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FOR IMMEDIATE RELEASE

Metro Approves Issuing Up to \$1.3 Billion In Proposition "C" Bonds for Key Transportation Projects

- Action Allows Agency to Meet Air Quality Requirements, Protect Federal Funding

The Los Angeles County Metropolitan Transportation Authority Board of Directors today took a bold step to meet federal air quality conformity requirements, relieve congestion and ensure the future flow of federal transportation funding by approving the sale of up to \$1.3 billion in Proposition C bonds over 10 years (FY 05 – FY 14) to accelerate the schedules of five key transportation projects.

"The outlook for state and federal transportation funding in the near term is not encouraging and requires that we act decisively if we're to meet our air quality goals and tackle this county's traffic congestion," said Frank Roberts, Lancaster Mayor and MTA Board Chair. "Getting these projects to the finish line will come with a cost, but a far less cost than the federal funding, air quality and mobility we otherwise would lose."

Today's action allows Metro to advance the list of projects already committed in the Los Angeles County Transportation Improvement Program (TIP) and amend the program to include \$1.3 billion in funding for the following projects:

I-5 Carpool Lane from Route 134 to Route 170, \$254.2 million – The project is currently estimated to cost \$300 million. The remaining \$46.1 million for project design is expected to be funded with Proposition C, State Transportation Improvement Program and federal funds. Projected completion of the project is April 2010.

Between 185,000 and 250,000 cars and trucks use this segment of I-5 every day. Accelerating this project by four years from 2015 to 2011 will save motorists time. In fact, an estimated 640,000 hours in annual travel time savings will be realized in 2025 from this project alone.

Exposition Light Rail Project to Culver City, \$240.9 million – This project is being advanced from FY 2013 to FY 2010. While the first priority remains funding this project using federal and state funds, a locally funded alternative is being introduced to expedite construction and ensure compliance with air quality standards.

I-5 Carpool Lanes from Route 91 to Route 605, \$541.4 million – This project is now estimated to cost \$610 million. This is an increase of \$232 million due to escalating costs of steel, concrete and real estate acquisitions.

Between 175,000 and 235,000 use this segment of I-5 every day. Accelerating this project will save motorists an estimated 1.6 million hours in travel time in 2025.

Alameda Corridor East (ACE), \$85 million – This \$912 million project will make improvements to 70 route miles of track along the freight main lines in the San Gabriel Valley between East Los Angeles and Pomona to accommodate the increase in train traffic resulting from the completion of the Alameda Corridor project.

Phase I of the ACE project includes safety improvements and 10 grade separations. Phase II includes 10 grade separations and a traffic signalization system. Today's action will advance Metro's Phase II share to Phase I and complete Metro's funding obligation for the project.

Deferred Call for Projects, \$192.7 million – The Deferred Call for Projects totals \$192.7 million and includes \$118.5 million in non-Caltrans projects and an estimated \$74.2 million for the I-5/Route 14 Direct

Connector Project. Today's action funds the balance of deferred non-Caltrans and I-5 Route 14 Direct Connector projects.

"The Texas Transportation Institute's 2004 Urban Mobility Study may have crowned the Los Angeles region the king of congestion for the 18th year in a row, but it also made it clear that as a result of our transportation plans and programs we're the nation's only large region to have reduced roadway congestion since 1990," said Roger Snoble, Metro chief executive officer. "The projects funded by today's Board action will allow us to make an even larger dent in our congestion and improve the region's quality of life."

The I-5 carpool lane project (Route 134 to Route 170) was one of six major Los Angeles County projects in the Draft 2004 Regional Transportation Improvement Program (RTIP) that the Southern California Association of Governments (SCAG) identified as "delayed" when compared to their schedules in the 2004 Regional Transportation Plan.

SCAG noted that if projects were not implemented in a timely manner, the Federal Highway Administration (FHWA) might delay or deny the adoption of the RTIP, thereby cutting off federal funds, permits or environmental clearances for "non-exempt" transportation projects.

The schedule delays for the remaining five projects from the SCAG list were addressed by prior Metro Board actions that committed funds and cooperation by Metro and Caltrans to implement the projects, which include bus rapid transit (BRT) projects on Wilshire Boulevard, Crenshaw Boulevard and a north-south route in the San Fernando Valley.

"It's a pleasure to be able to work with the Metropolitan Transportation Authority on keeping transportation solutions to our regional congestion problems moving forward in these tight fiscal times," said Doug Failing, California Department of Transportation (Caltrans), District 7 Director.

Metro's commitment of \$1.3 million in planned borrowing would be conditional and Proposition 25% bond proceeds would be provided only as last resort when cash flow needs cannot be met with state and federal funds.

Metro has capacity to issue the total bond amount without exceeding its debt policy. In addition, it anticipates that this borrowing would result in a negligible increase (0.5 percent) in Metro's total debt during the 10-year period as the result of the scheduled retirement of existing debt during that period.

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