

FREQUENTLY ASKED QUESTIONS

What are the Costs & Duration of the Sales Tax Measure?

The sales tax measure is called the Los Angeles County Traffic Improvement Plan. If the measure is approved by voters, a new ½ cent sales tax will go into effect in 2017, generating an estimated \$860 million per year. When the existing Measure R ½ cent sales tax expires in 2039, this new tax measure will increase to one cent. The new tax would not expire until voters decide to end it.

How many other Metro sales tax measures are in place and how many have no sunset?

- Three other ½ cent Metro sales tax measures presently in effect – Proposition A, Proposition C, and Measure R. Propositions A and C have no sunset.

Is there Financial Stewardship & Accountability in the Sales Tax Measure?

- Yes, the sales tax measure includes a structure for Independent Taxpayer Oversight, including a seven-member panel.
- Once every 10 years, a comprehensive assessment of the projects and programs identified in the sales tax measure's expenditure plan is required. New projects/programs can be added every 10 years through an amendment process including public input and a 60-day public notice period.

How Does the Sales Tax Measure Address Local Streets and Roads?

- The new sales tax revenue will generate \$144 Million in Local Return in FY18, representing 17% of the annual sales tax allocation. (This is in addition to the Local Return funding from Propositions A and C and Measure R.) In FY40, the annual allocation will increase to 20%.
- Eligible uses are expanded in the new sales tax measure to include: Green Streets and transit oriented community investments. On an annual basis, up to one third of the new Local Return funds can be used for Green Streets (storm water treatment improvements).
- Guidelines will be developed with input from local jurisdictions, prior to July 1, 2017. The guidelines will address specific eligibility, allocation and maintenance of effort issues, which means the new sales tax revenue will be used for additional improvements and will not replace existing funding.

Why Isn't the Local Return Allocation at 20% Beginning in FY18?

- The preliminary staff recommendation was for a 16% Local Return allocation. The final staff recommendation approved by the Metro Board is 17% beginning in FY18 and increasing to 20% in FY40. The change from 16% to 17% in FY18 and increasing to 20% in FY40 results in an additional \$3.9 billion for Local Return through FY57.
- Every percent increase for Local Return may delay the delivery of major transit and highway projects.

Would the New Sales Tax Delay Measure R Projects?

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- No, the sales tax measure does not delay any Measure R projects.
- Revenues from the sales tax measure will be used to accelerate four Measure R transit projects:
 - Green Line Extension to Torrance - Enables construction completion in 2030 - 5 years faster than planned with Measure R
 - Airport Metro Connector - Enables construction completion in 2021- 7 years faster than planned with Measure R
 - Westside Purple Line Extension, Section 3 - Enables construction completion in 2024 - 12 years faster than planned with Measure R
 - Sepulveda Pass Transit Corridor - Enables construction completion in 2033 - 6 years faster than planned with Measure R

Are there any Goods Movement Projects in the Sales Tax Measure?

- Yes, the measure identifies +\$4.3 billion (\$2015) in new funding for projects and programs:
 - I-5 N Capacity Enhancements (SR14 to Lake Hughes) \$240 million
 - SR71 Gap from I-10 to Rio Rancho Road \$249 million
 - SR57/SR60 Interchange Improvements \$205 million
 - I-710 South Corridor \$500 million
 - I-5 S Corridor Improvements (I-605/I-710) \$1.1 billion
 - I-605/I-10 Interchange \$126 million
 - I-605 Corridor “Hot Spots” Interchange Improvements \$1.0 billion
 - South Bay Highway Operational Improvements \$500 million
 - Freeway Interchange & Operational Improvements \$195 million
 - Goods Movement Program/Projects (various sub regions) \$219 million
 - SR-60/I-605 Interchange \$130 million
 - I-405 South Bay Curve Improvements \$150 million

What is the purpose of the 3% Local Contribution requirement?

- The 3% Local Contribution requirement is included in the funding plan for all major transit capital projects to capture a portion of the real economic value added by the transit projects.
- The 3% local contribution does not apply to a jurisdiction if it does not have a station.
- Local jurisdictions will be allowed to meet all or a portion of their 3% local contributions through active transportation and first/last mile investments that are included in project scopes.
- Metro will work with the local governments to come to agreement on funding the 3%. If we cannot come to an agreement, Metro will withhold up to 15 years of local return funding from the new measure. In some cases, such as smaller cities, the withholding of 15 years of local return will be less than a 3% contribution.
- The 3% Local Contribution requirement proposed for the new sales tax measure is a *continuation* of the practice under Measure R, where currently the cities of Arcadia, Azusa,

Duarte, Inglewood, Irwindale, Los Angeles, Monrovia and Santa Monica have all participated in the program based upon the new stations planned for their jurisdictions.

- Guidelines will be developed in consultation with the impacted jurisdictions and sub regions, prior to July 1, 2017. The guidelines can address a mutually agreed upon formula by all jurisdictions within a transit project corridor in lieu of a calculation based on centerline miles within each jurisdiction.

How is Geographic Equity by Sub Region Addressed?

- Sub regional targets for the identification of major capital projects and programs were developed in consultation with all of the sub regions. This was a two-year process, agreed upon by all sub regions in April 2015, and presented to the Metro Board in October 2015. The agreed upon approach is a formula based on current and future population and employment for each sub region.
- The recent allocation of \$180 million to the San Fernando Valley sub region from the System Connectivity sub-fund will result in other sub regions receiving a proportionate share increase in sub regional targets.