



Metro

August 11, 2008

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Sacramento, California 95814

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Subject: Proposed Metro Countywide Half Cent Transportation Sales Tax & North-South Transit Project in East San Fernando Valley

Honorable members of the California Legislature and Los Angeles City Council:

This letter clarifies the Los Angeles County Metropolitan Transportation Authority's (Metro) existing commitment to the "East San Fernando Valley North-South Transit Corridor" ("the project") and explains how there will be additional resources available for transit improvements in the east San Fernando Valley, if the new Metro countywide half cent transportation sales tax is approved by voters in November.

In short, approval of the new sales tax will provide additional resources for north-south transit improvements in the east San Fernando Valley. Should the proposed new sales tax not be approved by voters, there will still be transit improvements on one or more north-south transit corridors in the Valley. The following explains both these points in greater detail.

The project was a funded project in Metro's adopted 2001 Long Range Transportation Plan (LRTP) and continues to be one of six funded transit projects in the draft 2008 LRTP, with or without passage of the sales tax. The Metro Board of Directors will be asked to reconfirm this commitment through the adoption of the final 2008 LRTP this fall.

As you are aware, the 2001 LRTP did not identify a specific corridor or corridors for the project. The 2003 "San Fernando Valley North-South Transit Corridor Regionally Significant Transportation Investment Study" identified 11 north-south corridor alternatives. Metro and City of Los Angeles Department of

Transportation (LADOT) refined the corridors under consideration to Canoga, Reseda, Sepulveda, Van Nuys, and Lankershim-San Fernando.

Metro – in partnership with the City of Los Angeles – is completing pre-construction work for the Canoga corridor. The other specific corridor(s), the type of transit improvements, and the sequencing, if more than one corridor is selected for improvements is the subject of a current LADOT-Metro study and upcoming environmental impact report and ultimately will be a policy decision of the Los Angeles City Council, Mayor of Los Angeles and finally the Metro Board. Environmental work for the project is expected to begin in fiscal year 2008-2009.

Without the new sales tax, the draft 2008 LRTP includes \$298.5 million in funding for the “San Fernando Valley North-South” bus rapid transit improvements for the “Metro Orange Line Canoga Extension and/or arterial bus speed improvements”. Specifically, it includes \$111.5 million for transit improvements in the Reseda, Sepulveda, Van Nuys, and/or Lankershim-San Fernando corridors. The “San Fernando Valley North-South” source of funds is State Transportation Congestion Relief Program (TCRP), State Proposition 1B (2006), and Proposition C (1990) local revenue. Metro will send supporting documentation in the near future describing the funding commitment to the project.

The funding includes \$100 million through State TCRP funds approved by the state Legislature¹. While the State TCRP legislation, AB 2928, does not specify the exact project location (corridor), it is our understanding that the legislative intent at the time was to include north-south project improvements in the east San Fernando Valley.

In the event the allocation of TCRP funds is delayed, Metro will seek to provide other Metro-controlled funds and/or use short-term debt to keep the project fully funded and on schedule. This is consistent with how Metro has treated other funded projects (e.g. Orange Line, Eastside Extension, bus purchases, various highway projects, etc.).

The proposed new sales tax includes an additional \$68.5 million for “San Fernando Valley East North-South Rapidways”. If approved by voters, the total funding available for the project will be \$180 million (\$111.5 million LRTP plus \$68.5 million new sales tax). This represents a 61% increase in available funds for north-south transit improvements in the Valley. Of the \$180 million, \$68.5 million specifically would be available for corridor improvements in the east San

¹ Government Code, Sec. 14556.40(a)(38)(B), “Build a North-South corridor bus transit project that interfaces with the foregoing East-West Burbank-Chandler [Orange Line] corridor project and with the Ventura Boulevard Rapid Bus project. One hundred million dollars (\$100,000,000).”

Fernando Valley, which we understand to mean east of the I-405 San Diego Freeway.

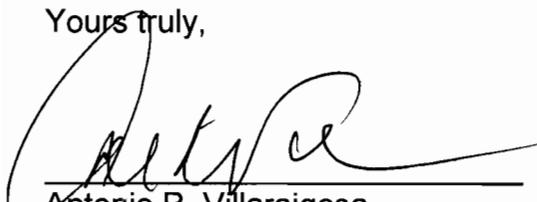
While SB 314 (Murray, 2003) set a statutory project completion date of 2009, this assumed that the voters of Los Angeles approved a new half cent sales tax as described in the bill, thus making available construction funds for the project between 2003 and 2009.² Unfortunately, the authorized new sales tax was never presented to nor approved by the voters; therefore, the 2009 completion date was not obtainable due to a lack of available funding.

Under the proposed new sales tax, \$68.5 million in funds will be available beginning in fiscal year 2013-2015 with expected project completion in FY 2016-2018. This funding will enable Metro to accelerate at least some of the project implementation versus the draft 2008 LRTP opening date of 2026. We agree that the interests of the public would be better served if the full \$180 million could be invested sooner in north-south transit improvements in San Fernando Valley and we are committed to exploring how we may do so within the context of Metro's financial resources.

Metro remains fully committed to improving north-south transit service in the San Fernando Valley, including significant improvements in the east valley. Approval of the new sales tax in November will increase funding for the project and enable Metro and the City of Los Angeles to bring service improvements to the Valley sooner than otherwise possible.

We look forward to your continuing partnership as we work together to improve transit service, mobility, and air quality in the San Fernando Valley.

Yours truly,



Antonio R. Villaraigosa
Chair



Roger Snoble
Chief Executive Officer

² Public Utilities Code Sec. 130350.5 (b)(3)(A)(iii) , "San Fernando Valley North-South Rapidways. The sum of one hundred million five hundred thousand dollars (\$100,500,000). This project shall be completed by 2009."