



EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
June 16, 2004

**SUBJECT: STATE LEGISLATION**

**ACTION: APPROVE STAFF RECOMMENDATIONS ON STATE LEGISLATION**

RECOMMENDATION

Adopt the following positions:

- A. AB 712 (Liu) – Would create the Metro Foothills Gold Line Construction Authority with a board structure of seven voting members. **OPPOSE – UNLESS AMENDED**
- B. Proposed language to create Regional Authority for Investment in Transportation (RAIT). Legislation has been proposed by the Southern California Association of Governments (SCAG) that would authorize the creation of RAITs. The RAITs would be charged with responsibilities currently retained by the LACMTA. At this point SCAG has indicated that this language will be amended into an as yet unidentified bill. **OPPOSE – RAIT LANGUAGE AS PROPOSED**
- C. AB 2628 (Pavley) – Would allow hybrid vehicles, or advance technology partial zero-emission vehicles (AT PZEV), to use high-occupancy vehicle (HOV) lanes regardless of the number of occupants. **SUPPORT SEEK AMENDMENTS**

ISSUE

Staff review numerous transportation-related bills through the legislative session. The attached analysis identify three significant bills which staff believes the MTA Board of Directors should take positions.

## ATTACHMENTS

- A. AB 712 (Liu)
- B. Proposed language to create Regional Authority for Investment in Transportation (RAIT)
- C. AB 2628 (Pavley)

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**BILL:** AB 712

**AUTHOR:** ASSEMBLY MEMBER CAROL LIU  
(D-LA CANADA/FLINTRIDGE)

**SUBJECT:** METRO GOLD LINE – FOOTHILLS EXTENSION

**STATUS:** SENATE TRANSPORTATION COMMITTEE  
HEARING – JUNE 15, 2004

**ACTION:** OPPOSE UNLESS AMENDED

RECOMMENDATION

Staff recommends that the MTA Board of Directors adopt an oppose unless amended position on AB 712.

PROVISIONS

When last presented to the Board at the December 2003 meeting, AB 712 had been amended to:

- Rename the construction authority to the Foothills Gold Line Construction Authority;
- Rename the entire project from Union Station to Claremont to the Foothills Gold Line;
- Expand the voting membership of the board from 5 to 15 members by adding the cities of Arcadia, Monrovia, Duarte, Irwindale, Azusa, Glendora, San Dimas, La Verne, Pomona and Claremont;
- Change the member appointed by the San Gabriel Valley Council of Governments to be a member appointed by the San Bernardino Associated Governments;
- State that the board members may be removed at any time by the appointing authority; and
- State that the bill is not intended to affect local, state or federal funding priorities.

The remainder of the statute relating to the construction authority remains in law, unchanged.

AB 712 was amended on June 8, 2004 to propose a board structure of 7 voting members appointed as follows;

- Four members appointed by a local selection committee composed of the following cities; Arcadia, Azusa, Claremont, Duarte, Glendora, Irwindale, La Verne, Monrovia, Pasadena, Pomona, San Dimas, South Pasadena, and, the San Bernardino Associated Government.

- Two members appointed by the MTA
- One member appointed by the City of Los Angeles.

The language from 9/11/03 stating that the bill is not intended to affect local, state or federal funding priorities remains in the bill.

### IMPACT ANALYSIS

Since September of 2003 the cities along Phase II of the Gold Line have engaged in discussions relating to a modified board structure and implementation of the Foothills Gold Line Construction Authority. These discussions have resulted in the most recent amendments to AB 712 proposed by Assembly Member Liu.

The overriding issue relating to AB 712 relates to the timing of the Foothills Extension relative to other transportation projects in Los Angeles County. The existing construction authority has prepared a draft Environmental Impact Report for the project and is currently circulating the DEIR. Additionally, the construction authority has circulated a funding plan and project schedule that would place the project in direct competition with other MTA projects for federal, state and local funds. Although the bill contains language that states it is not intended to affect funding priorities, the proposed funding plan and schedule do conflict with the MTA's priorities.

Recent efforts by Los Angeles County's Congressional delegation to work in a unified manner for the Eastside Full Funding Grant Agreement have demonstrated the importance of a consensus approach in advocating for transportation funds. This unified efforts is critical in the development of future transportation projects and in decision making relative to transportation project priorities. Other agencies beyond the MTA are in the process of developing and implementing transportation projects.

Agreement on a board structure for the Foothills Extension Construction Authority is one area in which consensus is needed. Codification of a working relationship in law and in the set of agreements between the two agencies is another major area on which to reach consensus and will help to provide certainty to the project's sponsors and the MTA.

Staff suggest that the next step in formalizing this consensus in a working manner is to refine the relationship of the Construction Authority and the MTA. This can be done through the principle agreements currently in place between the two agencies. This was accomplished in SB 504 (Kuehl, Chapter 827, Statutes of 2003) which created the Exposition Construction Authority. Language was incorporated in SB 504, relative to the principle agreements, which improved upon the legislation creating the Pasadena Construction Authority. Even with that language, staff suggests that further improvements could be made and these improvements would help to clarify the relationship, create certainty and foster a more cooperative working relationship between external project sponsors and the MTA.

Staff recommends that the MTA Board of Directors adopt an oppose unless amended position on AB 712. The recommended amendments would be based on the following principles;

- That the project may only proceed in a manner consistent with the MTA's project priorities;
- That the amendments reflect the MTA's responsibility for deciding project priorities, and allocating transportation funds.
- That the MTA shall remain the sole designee for federal funding including becoming the sole designee for entering into a Full Funding Grant Agreement
- The language from SB 504 (Kuehl) be incorporated into the Foothills Gold Line Construction Authority statute.
- That the Foothills Gold Line Construction Authority be prohibited from lobbying for federal, state or local funds.

**BILL:** LANGUAGE PROPOSED BY THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

**AUTHOR:** ASSEMBLY MEMBER MARK RIDLEY-THOMAS  
(D – LOS ANGELES)

**SUBJECT:** REGIONAL AUTHORITY FOR INVESTMENT IN TRANSPORTATION (RAIT)

**STATUS:** PENDING AMENDMENT INTO EXISTING LEGISLATION

**ACTION:** OPPOSE

RECOMMENDATION

Staff recommends that the MTA Board of Directors adopt an oppose position on language proposed by SCAG to create RAITs.

PROVISIONS

Draft language has been circulated which would establish in state law the authority to create a Regional Authority for Investment in Transportation (RAIT).

Specifically, the measure would:

- Allow unspecified government agencies to form a RAIT as a joint powers authority.
- Allow RAIT to impose unspecified user fees.
- Allow RAIT to plan design and construct unspecified transportation projects.
- Allow RAIT to receive or solicit proposals and enter into public-private partnership agreements with private entities, for any or all of the following transportation project-implementation activities: planning, finance, design, construction, operations and maintenance.
- Allow RAIT to utilize, but not be limited to, one or more of the following procurement transactions:
  - Pre-qualification and short-listing of proposers prior to final evaluation of proposals; final evaluation of proposals based on qualifications, “best value”, or both; payment of stipends to unsuccessful proposers; negotiations with proposers prior to award; and receipt of and selection of unsolicited proposals, with or without issuance of requests for competing proposals.
- Allow RAIT to incur indebtedness secured by the pledge of revenues.
- Allow RAIT to be the lead agency with regard to developing and implementing the authorized projects pursuant to Environmental Quality Act.
- Provide RAIT to issue bonds, payable from the revenue of any facility or enterprise to be operated, acquired, or constructed by the authority.

- Permit RAIT to levy special benefit assessments to finance capital improvements.

### IMPACT ANALYSIS

This proposed language will put in state law the ability to create a new governmental entity with very broad powers that directly conflict with the authority of the MTA. This new entity would have the authority to oversee the financing, planning, construction, and operation of transportation projects in the Los Angeles region. The proposal is very similar to an entity proposed by SCAG in its Operation Jump Start program.

According to the sponsors, the intent of the proposed language is to create an agency that could implement revenue backed projects. Staff argue that this language is fundamentally unnecessary since the authority to enter into such arrangements already exists and has been implemented in Los Angeles County for the Alameda Corridor project. The Alameda Corridor project is a revenue backed project that was constructed under such an arrangement.

The timing of the proposed language is also of concern. The language is proposed to be amended into an as yet unidentified bill in the middle of the legislative session. The proposal to create RAITs has been subjected to very little review amongst existing transportation agencies and should be subject to such review prior to its introduction.

Staff believes that RAITs would bring another entity into the mix, adding confusion and unnecessary competition in the allocation of federal, state and local funding of transportation projects. In the light of the current budget and funding crisis at the state level, it would not be prudent to create another authority that would compete with other public transit agencies and their transportation projects.

Staff recommends that the MTA Board of Directors adopt an oppose position on this proposed language.



**BILL:** AB 2628

**AUTHOR:** ASSEMBLY MEMBER FRAN PAVLEY  
(D-AGOURA HILLS)

**SUBJECT:** HYBRID VEHICLES – USE OF HIGH OCCUPANCY VEHICLE LANES

**STATUS:** ASSEMBLY THIRD READING FILE

**ACTION:** SUPPORT - SEEK AMENDMENTS

### RECOMMENDATION

Staff recommends that the MTA Board of Directors adopt a support, seek amendments position on AB 2628.

### PROVISIONS

Current law allows ultra low-emission vehicles and super ultra-low emission vehicles (generally electric vehicles) with a distinctive decal, label, or other identifier issued by the Department of Motor Vehicles to utilize exclusive or preferential use of highway lanes or highway access ramps (i.e. HOV).

AB 2628 would allow hybrid vehicles, or advance technology partial zero-emission vehicles (AT PZEV), to use high-occupancy vehicle (HOV) lanes regardless of the number of occupants. Specifically, the bill would:

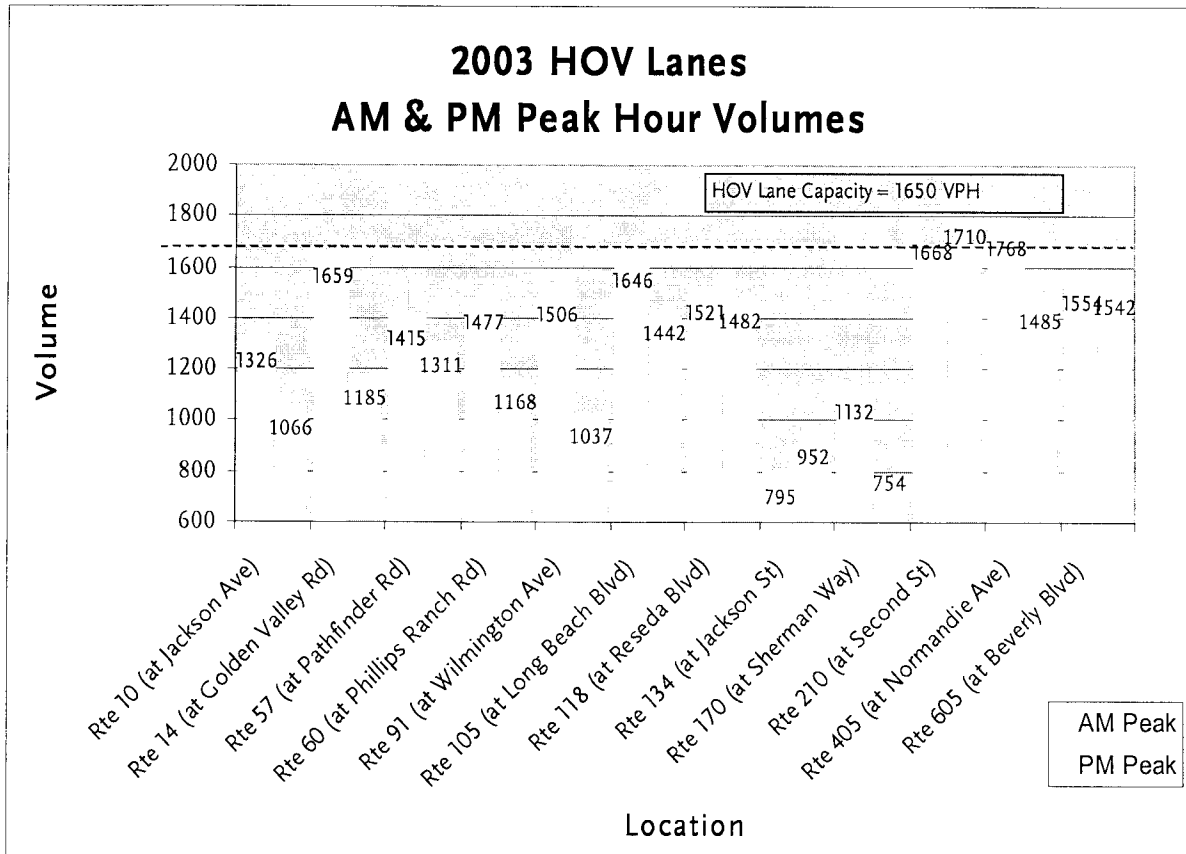
- Authorize vehicles that achieve 45 miles per gallon or greater fuel economy highway rating to use HOV lanes regardless of the number of occupants.
- Authorize free passage on toll bridges under the jurisdiction of the Bay Area Toll Authority.
- Require the Department of Motor Vehicles (DMV) to issue decals, labels or other identifiers for hybrid cars to establish eligibility and require the DMV to make specified determinations after at least 50,000 of those decals have been issued.
- Require the DMV to issue no more than 75,000 decals, labels, or other identifiers.
- Authorize Caltrans to remove lanes from eligibility based on congestion and other factors.
- Require that its provisions shall expire on January 1, 2008.

### IMPACT ANALYSIS

Under the original ISTEA legislation, states were authorized to grant specific low emission vehicles, specifically electric vehicles, access to the HOV system. California enacted its authorizing statute for these vehicles in 1999. This measure was opposed by a number of transportation agencies around the state due to the precedent set by allowing single occupant

vehicles in the HOV system. The reauthorization measure pending in Congress expands this authorization to a broader class of low emission vehicles, in this case hybrids.

As the HOV system has developed in Los Angeles County, usage has also grown. There are 16 carpool lanes, covering approximately 180 lane miles, throughout Los Angeles County. Current state and federal standards for HOV lanes call for a minimum of 800 vehicles per hour within five years in order to warrant an HOV lane as working efficiently. Furthermore, Caltrans' guidelines establish that a typical HOV lane has a design capacity of 1,650 vehicles per hour. The following graph shows the vehicles per hour per lane on the HOV lanes:



Current data shows that many HOV lanes are operating near capacity. As the system develops and the lanes become more congested, the MTA will be faced with policy choices related to how best to maximize the use of the lanes. The options include increasing the occupant limit to three or more.

Additionally, changes to HOV system including peak and non-peak usage have created an inconsistent regulatory framework within Los Angeles County. The increased complications resulting from a new class of vehicles and additional regulations specifically for them could create even more complications in the system.

As currently drafted, AB 2826 provides Caltrans with the authority to review the impacts of the bill at certain thresholds and to remove lanes from eligibility if they determine that the lanes have exceeded capacity and that there are no other means to alleviate congestion such as increasing the occupant limit. Staff are concerned that this provision could force a policy choice relating to HOV lanes. The MTA recently concluded one of the most extensive evaluations of the HOV system. Under that review a number of policy options are outlined including increasing the occupant limit as a means of optimizing the HOV system. Staff suggests that decisions relating to lane eligibility should be shared between Caltrans and the MTA.

Staff suggest that AB 2628 be amended to require Caltrans to work with the regional transportation planning agency or the county transportation commission in implementing AB 2628. This will ensure more involvement by the MTA in the decision making process and should improve the ability to examine the impacts of this change in law. Assembly Member Pavley's office has been consulted on this suggested amendment and has expressed their intention to address the issue in the legislation.

AB 2628 is sponsored by Governor Schwarzenegger's Administration through the Environmental Protection Agency and by Treasurer Phil Angelides.

MTA staff recommends that the MTA Board adopt support, seek amendment position on AB 2628.

