



NEWS

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CITY OF LOS ANGELES APPROVES \$200 MILLION FOR METRO RED LINE

The Los Angeles City Council voted 12 to 2 today to approve \$200 million in funds that will allow MTA to expeditiously complete construction of the third segment of the Metro Red Line.

"This agreement with the City on funding for Metro Red Line construction is an important assurance of local support for the project," said Larry Zarian, MTA Board Chairman. "The City's action must be reviewed by the MTA Board, but City Council action today shows pivotal support. It means we can move forward."

A \$200 million contribution from the City of Los Angeles is incorporated in the MTA's Long Range Transportation Plan, adopted by the MTA Board of Directors in 1995. It also is a key to the commitment between the MTA and the Federal Transit Administration (FTA), assuring the construction of Segment 3 of the rail line, which includes North Hollywood, Mid-City, and the East Side Extensions.

The proposal approved today calls for the City of Los Angeles to pay \$200 million over an 8-year period for Segment 3 of the Red Line. The agreement means the City will pay \$58 million of the \$200 million in FY 1996-97. The MTA will sell a short-term bond to finance the City's remaining balance of \$142 million, which the City will pay off over an 8-year period.

"This vote of support is a critical milestone," said Joseph Drew, MTA CEO. "It sends an important signal to Sacramento and to Washington that we can meet our commitment to build a complete transportation system in this region."

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The Los Angeles City Council action also stipulated that the MTA assure completion of a San Fernando Valley East-West alignment on the Burbank-Chandler corridor as the next rail line construction in the MTA's Long Range Plan.

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