the CEO to:

A. Designate streets within the Active Transportation Strategic Plan's 661 transit station areas as the Countywide First-Last Mile Priority Network;

B. To support regional and local transit ridership and facilitate build-out of the Countywide First-Last Mile Priority Network, including, but not limited to, ADA-compliant curb ramps, crosswalk upgrades, traffic signals, bus stops, carshare, bikeshare, bike parking, context-sensitive bike infrastructure (including Class IV and access points for Class I bike infrastructure), and signage/wayfinding:

1. Provide technical and grant writing support for local jurisdictions wishing to deliver First-Last Mile projects on the Countywide First-Last Mile Priority Network, including providing technical assistance and leadership to jurisdictions to help and encourage the implementation of subregional networks that serve the priority network;

2. Prioritize funding for the Countywide First-Last Mile Priority Network in MTA grant programs, including, but not limited to, the creation of a dedicated First-Last Mile category in the Call for Projects;

3. Create, and identify funding for, a Countywide First-Last Mile Priority Network Funding Match Program, separate from existing MTA funding and grant programs, for local jurisdictions wishing to deliver First-Last Mile projects on the Countywide First-Last Mile Priority Network;

4. To support the Active Transportation Strategic Plan, dedicate funding for the Countywide First-Last Mile Priority Network in the ongoing Long-Range Transportation Plan update, including a review of First-Last Mile project eligibility for all Prop A, Prop C, and Measure R capital funding categories;

5. Building on MTA's underway effort to conduct First-Last Mile studies for Blue Line stations, conduct First-Last Mile studies and preliminary design for First-Last Mile facilities for all MTA Metro Rail stations (existing, under construction, and planned), all busway stations, the top 100 ridership Los Angeles County bus stops, and all regional rail stations;

6. Incorporate Countywide First-Last Mile Priority Network project delivery into the planning, design, and construction of all MTA transit projects. These Countywide First-Last Mile Priority Network elements shall not be value engineered out of any project; and staff to report back at the June Planning and Programming Committee on the Purple Line Extension Section 2 Project.

C. Report on all the above during the October 2016 MTA Board cycle. The preamble of this Motion states an excellent case for how important the Active Transportation Strategic Plan will be for local jurisdictions, especially for those jurisdictions through which the rail system is running with stations lying therein.

Motion 14.2

Directors Butts, Dubois, Knabe and Solis as Amended by Bonin

The fact that half of all trips are three miles or less underscores the need to focus on enhancing access to and from Metro transit stations and this Motion underscores those issues.

The co-authors address the connection in Sections B-4 and B-6 in reaffirming Metro's dedication to the delivery of First-Last Mile facilities and the need to leverage funding opportunities and Metro resources by incorporating "...Countywide First-Last Mile Priority Network project delivery into the planning, design, and construction of all MTA transit projects..."

The Motion further points out that "... outside of major transit projects, it will typically not be MTA's role to deliver First-Last Mile projects that are the purview of local jurisdictions. However, MTA can take steps to meaningfully facilitate and help local jurisdictions deliver First-Last Mile projects through a variety of means."

We believe that the existing practice of encouraging local jurisdictions to contribute up to 3% of a rail project's budget should be included among that "variety of means" as an appropriate vehicle to facilitate the leveraging of Metro and local jurisdictions' resources towards the goals contained in the ATSP and section B-6 of this Motion.

We, Therefore, Move to amend the motion to specify under subsection B-6 that, henceforth, Metro would negotiate in a standardized MOU with the respective contributing jurisdiction(s) that up to ~~50%~~ 100% of a local jurisdiction's 3% local contribution can go towards underwriting ATP, 1st and last mile, Bike and Ped. and street safety projects that contribute to the accessibility and success of the stations in the respective jurisdictions.

Motion 14.2 was REFERRED TO JUNE 2016 PLANNING AND PROGRAMMING COMMITTEE.

June 23, 2016 Metro Board of Directors Meeting

Item 23. APPROVED Motion 14.2 ON CONSENT CALENDAR. (2016-0489):

- A. RECEIVING AND FILING report on approach to incorporating First-Last Mile elements into the Purple Line Extension Section 2.
- B. APPROVING Motion 14.2 by Directors Butts, DuBois, Knabe and Solis to amend Motion 14.1 under subsection B-6 to specify that, henceforth, Metro would negotiate in a standardized MOU with the respective contributing jurisdiction(s) that up to 100% of a local jurisdiction's 3% local contribution can go towards underwriting Active Transportation Program (ATP), First/Last Mile, bike and pedestrian and street safety projects that contribute to the accessibility and success of the stations in the respective jurisdictions, inclusive of the framework provided in Attachment C.
- C. DIRECTING staff to commence with the development of guidelines to implement the potential use of local jurisdictions' 3% capital contribution to underwrite ATP and First-Last Mile investments within the framework included as Attachment C.

ATTACHMENT C FRAMEWORK: Board Report 2016-0489 First/Last Mile Purple Line Section 2; 3% Local Contribution Provision (Motion 14.1 and 14.2 response)

Applicability:

- Projects subject to this Motion Response and any implementation policy and guidelines will be new major rail and Bus Rapid Transit (BRT) transit capital expansion projects that have not yet been advertised for construction.
- “Project Footprint” is defined as the project scope that is located on property that Metro owns or controls.
- The 3% contribution refers to the local government contribution provision included in Measure R and applies only to rail expansion projects.

Attachment C Framework	Projects Pre-Bid Advertisement	Projects in Scoping/ Environment Stage
Metro “Within Project Footprint” Station Active Transportation (AT) and First/Last Mile (F/L) Elements	<ul style="list-style-type: none"> • AT and F/L elements already included in Base scope per design guidelines, and budget – make no changes • <i>3% Contribution: Eligible if assigned to elements in adopted scope and budget.</i> 	<p>Develop Guidelines to reassess design criteria for onsite elements; make changes as advised from assessment</p> <ul style="list-style-type: none"> • <i>3% Contribution: include Guidelines criteria for underwriting eligible AT and F/L elements</i>
“Off Project Footprint” AT and F/L Mile Station Connections	<p>On case by case basis, determine if any off-footprint F/L elements are to be added to project definition and budget; and/or</p> <ul style="list-style-type: none"> • In cooperation with local jurisdictions, may pursue a plan for additional elements “off Project” scope and budget • <i>3% Contribution; Project must be in a PRE-Bid advertisement status. Determine eligibility on case by case basis to extent Board elects to change project scope and budget.</i> 	<p>Develop Guidelines to include:</p> <ul style="list-style-type: none"> • Process to develop Metro/local jurisdiction joint station access plan • Establishment of funding responsibilities attached to said plan • <i>3% Contribution: include Guidelines criteria for underwriting eligible AT and F/L elements consistent with joint plans</i>
Non-Connecting AT Elements	<ul style="list-style-type: none"> • No inclusion in transit capital scope and budget • Other funding sources can be explored • <i>3% Contribution: not eligible – no nexus to project</i> 	<ul style="list-style-type: none"> • No inclusion in transit capital scope and budget • Other funding sources can be explored • <i>3% Contribution: not eligible – no nexus to project</i>

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South Bay Cities Council of Governments
Statement on Proposed Ballot Measure
June 23, 2016

After careful review of METRO's draft expenditure plan, our cities are united in supporting METRO in solving the mobility issues facing our region and its 88 communities. However, our communities believe that scheduling the tax measure for the November 2016 election is premature and divides our region. We are requesting that the METRO Board delay the ballot measure in order to resolve some fundamental concerns and unify the region.

First, the new ½ cent tax measure does not honor the will of the voters when they passed Measure R in 2008. Instead of completing projects already approved by the voters and adequately funding repairs of local streets, the measure proposes entirely new projects.

The tax measure also proposes increasing funding for the \$18.9 Billion Westside Sepulveda Pass Tunnel, which was funded for \$1 Billion in Measure R. The City of Boston struggled with funding the "Big Dig" and Los Angeles will struggle in funding the "Big Tunnel." If approved, the Big Tunnel will result in over 15% of the entire tax proceeds funding just one project.

Second, the new tax measure unfairly distributes sales taxes generated by our residents and businesses. If the measure passes, our communities will donate their hard earned sales tax dollars to the Big Tunnel for the next four decades.

Most disturbing is that the tax measure will mandate that the region's most disadvantaged communities, not only in the Gateway Cities and the South Bay, fund the construction of the Big Tunnel.

The streets in our region are falling apart. Everyone knows it. Roads are the backbone of our communities. They serve all transportation modes – busses, cars, bicycles and trucks. Our sidewalks serve pedestrians, children walking to school, our seniors and least mobile residents. Instead of helping the cities repair roads and make safety improvements, METRO proposes diverting billions to construct the Big Tunnel. METRO's response to our request for 20% of the new sales tax revenues to be dedicated to local transit and street needs was to raise the allocation from 16% to 17% initially and defer the 20% until 2040. Our needs are now.

If the voters approve the tax measure, who will be watching out for the interests of the voters? METRO staff recently proposed an oversight committee that does not include representation from our subregions or the cities. On top of this unfair committee structure, the oversight committee can recommend to the METRO Board changes to the voter approved list of projects once a decade without voter approval or other input.

We have communicated our fundamental concerns to METRO staff and to the Board on a number of occasions. The latest staff proposal will not allocate the increase to the 20% local return funds that we are seeking for road repair funding to the cities until 2040. This is simply insufficient, since by that time our roads will be impassible.

We have no other option than to publically express our grave concerns with the design of the proposed tax measure. We believe that the tax measure is premature and divisive. We urge you to take a step back and work with us. The region needs to be unified and not divided.

SOUTH BAY CITIES COUNCIL OF GOVERNMENTS

Excerpt from June 30, 2016 SBCCOG BOARD MEETING MINUTES

B. SBCCOG Position on Metro Proposed Sales Tax Measure

Steve Lantz gave a presentation on Metro's proposed sales tax measure, as approved by the Metro Board on June 23rd. The full presentation can be viewed on the SBCCOG website at:

http://www.southbaycities.org/sites/default/files/board_directors/meeting/PRESENTATION_6-30-16%20SBCCOG%20Sales%20Tax%20Measure%20.pdf

Mr. Lantz reported that at their June 23rd Board meeting, Metro adopted a resolution requesting the LA County Board of Supervisors to place the measure on the November 8, 2016 general election ballot, as well as rejected an amendment by Board Members Butts, Knabe, and Dubois that would have required completion of Measure R projects before starting new projects under the proposed new sales tax.

Mr. Lantz explained the current transportation sales taxes in LA County, totaling 2% should the proposed tax be approved by voters. He also added that if it does not get approved, Metro would have to consider significantly increasing fares and/or restructuring its transit operations, maintenance, and rehabilitation programs.

Mr. Lantz detailed the key expenditure plan/revenue allocations in the proposed sales tax measure as well as the South Bay Subregion's major regional projects/programs. He then explained that the South Bay will receive less than 7% of countywide funding, although it represents over 10% of the countywide population, meaning a shortfall of approximately \$1.885 billion. Mr. Lantz continued by updating the Board on the SBCCOG's concerns surrounding the 3% local contribution to rail projects, the local return percentage and funding formula, and the fact that the proposed sales tax will not fully fund the promised projects as scheduled.

Metro's next steps, as explained by Mr. Lantz, include the LA County Board of Supervisors passing a resolution by August 12th to include the measure on the ballot, the formation of an independent campaign committee to fund and manage the campaign, Metro staff developing the implementation guidelines, and an update to Metro's Long Range Transportation Plan in Spring 2017.

Mr. Lantz then concluded his presentation by asking the Board if the SBCCOG should support, oppose, or stay neutral/take no position, on the measure or deferring and possibly taking a position after the Board of Supervisors officially places it on the November ballot.

Prior to opening the discussion to the Board, Ms. Bacharach added that Metro also included the addition of an oversight committee in the new measure that would allow Metro to unilaterally reorganize the programs in the new measure every 10 years. Discussion was then opened up to the audience and Board Members.

Board Member Goodhart asked Board Member Butts, also a Metro Board member, if there were any plans to accelerate already planned projects. Board Member Butts explained that he introduced an amendment at the Metro Board meeting, to ensure that Measure R commitments were kept before starting new projects under the new measure. He continued, stating that this amendment was supported by two others, but was voted down by the rest of the Metro Board. Board Member Butts further added that in his opinion, it makes no sense to oppose the measure because the Metro system will run out of money around 2019 if the measure does not pass. In his view, this measure passing will allow us to "live to fight another day".

Board Member Napolitano added that Supervisor Knabe did not support the measure at the Metro Board meeting because his cities expressed a lot of concern about geographic equity and he felt it was his duty to represent his cities.

Karen Heit representing the Gateway COG explained that they have voted to oppose the measure. They feel that they have been ignored and that Metro has made no efforts to address their concerns.

Ken Farfsing representing the City of Carson explained that since 1980, there have been numerous cities who have been “donors” due to the per capita based funding formula used by Metro. He continued that efforts were made to have Metro change the funding formula to make it more equitable only to be ignored by Metro. He added that he is working with other City Managers to discuss next steps.

Board Member Weideman shared that his colleagues in Torrance voted unanimously to oppose the sales tax measure and instructed him to bring this information to the SBCCOG Board.

Board Member Osborne added that he has to vote with his city and shared his reasons for opposing the measure.

Board Member Horvath told the Board that he was dismayed that the SBCCOG has essentially been ignored and has many significant concerns about what this measure would mean for his city. Although his city hasn’t taken a position on it yet, he believes it would be hard to support it with the 3% rail station contribution, low local return, and the financial solvency issue Metro faces.

Board Member Howorth added that she is not speaking on behalf of her colleagues on the City Council either, but asked if there were any options remaining to help change the measure before the Board of Supervisors places it on the ballot. Board Member Butts said that there are no other options. She added that although there are many valid concerns, if this measure fails, who else would be able to do the large infrastructure projects that the County needs?

Board Member Goodhart shared that in the past, after Measure J failed, Metro came back with a new ballot measure proposal two years later and he proposed the possibility Metro doing the same thing in 2018 or 2020. He voiced his opinion that the SBCCOG’s job is to implement regional programs and should remain neutral, allowing individual cities the option to take a support/oppose position.

Board Member Fangary shared that he doesn’t believe Metro did outreach to the South Bay and that the SBCCOG can’t remain neutral.

Board Member Fuentes explained that El Segundo is already getting shorted on return in current sales taxes and believes Metro isn’t representing the South Bay.

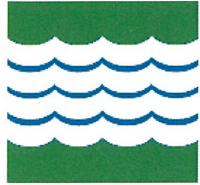
Board Member Misetich stated that although his City Council hasn’t taken a position on it yet, he is confident that they will oppose the measure.

Chair Gazeley and Board Members Howorth, Horvath, and Mitchell informed the Board that they will be abstaining because they do not feel comfortable taking a position without discussing it with their City Councils first.

Board Member Medina added that when the SBCCOG took a position on Measure J, Metro listened to us. He believes that the Board should take action and send a message to Metro.

Motion by Board Member Missetich, seconded by Board Member Osborne, to OPPOSE Metro's proposed sales tax measure. Board Members Davis-Holmes, Fuentes, Medina, Fangary, Osborne, Goodhart, Missetich, Mirsch, and Weideman voted to support the motion and OPPOSE the measure. There were no votes to oppose the motion and support the measure. Board Members Butts, Gazeley, Howorth, Horvath, Huff, and Napolitano abstained. The motion carried, so ordered.

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SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

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Torrance, CA 90501
(310) 371-7222
sbccog@southbaycities.org
www.southbaycities.org

July 1, 2016

Honorable John Fasana, Chairman
And Board of Directors
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA. 90012

SUBJECT: SBCCOG Opposition to Metro's Proposed November 8, 2016 Ballot Measure

Dear Chairman Fasana and Members of the Board of Directors:

At its meeting on June 30, 2016, the South Bay Cities Council of Governments Board of Directors voted to oppose Metro's proposed countywide transportation sales tax measure planned for the November 8, 2016 ballot. Although there was a recognition by many of the members present of the need for additional transportation funding, and some support was expressed for a future sales tax measure, nine Board members voted to oppose Metro's proposed measure, six members abstained because they wanted to consult with their other council colleagues, and not one vote was cast to support the measure as adopted by the Metro Board.

During the considerable discussion that preceded the vote, the following major concerns were expressed:

1. The 3% local contribution requirement for Metro's regional rail projects imposes an unfair burden on our cities when compounded with loss of tax revenue caused by removal of the property needed by Metro for stations from the public property tax rolls.
2. The Plan under-invests in the streets that carry nearly all trips, whether cars, trucks, buses, or bicycles. Local jurisdictions cannot wait until 2040 for Local Return to rise from 17% to 20% of Measure X revenue. Local streets are crumbling and new mandates like stormwater treatment improvements have increased the need to prioritize these investments at a time when federal and state gas tax allocations have dramatically declined.
3. Cities throughout the county have been requesting a new allocation formula for Measure X local return funds to make up for the solely population-based funding allocation formulas in the local return program of Proposition A, C and Measure R. With Measure X, it is time to address the needs of those cities that are bedroom communities at night but need a robust daytime infrastructure. For example, El Segundo is a city of approximately 13,000 people that has a daytime population of about 100,000. Also, cities such as Torrance generate much more sales tax than the average. Cities were asking for Metro to negotiate a new funding allocation formula for Measure X local return and that didn't happen.
4. Based on population, the South Bay share of regional projects in the Expenditure Plan should be more than 10.5%. However, the Expenditure Plan allocates less than 7% of its regional revenues for South Bay priorities.

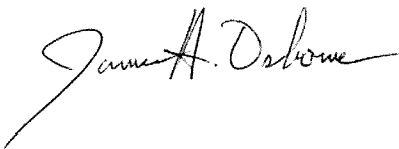
LOCAL GOVERNMENTS IN ACTION

Carson El Segundo Gardena Hawthorne Hermosa Beach Inglewood Lawndale Lomita
Manhattan Beach Palos Verdes Estates Rancho Palos Verdes Redondo Beach Rolling Hills
Rolling Hills Estates Torrance Los Angeles District #15 Los Angeles County

5. The Metro Board rejected a motion by Directors representing the South Bay and Gateway Cities to complete Measure R projects before initiating new projects.
6. The fact that Metro needs a cash infusion in order to meet its current commitments means that it is ill-advised to take on massive new commitments. Metro needs to get its house in order and then determine what they actually can commit to in the future. The SBCCOG Board cannot trust that the projects promised by this measure will be implemented – especially since we are not seeing the Measure R commitments fulfilled as promised.
7. The Expenditure Plan unfairly allocates more than 50% of the available regional major project funding to projects in the City of Los Angeles, including the yet-to-be-evaluated Sepulveda Pass Tunnel which has risen in cost from \$1 billion in the previous plan to \$9+ billion. The Metro Board compounded the sub-regional inequity at its June 23, 2016 meeting by approving an amendment that added yet another project in the City of Los Angeles - \$189 million for a new and undefined rail line with an unknown cost that will link the West San Fernando Valley to Cal State Northridge.
8. All South Bay highway projects are delayed until after 2040 setting up a Hobson's choice for our South Bay children and grandchildren who will need to decide whether they will increase Local Return to fix what remains of their crumbling streets or construct highway projects that are needed in the South Bay today that South Bay taxpayers will be paying for, but not able to use, for the next 30 years.
9. One of the most troubling elements of the Ordinance is the fact that the Metro Board can unilaterally change the Expenditure Plan every 10 years after merely consulting with an advisory committee that the Board appoints. There is no provision in the ordinance that requires approval by Metro's local partners to these decennial changes in priority.

The SBCCOG Board expressed their concern about the need for funding but this proposed ballot measure is not fair and equitable for all areas of the county. It mortgages the future without addressing our needs today. For these reasons, the SBCCOG will be opposing the proposed measure

Sincerely,



Jim Osborne, SBCCOG Chair
Councilman, City of Lawndale

cc: Metro Board of Directors
Phillip Washington, Metro CEO
SBCCOG Board of Directors
Jerry Brown, California Governor
South Bay Members of the California Assembly
South Bay Members of the California Senate
South Bay Members of the U. S. Senate
South Bay Members of the U. S. House of Representatives

August 8, 2016

Honorable Tony Mendoze
Senator, 32nd District
State Capitol, Room 5061
Sacramento, CA 95814

Honorable John Fasana
Chairman
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012

SUBJECT: ADDITIONAL CONCERNS Re. NOVEMBER 8, 2016 SALES TAX MEASURE

Dear Senator Mendoza and Chairman Fasana:

This letter is written to update the South Bay Cities Council of Governments concerns to respond to recent communications between Senator Mendoza and Metro. As you are aware, SBCCOG voted to oppose the sales tax measure on June 30, 2016. Our concerns with the ballot measure as adopted by the Metro Board on June 23, 2016 were summarized in a July 1, 2016 SBCCOG letter to Metro (see Attachment A.) On July 26, 2016, Senator Mendoza requested an opportunity to make further revisions in the ballot language and expenditure plan (see Attachment B). Metro declined to make any further changes in the ballot measure in an August 1, 2016 response to Senator Mendoza (see Attachment C). Included with Metro's response was an attachment titled "Clarification of Factual Errors".

This exchange of correspondence has raised several new concerns with the proposed sales tax measure beyond the original list that resulted in our opposition. The South Bay Cities Council of Governments Steering Committee met on August 8, 2016. The SBCCOG continues to be concerned with Metro's process and its program priorities in the proposed sales tax measure for the November 8, 2016 ballot. Staff is concerned that Metro continues to dismiss the issues that we have raised numerous times during development of the expenditure plan for the measure. Our current rests on the following concerns:

- The letter starts by once again saying that Metro considered all of the extensive feedback. We have continually said that this was not a transparent bottoms-up process: policies were added without warning at board meetings (3%, new West San Fernando Valley project). During monthly meetings with COG CEOs and during numerous public meetings, Metro received recommended changes in the plan. For the most part, Metro staff defended their plan and explained the outreach process to the public. But they didn't recommend any significant changes in response to the concerns raised by the cities and subregions. It was pretty much a one-way presentation at every meeting. Furthermore, at the Metro committee and board meetings, Metro staff described their recommended changes as "tweaks". There was very little substantive discussion of the alternatives raised and the Board discussion of the Expenditure Plan resulted in the sunset

provision being eliminated from the measure in order to add new projects in the City of Los Angeles.

- Metro states that they intend to keep all of the Measure R commitments but they are already having cost overruns on the projects that they have completed and will have to refine costs on the projects that are going into final design and construction. In 2039, Measure R ends and the new sales tax would rise from 1/2-cent to a full cent. The new measure rules would then apply to the full cent until voters choose to end the tax with all of the new obligations too. To qualify a measure for the L. A. County ballot to end the tax would require a petition of 10% of L. A. County voters.
- Staff included an assumption in the 2009 Metro Long Range Transportation Plan that was adopted by the Board that local jurisdictions would contribute 3% of the baseline cost of a Metro rail project segment built within their boundaries if the segment includes a station. A 3% local contribution is a significant Board policy that should not be slipped in as a revenue assumption. Now the Metro Board has included the 3% requirement in the new sales tax ordinance. It is not clear if this provision applies only to projects that receive new sales tax revenues or to any new Metro rail line, regardless of the funding sources. Also, in apparent conflict with the provision in the new sales tax ordinance, the Metro Board recently passed a motion allocating 100% of the 3% local contribution to first/last mile access projects related to a new station. These projects are not typically included in Metro's baseline rail project budgets. This is a clear example of how Metro Board policies can potentially modify ordinance language. The 3% requirement should never have been snuck into the ordinance. It should be a Metro Board policy that was publicly discussed (with the affected stakeholders at a minimum) and not a voter-approved requirement.
- While \$2.21 billion in South Bay regional projects is a lot of money, Metro is claiming that this is equitable. \$2.21 billion is approximately 2% of the \$120 billion the new measure would generate over 40 years. For a reasonable return of sales taxes generated from the South Bay, the South Bay should have gotten 11.2% based on population, or 13-15% based on share of sales tax generated. (Metro has calculated the SBCCOG region's share at 10.4% which is still much higher than the rate of return.)
- Including the Airport Metro Connector project station at Aviation/96th Street in the City of L. A. in the South Bay regional list is wrong. The project is a system connectivity project and it is located in the Westside Area, not the South Bay.
- As we have repeatedly stated, since less than 1/3rd of the I-105 ExpressLane project length is in the South Bay, the project has little benefit to the South Bay. It is unlikely that many South Bay residents will use the I-105 ExpressLane to get to LAX and few South Bay commuters will travel east on the South Bay portion of the I-105. Yet it is listed as a South Bay project.
- Recognizing that Measure R will sunset in 2039, SBCCOG recommended that Metro adopt a policy to complete its regional Measure R commitments and pay off Measure R

debt before undertaking new regional projects. The Metro Board rejected this approach and added numerous new projects in the first two decades of the plan, effectively accelerating their delivery ahead of current commitments. Metro justified this audacious programming choice by saying that the investments were made based on performance evaluations and that no Measure R projects would be delayed. Metro showed that some Measure R projects would be accelerated a few years ahead of their original Measure R Expenditure Plan delivery schedules. However, adding new projects precludes the significant opportunity for acceleration of current Measure R projects using new sales tax revenues.

- The South Bay will have to pay the increased sales tax with little benefit from the projects that are Metro's regional priorities until the following projects open:
 - I-105 ExpressLane from I-605 to I-405 - opens in 2029 (only 1/3 of which is in our subregion)
 - Metro Green Line extension from Redondo Beach to Torrance - opens in 2030 – this is an acceleration of 3 to 5 years and 2 ½ miles but with the new funding, it could have been built a lot sooner if newer projects weren't using up the new funds.
 - I-110 / I-405 Interchange and Ramp Improvements - opens in 2044
 - I-110 ExpressLane extension from SR-91 to I-405 - opens in 2046
 - I-405 South Bay Curve Improvements - opens in 2047
- In addition, the Metro Board unanimously added a West San Fernando Valley project to the plan at the June 23rd board meeting with no prior environmental analysis or performance evaluation or public discussion. And then, as a bone to the South Bay, the Board provided a proportionate increase in funding of \$130 million for additional South Bay subregional projects to keep the sub-regional shares equitable with no detail (or limitation) on how or when the funds could be spent. Although the South Bay appreciates the additional \$3 million per year in sub-regional funding, we have no idea whether the funds will be available for acceleration of current commitments and/or for new projects, when the funds would be available, and whether Metro or the SBCCOG will select the projects to be funded by the new allocation.
- As an example of Metro's fiscal irresponsibility, the Board added a new \$19 billion 3-phase Sepulveda Pass Transit Corridor in the San Fernando Valley and Westside subregions. Phase 3 of the project from Westwood to LAX has only \$65 million in funding programmed. Metro says the project will open in 2057 and touts the fact that the two subregions committed \$2.8 billion (15%) of "their" subregional funding for Phases 1 and 2. Metro made no mention of the fact that the City of LA and Culver City also will have to contribute \$600 million of the project costs from their "local" funds to comply with the 3% local share requirement of the new ordinance.
- Perhaps coincidentally, Metro acknowledges that it is more than \$19 billion short of funding needed to deliver its Countywide program commitments. That's approximately 16% of the estimated \$120 billion program over 40 years. But Metro assures voters that it is seeking "Local, State, and Other Funding" to "enable all Major Projects to be delivered

expeditiously." Metro also notes that the matching funding assumed in the plan is "advisory and non-binding", but Metro assures voters that this "flexible" approach to securing these other funds "has been strategically successful for Los Angeles County in the past, and we expect that success will continue in the future."

- Metro's ballot measure language states as one of the measure's goals, "keep senior/disabled/student fares affordable". However, the transparent process does not mention that the expenditure plan of the new sales tax is predicated on a 33% farebox recovery ratio. Today, the farebox recovery ratio on the Metro system is no higher than 26%. Because the new measure is promising to "keep fares affordable" for some categories of riders, it will be very hard politically for the Board to raise fares for other riders, and if they don't, they will not be able to fulfill the promises of the expenditure plan from this one factor alone.
- And possibly the most troubling - Metro can change any commitments funded with the new measure every ten years without consulting the voters or its regional partners. It merely has to consult with its "independent citizens' advisory committee" composed of members exclusively appointed by Metro.
- The ballot language is unclear and problematic. The exact form of the Proposition as it is to appear on the ballot is as follows:

Los Angeles County Traffic Improvement Plan. To improve freeway traffic flow/safety; repair potholes/sidewalks; repave local streets; earthquake retrofit bridges; synchronize signals; keep senior/disabled/student fares affordable; expand rail/subway/bus systems; improve job/school/airport connections; and create jobs; shall voters authorize a Los Angeles County Traffic Improvement Plan through a ½ ¢ sales tax and continue the existing ½ ¢ traffic relief tax until voters decide to end it, with independent audits/oversight and all funds controlled locally?

The last clause could be interpreted to say that a new ½ cent tax is authorized and the current Measure R tax continues until voters decide to end it. That would imply that the current Measure R sunset is removed and its rules would not be replaced with new rules for a unified one-cent tax on July 1, 2039. There is also no mention of an indefinite duration for the new measure. Among other things, this interpretation could prevent Metro from increasing the Measure R Local Return share to 20% after 2039.

Attachments:

- A. SBCCOG Letter to Metro Opposing the Sales Tax Measure
- B. Senator Mendoza letter to Metro Requesting Changes in the Measure
- C. Metro's Response to Sen Mendoza Clarifying "Factual Errors"

SOUTH BAY CITIES COUNCIL OF GOVERNMENTS

Excerpt from August 25, 2016 SBCCOG Board Meeting Minutes

VII. PRESENTATIONS

A. Transportation Funding Update and Discussion – LA Mayor Eric Garcetti addressed the SBCCOG Board of Directors as to why he supports Metro’s proposed ballot measure, Measure M, answered Board Member questions, and asked the Board to consider retracting their opposition. Mayor Garcetti told the Board that he understands that he cannot undo the negative feelings toward prior Metro sales taxes and shares many of those feelings. He asked the Board to be open minded as he addressed the arguments for Measure M.

- **Transparency:** Mayor Garcetti began by addressing the claim that the process of developing Measure M was not transparent. Compared to passed Metro measures, Measure M was much more transparent in Mayor Garcetti’s opinion, as COGs and other sub-regional groups participated in the process. Many changes were made to the original proposed ordinance language, based on input from the SBCCOG and other COGs.
- **Local Return:** In regard to the issue of Local Return, Mayor Garcetti stated that he too thought the initial Local Return amount (15%) was too low. Mayor Garcetti thanked the SBCCOG for its efforts to raise the figure and said that he thinks the average Local Return rate of 18.5% in Measure M is a big win, as it will bring \$2.1B more to cities. He added that although many wanted 20%, 25%, or even higher Local Return, it is crucial to balance that with the greater needs of the transportation system overall.
- **The worry that Measure R project cost increases will burden new Measure M projects:** Mayor Garcetti stated that this has been looked into and that Measure R costs haven’t increased so far, and that legally Metro cannot take monies from Measure M to cover costs of Measure R.
- **What if there are changes within a sub-region, such as things moving quicker, can Metro accelerate them?** Mayor Garcetti told the SBCCOG Board that Metro put the mechanism in Measure M to be able to accelerate projects, but that Metro cannot move funds from one sub-region to another.
- **The permanency of Measure M:** Mayor Garcetti explained that when Metro was doing its polling for the potential ballot measure, more voters would support the tax if it was permanent compared to a set number of years. Although this may be counter-intuitive, Mayor Garcetti likened it to voters supporting property taxes for school improvements. Voters most likely do not want improved schools only for a certain number of years. Similarly, voters do not want improved transportation only for the limited time of a proposed sales tax. These needs are ongoing and voters are willing to pay for it in an ongoing manner.
- **3% Match Requirement for Cities with a Rail Line Station:** Mayor Garcetti stated that he feels that pain, that even though Los Angeles is a big city, proportionally, it is not a wealthy city and must find ways to pay this requirement as well. The Mayor said that he worked with Metro staff and the 3% match can be fulfilled in a lot of different ways, to

be defined further in the future. He mentioned that possibilities include increases in the 1st mile/last mile allocations as credit, land, services in kind, and others.

- Sales Tax Equity: Wherever he visits in the County, Mayor Garcetti said that everyone has a measure by which they are underfunded. It was decided to base it off population. There are other ways to help address the inequities according to Mayor Garcetti.
- Green Line Extension: Mayor Garcetti said that he is very enthusiastic about the Green Line because it ties into so much that clogs up the Westside of LA. The Green Line, among other projects, will help clear up the 405 Freeway. Although Measure M will accelerate the Green Line by five years, the Mayor believes this is a very conservative estimate. Mayor Garcetti then shared some of the work that he has been doing to help line up investors behind these transportation projects. Right now, if a 5% return was offered on an investment, there is plenty of capital there to invest (such as pension funds or individual investors). The idea would be to go to the private sector and find investors to give the funding up front. Mayor Garcetti offered to provide letters of support he has received from interested parties in support of a possible public-private partnership to help fund these projects sooner rather than later.

Mayor Garcetti finished his remarks by referencing polling figures in the South Bay showing 60%+ support for Measure M and that he doesn't think another sales tax measure would be possible for eight years. Mayor Garcetti asked "If this ballot measure doesn't pass, what do we do the day after?" The Mayor concluded by thanking the Board for letting him speak and restated his commitment to working with the South Bay on all issues, no matter how this sales tax measure turns out.

Chairman Osborne then asked the Board Members if they had any questions for Mayor Garcetti.

Board Member Mitchell (Alternate) stated that one of the SBCCOG's criticisms is that what the ordinance says is not what Mayor Garcetti is saying tonight. She said that as a Council Member, and a lawyer, more certainty is needed, not reliance on guidelines to be determined at some point in the future. She added that the South Bay often feels like the "poor stepchild in LA County", waiting for projects to happen here while other sub-regions have projects progressing.

Metro Board Chair Fasana addressed her concerns by beginning by stating that he feels Measure M is the best option to address the needs county-wide. He then added that in Measure M, the Green Line is 100% funded, as opposed to the 30% funding it has through Measure R. Chair Fasana then stated that he and the rest of the Metro Board are interested in working with the sub-regions to develop the guidelines for Measure M, and that the "one-third, one-third, one-third" formula for Local Return proposed by Carson's City Manager, Ken Farfsing, may be a very viable option.

Board Member Horvath thanked Mayor Garcetti for coming tonight and began by pointing out that the 3% match is not part of Measure R, but is a Metro staff policy. In Measure M, it is part of the ordinance. In today's world of diminishing gas tax revenue, Board Member Horvath stated that cities rely on Local Return as the one place of guaranteed funding to help address

the everyday transportation needs of their residents. He added that if this 3% match ties up their Local Return, they will then have no way to deal with those everyday needs. Board Member Horvath then asked Mayor Garcetti if nothing is written down to items up for discussion such as the 3% match or Local Return funding formula, how will they know it will ever be discussed? In response to the point about the 3% match, Mayor Garcetti responded that he does not like it either and this is why he will fight for the most liberal interpretation of where that match can come from. In response to the Local Return funding formula, the Mayor said that both he and Chair Fasana pledge to make that discussion and process move forward.

Board Member Pullen-Miles (Alternate) also thanked the Mayor for coming to speak to the SBCCOG.

Board Member Pullen-Miles shared his concerns with the Green Line Extension and what Metro will do to make the City of Lawndale whole as a result of the proposed station plan. As proposed, the Green Line Extension will displace the City's largest tax generator, which means that in addition to the 3% match requirement, Lawndale will also lose the tax revenue from the business loss. Board Member Pullen-Miles also asked why the 98th Street Connector project on the West Side is considered a South Bay project.

Mayor Garcetti responded that he wants to work with Lawndale to make them whole and is willing to discuss relocating things in the Green Line Extension plan to help accomplish that (such as the possibility of an underground station so the tax generator would not have to relocate). Metro Chair Fasana then clarified that the 98th Street Connector project was mislabeled as a South Bay project and is no longer considered part of the South Bay project list.

Board Member Weideman began his comments by thanking Mayor Garcetti for coming. He then explained that despite their personal assurances, it is hard for him and most of his colleagues to view Measure M in a way except as it is written. He continued by mentioning the need for the independent Citizen's Advisory Panel to be explained more clearly in the ordinance and how it appears that in ten years, Metro can completely rewrite things.

Mayor Garcetti responded that it is a legal opinion that Metro cannot flip things around or slow down projects; they are only legally allowed to accelerate projects. Mayor Garcetti added that he understands the harsh feelings after Measure R, but believes that the major difference between then and now is that nobody came to the South Bay making the promises he is making tonight.

Board Member Howorth commented that as an optimist, she hopes to be able to show Mayor Garcetti the good faith effort he's shown the SBCCOG by coming to talk to the Board and making the promises he made. She thanked her colleagues on the SBCCOG Board for their advocacy and for getting Metro to pay attention. Board Member Howorth added that she thinks it would be a good faith gesture to not oppose Measure M.

Board Member Buscaino began by stating he has been very vocal with the problems he sees in the

measure but acknowledges that it is not possible to get every single thing desired. Board Member Buscaino then asked if he could make a motion to remove SBCCOG's opposition to Measure M and go neutral. In response to this requested motion, Jacki Bacharach stated that she checked with Roberts' Rules of Order and the SBCCOG legal counsel and that the motion could be added to a future meeting agenda with public notice, but that this motion cannot be acted on tonight.

Board Member Medina asked Mayor Garcetti if this would pass if the 3% Match was removed. Mayor Garcetti and Metro Chair Fasana both responded that it is hard to say, but that the 3% Match is in the ordinance and cannot be removed.

Board Member Fuentes commented that from personal experience in El Segundo, unless it is in writing, it is hard to hold somebody to a promise they made. She would like to see these assurances in writing.

Board Member Gazeley thanked Mayor Garcetti for attending and added that his city (Lomita) will be staying neutral.

Carson City Manager Ken Farfsing asked for clarification on the Local Return formula because to his understanding that the ordinance specifically states it is based on population. Metro Chair Fasana asked Stephanie Wiggins, Deputy Chief Executive Officer at Metro, to address this question. Ms. Wiggins stated that the ordinance states it's based off population, but does not specify what "population" it is referring to. This could mean residential population, workforce population, or a variety of alternative ways.

Board Member Fangary shared that he works in Downtown Los Angeles and takes public transportation to work. He added that it is impossible to take public transportation from Hermosa Beach to Manhattan Beach and that they simply want a system like he uses to get to work. Board Member Fangary then added that he informed his colleagues on the Hermosa Beach City Council about his vote to oppose the measure and that they support that vote.

Board Member Napolitano (Alternate) commented that most of these concerns could have been addressed in July, but Metro decided to go dark that month. He rhetorically asked why it was after Metro realized the opposition to Measure M was real that they decided to do outreach to the SBCCOG and other sub-regions. He added that these concerns aren't new and that Metro is only reaching out after the ordinance has been set in stone.

Mayor Garcetti responded by stating that all concerns were heard, many were addressed, and that if he didn't think this measure was beneficial at its core, he would not be here tonight.

Board Member Goodhart stated that he hopes the questions and comments from the past and tonight are written down and encourages Metro to actually look into them.

Board Member Butts (Alternate) shared that he does not think Measure M is perfect by any means, but that timing is everything. In his view, this is an opportunity that the County will not have again any time soon.

Jacki Bacharach then asked to clarify a point she had made in reference to the motion to rescind the SBCCOG's opposition to the measure. She added that if the Board brings a motion in September to change positions, it will give a chance to the Board Members who had previously abstained to discuss it with their respective City Councils and vote this time. Jacki then addressed Mayor Garcetti by stating that she and Steve Lantz have repeatedly shared concerns with Metro, but that this was the first time they got a response. She requested, on behalf of the SBCCOG, written legal opinions from Metro concerning the statements made by Mayor Garcetti and Metro Chair Fasana regarding the 3% match, Local Return formula, and Citizen's Advisory Panel that appear to be different than what the ordinance actually says. She also asked Metro to explain where the \$1.2B comes from for the "equity measure" that was added after the CSUN project was included in the ordinance.

Steve Lantz then added that this is the first time Metro has included the 3% match in the ordinance language, and asked how the Metro Board could change this in the future if it's part of the ordinance. Mayor Garcetti responded that he cannot answer for Metro, but that there are ways to pay it without using Local Return or other forms of cash (such as land or in-kind services). Metro Chair Fasana added that there are also other funding pots that could possibly be used as a solution to the 3% match.

Chair Osborne then concluded the discussion by thanking Mayor Garcetti, Metro Chair Fasana, and their staff for coming tonight.

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South Bay Cities Council of Governments

September 12, 2016

TO: SBCCOG Steering Committee
FROM: Jacki Bacharach, Executive Director
Steve Lantz, Transportation Director
SUBJECT: Consideration of Revising SBCCOG Oppose Position on Measure M

Background

The Los Angeles County Los Angeles County Metropolitan Transportation Authority (LACMTA) Board of Directors voted on June 23, 2016 to place the following Measure M ballot proposition on the November 8, 2016 L. A. County general election ballot:

Los Angeles County Traffic Improvement Plan.

To improve freeway traffic flow/safety; repair potholes/sidewalks; repave local streets; earthquake retrofit bridges; synchronize signals; keep senior/disabled/student fares affordable; expand rail/subway/bus systems; improve job/school/airport connections; and create jobs; shall voters authorize a Los Angeles County Traffic Improvement Plan through a ½-cent sales tax and continue the existing ½-cent traffic relief tax until voters decide to end it, with independent audits/oversight and funds controlled locally?

YES

NO

The SBCCOG Board of Directors voted on June 30, 2016 to oppose Measure M.

Board members engaged in a lengthy discussion on the SBCCOG position with L. A. City Mayor Eric Garcetti and LACMTA Chair John Fasana during the August 25, 2016 SBCCOG Board of Directors meeting. At the end of the meeting, there was a request from several Board members to consider the matter further at the September 22, 2016 Board of Directors meeting. This memo is written to update and summarize the pro and con arguments and concerns that have been expressed during the past two years of the development of Measure M.

Ballot arguments in favor of and in opposition to Measure M have been finalized. However, the rebuttal arguments have yet to be submitted. The key ballot arguments in favor of and in opposition to Measure M are summarized as follows:

Ballot Arguments in favor of LACMTA Measure M

- In 2015, the average driver on LA freeways spent 81 hours stuck in traffic. We can stop wasting time away from our families and jobs by making smart investments in both transit and roads.
- All Measure M money is for local use only and cannot be taken by state government in Sacramento.
- Measure M:
 - creates a comprehensive Los Angeles County Traffic Improvement Plan to ease congestion and build a 21st Century Transportation Network;
 - will modernize Los Angeles County's aging transportation system;
 - will build more light rail, Rapid Bus, Metrolink, and better freeways and highways all across Los Angeles County and we can finally do earthquake retrofitting on our overpasses and bridges;
 - will keep seniors, disabled and student fares affordable and invests in van services and public transit so more seniors, veterans and people with disabilities can live independently;
 - gives Los Angeles County a guaranteed source of funding that can be used to get hundreds of millions of dollars in state and federal matching dollars. Without Measure M, these matching dollars will go to other places;
 - will help each of LA County's 88 cities fix their streets and repair their potholes and sidewalks;
 - includes strict accountability, an Oversight Committee, and an Annual Financial and Performance Audit, which will be available online;

Ballot arguments in opposition to LACMTA Measure M

- We all want less traffic and smog – and better, clean and safe public transit. But Measure M doesn't accomplish these things;
- Measure M is a flawed, unfair plan written in part by special interests representing the builders and contractors who'll make billions;
- Blue collar communities pay the tax but won't get traffic congestion relief for decades. Yet mega-projects in wealthy communities are the first in line to receive even more funding;
- The streets, roads and freeways we use are falling apart, but Measure M doesn't make fixing them a priority;
- Improvements to the I-5, 605, 710 and the 405 won't be completed for decades;
- Measure M is a "forever" tax on working families with no end date, oversight or accountability. Loopholes make Measure M a blank check because there are no guarantees the projects you've been promised will ever be started or completed.
- Measure M taxes people who can't afford it, spreads social and racial injustice and makes discrimination worse.

SBCCOG Ballot Measure Concerns

SBCCOG has been compiling and communicating concerns about the LACMTA ballot measure and the related expenditure plan over the past two months. The current concerns are organized in three principle categories: 1. Clarity / Fiscal Reliability; 2. Expenditure Plan Equity and Fairness; and 3. The Measure M Decision Making structure.

Clarity and Fiscal Reliability Concerns:

The Measure M ballot language does not specify how much revenue will be generated annually or what it will cost taxpayers each year forever.

- LACMTA estimates that Measure M will generate \$860 million a year (in 2017 dollars) forever (or until voters end the measure). Neither the ballot language nor LACMTA's ballot argument in support of the measure specifies how much the new tax will generate annually or what it will cost each taxpayer every year. (One basis for the lawsuit filed by Carson and other agencies)
- The Expenditure Plan only allocates the estimated \$120 billion in Measure M revenues that are projected to be collected during the first 40-years of the permanent tax. There is no accountability for how the funds will be spent thereafter.

The Measure M ballot language is not transparent in explaining that the associated Expenditure Plan is primarily a transit plan; that emphasis is not reflected within the Ballot language.

- 65 percent (\$559 million per year) in Measure M Expenditure Plan revenue would be dedicated to transit capital projects, rehabilitation of transit equipment and facilities, and public subsidy of transit operations and maintenance
- 17 percent (\$146 million per year) is dedicated for Highway Construction projects
- 17 percent (\$146 million per year) is returned to local jurisdictions from 2018 through 2039 for streets and roads repair, local transit capital and operations, storm water and any other eligible transportation projects. In 2039, an additional 3% annually is transferred from the Measure M transit capital sub-fund and/or the highway capital sub-funds meant for Sub-regional projects to the Local Return sub-fund to raise the Local Return share to 20%. It's not new money, it's a reallocation of funds we are already eligible to receive under other funding categories.
- 1 percent (\$8.6 million per year) is dedicated to LACMTA administration

The Measure M Tax at 1 cent is essentially permanent.

- In all practicality, Measure M can never be repealed. To qualify a measure for the L. A. County ballot to end the tax would require a petition to be signed by 10% of L. A. County voters, or more than 430,000 registered voters (as of today's numbers). With more than 500 political districts and 4.3 million registered voters, the County is the largest and most complex election

jurisdiction in the nation. Since less than half of registered voters typically vote, the petition would need to be signed by more than a majority of likely voters.

The ballot language is vague, unaccountable, misleading and problematic.

- The ballot language that the voters will see does not conform to the intent of the ordinance that would be adopted should the measure pass. LACMTA wants to replace the current Measure R rules with the Measure M rules in 2039 when Measure R expires. However, the Ballot Language extends Measure R until voters end it. The last clause in the ballot measure language could be interpreted to say that ONLY the current Measure R tax continues until voters decide to end it.
- There is no sunset provision in the ballot language summary. The way that it is written, Measure R is extended and there is no mention of a sunset for Measure M. With this language, Measure R does not sunset but is extended and therefore, Measure R rules would not be replaced with new Measure M rules after 2039.

The Measure M expenditure plan assumption of a 33% farebox recovery ratio is inconsistent with the Measure M promise to “keep senior/disabled/student fares affordable”

- LACMTA faces a bus and rail operating deficit of \$165M in FY 2020 and \$237M in FY 2021.
- The Measure M Expenditure Plan is predicated on a 33% farebox recovery ratio that was supposed to be achieved in 2015, meaning 33% of transit operating and maintenance costs will be paid from fares. Today, the farebox recovery ratio on the LACMTA system is no higher than 26%. It is unclear how LACMTA will achieve a 33% farebox recovery ratio at the same time it will “keep senior/disabled/student fares affordable”.
- Because the new measure is promising to “keep fares affordable” for some categories of riders, it will be very hard politically for the Board to raise the rest of fares. But, if LACMTA doesn't significantly raise all other fares or reduce operation and maintenance costs to reach the 33% farebox recovery ratio, LACMTA will not be able to fulfill the promises of the expenditure plan from this one factor alone.

It is unclear how LACMTA will prevent delay of future South Bay projects.

- LACMTA claims that Measure R project commitments will be kept without delays and that projects can be accelerated using Measure M to be completed earlier than promised in Measure R. However, the current Measure M project list assumes more than \$1 billion in uncommitted funding from other sources and current Measure R projects have experienced nearly \$1 billion in cost over runs. SBCCOG concerns were increased further when the LACMTA Board added more than \$2 billion in new, undefined projects at its June 23, 2016 meeting. The SBCCOG is concerned about the integrity of the Expenditure Plan due to the last

minute additions and LACMTA's history of scope creep, cost overruns and unfunded Board commitments.

- LACMTA has budgeted \$10.5 billion for 10 projects ahead of the South Bay Green Line Extension. SBCCOG is concerned with LACMTA's ability to contain costs on this ambitious program of simultaneous projects and is concerned that the 5-year acceleration of the Green Line South being promised in Measure M will evaporate. Even a 10% cumulative cost over-run would fully consume the funding available for the Green Line South project.
- To just complete the major South Bay projects requires \$1.079 billion (in 2015\$) of other federal, state or local funds beyond Measure M:

<u>Projects</u>	<u>Measure M</u>	<u>Other funds</u>	<u>Total</u>
Green Line South to Torrance	\$891 mil.	\$0	\$891 mil.
I-110 ExpressLane Extension to I-405	\$52 mil.	\$228 mil.	\$280 mil.
I-105 ExpressLane I-405 to I-605	\$175 mil.	\$0	\$175 mil.
I-405 South Bay Curve Improvements	\$150 mil.	\$251 mil.	\$401 mil.
I-405/ I-110 Interchange Improvements	\$250 mil.	\$0	\$250 mil.
SB Highway Operational Improvements	\$500 mil.	\$600 mil.	\$1,100 mil.
SB Trans. Sys. & Mob. Improvements	\$644 mil.	\$0	\$ 644 mil.
Total	\$2.662 bil.	\$1.079 bil.	\$3.741 bil.

- Even with revenue from four L. A. County transportation sales taxes (Propositions A and C, Measures R and M), there is a shortfall in the Measure M Expenditure Plan of approximately 16% of the estimated \$120 billion program over the first 40 years of collecting Measure M revenues. LACMTA assures voters that it is seeking "Federal, local, state, and other Funding" to "enable all Major Projects to be delivered expeditiously." LACMTA notes that the non-Measure M matching funding assumed in the plan is "advisory and non-binding"; but LACMTA assures voters that this "flexible" approach to securing these other funds "has been strategically successful for Los Angeles County in the past, and "we expect that success will continue in the future." In effect, LACMTA is saying, "Trust us. Be flexible. We can work it out after the election."
- Nearly all South Bay projects are scheduled in the second or third decades of the Expenditure Plan. And the bonding capacity of Measure M is fully committed. SBCCOG is concerned that unbudgeted cost increases in first decade projects will postpone funding available for all later projects

Expenditure Plan Equity and Fairness Concerns:

Local Return Allocation Formulas are inequitable.

- The definition of “*Local Return*” in The Measure M Ordinance is “*funds returned to the cities within Los Angeles and Los Angeles County, based on population, for eligible transportation-related uses as defined by the Local Return Guidelines to be developed in coordination with such cities and Los Angeles County and adopted by the LACMTA Board of Directors.*”
- “Donor” cities, especially in the South Bay, are significantly burdened by the inequity of contributing far greater sales tax revenues than they receive and by the addition of storm water projects as a new eligible use for up to 33 1/3% of Measure M Local revenues.
- SBCCOG, along with other cities and sub-regions unsuccessfully recommended that the local return allocation in Measure M be calculated based on population, lane miles within the jurisdiction, and sales tax revenues generated within the jurisdiction as a fairer way to divide the local return. LACMTA didn’t even engage in a discussion of this proposed revision. To keep Measure M consistent with Proposition A, C, and Measure R, LACMTA chose to allocate Measure M Local Return in the Measure M ordinance using resident population only.
- It was suggested that the LACMTA Board could creatively interpret “population” to allow for different allocation methodologies to be used for cities with larger daytime employment populations or cities that have relatively little employment. **Mayor Garcetti has stated that he has legal assurances that this can be done. In any event, any allowable change would not be addressed until after the November election and the current Metro Board majority hasn’t indicated how they might interpret a change.**
- The LACMTA Board added storm water projects as a new eligible use for up to 33 1/3 of annual Measure M Local Return revenues. Although the SBCCOG supports broadening the eligible uses of Local Return funds, additional funding should have been provided by LACMTA when it expanded the eligible categories of uses. To address storm water needs, cities will be forced to decide whether they want to defer potential street repairs and active transportation projects, increase local transit fares or reduce local and senior transit services.

The sequencing of the Green Line South Extension is unfair.

- The Green Line South Extension will have taken 50 years to be completed if it opens in 2030. South Bay voters will have paid transportation sales taxes for 50 years waiting for less than 5 miles of new rail service while more than 160 miles of transit was completed in other parts of L. A. County.
 - LACMTA and its predecessor, the L. A. County Transportation Commission, have been promising voters the South Bay Green Line extension for more than 30 years:
 - It was identified in the Proposition A rail map in 1980.
 - It was supposed to be funded using Proposition C in 1990 but only got built through the El Segundo Employment Center with 3 new stations.

- It was supposed to be extended in Measure R in 2008 2 miles with 2 new stations to the Galleria in Redondo Beach by 2035.
- LACMTA is now promising to use Measure M to extend it another 2.5 miles from Redondo Beach into Torrance (a total of 2.5 miles and 1 new station) by 2030 rather than 2035.

Measure M decision-making structure concerns:

The Measure M Expenditure Plan development process violated LACMTA's own bottom-up, transparent process and the promised application of performance metrics in developing Measure M project priorities and schedules

- LACMTA claims to have used performance metrics, revenue and cost assumptions and other actual calculations to come up with the project and program funding that are in the Expenditure Plan
- Policies and projects were added unilaterally at LACMTA board meetings:
 - removing the Measure R and Measure M sunset clauses
 - adding a 3% local contribution for rail projects to the Measure M ordinance
 - adding storm water projects as eligible uses of up to 33 1/3% of Measure M Local Return
 - adding at the June 23 meeting with no advance notice \$180 million for a new “North San Fernando Valley Bus Rapid Transit Improvements” System Connectivity (“sc”) sub-regional project; with funding available July 2018 and an “Expected Opening Date” of Fiscal Year 2023.
 - adding at the June 23 meeting with no advance notice \$1.204 billion dollars to retain countywide equity in the sub-regional program, for unspecified and unscheduled future sub-regional projects. As a result, the cumulative cost for a \$180 million project was \$1.384 billion in new commitments. The South Bay share of the new funding would be \$130 million.
- What does this change do to the integrity of the Expenditure Plan?
- Where does that money come from? What projects get delayed?
- The “system connectivity” category was supposed to be used for regionally significant projects such as the ports, airports and LA Union Station so that the funding of the regionally significant improvements would not count against a sub-region’s share. Will the other sub-regional projects enabled by this motion also be allocated from the “system connectivity” category?

LACMTA can unilaterally change the Measure M Expenditure Plan every 10 years.

- LACMTA can change any commitments funded with the new measure every ten years without consulting the voters or its regional partners. It merely has to consult with its "independent citizens' advisory committee" composed of members exclusively appointed by LACMTA. Mayor Garcetti's response to SBCCOG's request for a legal opinion stated that the Board needs a 2/3 vote to change the measure. He also included other statements and

personal intentions which are not currently in the ordinance nor approved by the Metro Board.

LACMTA unilaterally increased the cost and prevented acceleration of existing Measure R commitments.

- The LACMTA Board unilaterally eliminated the Measure R sunset provision which allowed the LACMTA Board to add numerous new projects in the first two decades of the plan, effectively accelerating their delivery ahead of current Measure R commitments.
- Eliminating the Measure M sunset clause also allowed LACMTA to dramatically increase Measure M debt. LACMTA, has assumed that 100% of Measure M bond capacity is used to deliver commitments in the Expenditure Plan.
- Without a sunset clause, bonding to accelerate projects funded by Measure R or Measure M would also allow repayment of debt to be deferred into later decades of the plan which would add significantly to the cost of Measure R projects and consume a significant share of future sales tax revenues thus endangering Plan revenues for projects scheduled after 2040.
- Adding new projects by issuing bond debt precludes the significant opportunity for prioritizing acceleration of current Measure R projects using Measure R and Measure M.

The Measure M ordinance 3% “Local Contribution” requirement for rail projects is one-sided and unfair to local partners.

- The Metro Board unilaterally inserted the requirement in the Measure M ordinance with the additional threat that it could withhold a city’s Local Return revenue for up to 15 years to satisfy the 3% requirement. It has not been in any previous ordinance.
- The 3% requirement should not have been snuck into the Measure M ordinance by the LACMTA Board. Like all other matching funds, investments from funding partners should be negotiated between LACTC and each funding partner whether the partner is federal, state or local.
- To compound the significance of the matter, Metro is the lead agency under CEQA and NEPA for its major rail projects. As responsible agencies, local jurisdictions have no control over the scope or cost of a project.
- 3% Local Contribution language in the Measure M ordinance:
"Three percent (3%) of the total project cost of any Expenditure Plan Major Project coded “T” in Attachment A shall be paid by each incorporated city within Los Angeles County, and Los Angeles County for those projects in unincorporated areas, based upon the percent of project total centerline track miles to be constructed within that jurisdiction’s borders if one (1) or more stations are to be constructed within the borders of said jurisdiction. An agreement approved by both Metro and the governing board of the jurisdiction shall specify the total project cost determined at the conclusion of thirty percent (30%) completion of final design (which shall not be subject to future cost increases), the amount to be paid, and a schedule of payments. If the total project cost estimate is reduced after the conclusion of thirty percent (30%) completion of final

design, the proportionate cost to the jurisdiction shall be reduced accordingly. The jurisdiction may request a betterment for a project. The jurisdiction, however, shall incur the full cost of any such betterment. Such agreements shall be in accordance with guidelines adopted by the Metro Board of Directors. If no agreement is entered into and approved prior to the award of any contract authorizing the construction of the project within the borders of the jurisdiction, or if at any time the local jurisdiction is in default of any sums due pursuant to the approved agreement, all funds contained in the Local Return/Regional Rail Sub-fund allocated to that jurisdiction may, at Metro's sole discretion, be withheld for not longer than fifteen (15) years and used to pay for the project until the three percent (3%) threshold is met."

- In discussions at the August 25, 2016 meeting, and in the letters following the LACMTA June 23, 2016 Board meeting from Metro Board Chair John Fasana and Mayor Garcetti, assurances were given that Metro is committed to working with jurisdictions to flexibly address how the 3% contribution can be met. Guidelines addressing the 3% contribution will be developed in consultation with the impacted jurisdictions and sub regions, after the election but prior to July 1, 2017. The guidelines also will consider what constitutes an acceptable financial contribution to the project cost; and allowance for a mutually agreed upon distribution formula among and by all jurisdictions within a transit project corridor, in lieu of a calculation based on centerline miles within each jurisdiction. However, the Chair's flexibility may have been constrained at the June 23, 2016 LACMTA Board meeting, when the LACMTA Board approved a motion by Directors Butts, DuBois, Knabe and Solis that commits LACMTA to negotiate in a standardized MOU with the respective contributing jurisdictions that up to 100% of a local jurisdiction's 3% local contribution can go towards underwriting Active Transportation Program (ATP), First/Last Mile, bike and pedestrian and street safety projects that contribute to the accessibility and success of the stations in the respective jurisdictions.

Supporters claim Measure M must pass in 2016 -- "It is now or never."

- At the SBCCOG Board meeting in August, it was stated that this tax is "now or never".
- For the South Bay, since we do not get our projects until future decades, we can wait for a more equitable measure that won't use up all available funding in other areas of L. A. County for the foreseeable future.
- However, The Green Line South is fully funded by Measure R from El Segundo to Galleria Shopping Center in Redondo Beach by 2035. The South Bay Highway Program will continue to be funded through 2039.
- Measure R will not sunset until 2039. There is time to propose another ballot measure that provides better balance between local and regional priorities.

RECOMMENDATION

Discuss this information and make a recommendation to the SBCCOG Board re: changing SBCCOG's current OPPOSE position on Measure M.

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October 4, 2016

The Honorable John Fasana, Chairman and
The Honorable Eric Garcetti
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012

Dear Chairman Fasana and Los Angeles Mayor Eric Garcetti:

Thank you for returning to the Gateway Cities Council of Governments (GCCOG) on September 7th and to South Bay Cities Council of Governments (SBCCOG) again on September 22nd. While we respect your appeal to the SBCCOG to change our position on Measure M from oppose to neutral or support, we have not been convinced that LACMTA will be able to meet the commitments that have been promised in the Measure M expenditure plan. We have reviewed the numbers, looked at the anticipated revenues and the promised expenditures and we can only conclude that the numbers don't add up.

As the representatives of 43 cities in L. A. County, the GCCOG and SBCCOG are committed to supporting an equitable and responsible Countywide transportation funding plan. We have supported or been neutral on all four of the previous transportation sales tax measures in L. A. County. However, we continue to be concerned that the Measure M Expenditure Plan has been built on a foundation of political support rather than sound transportation planning and fiscal responsibility.

- Measure M ballot language begins with "to improve freeway traffic flow / safety..." After months of discussion, we remain concerned with LACMTA's emphasis on accelerating new projects over responsibly funding a balanced program of Countywide capital, operating and maintenance commitments including projects already in the pipeline of regional, state and national significance.
- The Measure M Expenditure Plan capital funding program is already more than \$19 billion short of revenue. The LACMTA continues to make new rail transit commitments that will increase its deficit to generate support for Measure M without a comparable discussion of the agency's need for more operating subsidies.

LOCAL GOVERNMENTS IN ACTION

Carson ~ El Segundo ~ Gardena ~ Hawthorne
Hermosa Beach ~ Inglewood ~ Lawndale ~ Lomita
Manhattan Beach ~ Palos Verdes Estates ~ Rancho Palos Verdes
Redondo Beach ~ Rolling Hills ~ Rolling Hills Estates ~ Torrance
Los Angeles District #15 ~ Los Angeles County

Artesia ~ Avalon ~ Bell ~ Bellflower ~ Bell Gardens ~
Cerritos ~ Commerce ~ Compton ~
Cudahy ~ Downey ~ Hawaiian Gardens ~ Huntington Park
~ Industry ~ La Mirada ~ Lakewood ~ Long Beach ~
Lynwood ~ Maywood ~ Montebello ~ Norwalk ~ Paramount
~ Pico Rivera ~ Santa Fe Springs ~ Signal Hill ~ South
Gate ~ Vernon ~ Whittier ~ Los Angeles County,
Supervisorial Districts 1, 2, & 4 ~ Port of Long Beach

- While LACMTA plans to sell the maximum-possible Measure M bonds to deliver an accelerated capital program, LACMTA's plan does not explain how transit fares will be raised from the current 25% to a 33% fare-box recovery rate that was supposed to be achieved in 2015. Instead, the ballot measure simply promises to keep senior, disabled and student fares "affordable". What is the LACMTA's plan to get to 33% fare-box revenues? Is there a commitment to raise fares or adjust service? If not, which commitments will not be met to make up for this underfunding in the Measure M expenditure plan?
- The assumptions for the annual sales tax revenues of \$860 million are over \$50 million/year above the current estimated anticipated sales tax revenues. The Measure M Expenditure Plan relies on this speculative estimate of annual increase in sales tax revenues. Which commitments will not be met to make up for this over-projection in the assumptions of sales tax revenues in the Measure M expenditure plan? Additionally, is this same over estimating occurring in the Proposition A and C and Measure R revenues as well which would create a bigger revenue 'hole' for the entire existing LACMTA operations, maintenance and construction program. Our cities do not have the luxury to adopt overly optimistic revenue projections for our local capital improvement programs. On the contrary, we use prudent and conservative assumptions to ensure that we can deliver the projects that we commit to.
- We were concerned when the Sepulveda Tunnel was moved to the front of the line in March. We were stunned when a new West San Fernando Valley line was abruptly added to the plan on June 23rd and \$1.2 billion in additional projects were added with no evaluation or public dialogue at all. Where will the funds come from in the Measure M expenditure plan to meet these most recent and last minute commitments?

Other local jurisdictions have relied on LACMTA's CEO and the City of LA Mayor's personal commitments in making their decision whether to support, oppose or be neutral on Measure M. However, these commitments only would have mattered if they had been included in the Measure M Ordinance No. 16-01 since actual commitments can only be made by all of the LACMTA board members voting at the time of the future decisions. Additionally, any future amendments to Ordinance No. 16-01 require a two-thirds vote of the Board.

Our regions have been called parochial but please note that the concerns that have been mentioned thus far are not parochial but go to the heart of the viability and credibility of the Measure M expenditure plan. With Measure M bonded 100%, any of the reduced revenue projections that we have listed will mean that any later decade projects will need to 'slip' in schedule. The priority projects in both of our subregions are later decade projects.

We also believe that the Measure M highway program is inequitable. For example, the Measure M Expenditure Plan for the I-5 improvements, that are critical to maintaining Los Angeles economic sustainability in the global marketplace, will take more than 40 years to complete due to a **25-year gap** between current construction and Phase 2. The I-5 project does not start until 2036, sixteen years after the completion of the current segment.

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The Honorable Eric Garcetti
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Under the Measure M plan, the South Bay Curve won't be significantly expanded until 2046. We find it a matter of great concern that the I-710 Corridor project, the main freight artery from the nation's largest ports complex to the largest intermodal rail yard and all points east won't receive funding until 2026, almost a decade after the completion of years' worth of environmental and community work.

With less than 40 days before the November 8, 2016 election, the LACMTA cannot legally amend the Measure M Ordinance No. 16-01 and LACMTA leaders cannot commit to secure any other funding sources or to adopt more flexible interpretations of ordinance language. The period of meaningful change or dialogue has passed. Unfortunately, at this time, we cannot see how we can change our opposition to be neutral or to support this inequitable and fundamentally flawed measure.

Sincerely,



Mike Mendez, Member, Board of Directors
Gateway Cities Council of Governments
Mayor, City of Norwalk



Jim Osborne, Chair
South Bay Cities Council of Governments
Councilman, City of Lawndale

c.c.: LACMTA Board of Directors
Gateway Cities Board of Directors
South Bay Cities Board of Directors

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