



May 26, 2005

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## **Metro FY 06 Budget Adopted**

The LA County Metropolitan Transportation Authority Board of Directors today adopted a \$2.86 billion budget for Fiscal Year 2005-06 that starts July 1.

Metro fares will remain the same, however, to help balance the operating budget Metro will use \$77 million in "one-time" revenues such as sale/lease back revenues and railroad right-of-way lease revenues from property owned by Metro.

The spending plan is \$153 million less than the current amended budget despite rising fuel, insurance, security, workers compensation and other costs. General and administrative spending has been reduced to absorb these increases including the elimination of 133 related full-time equivalent (FTE) positions. This is offset, in part, by the need to hire 98 union employees next year, mostly operators and mechanics, as Metro begins operating the Metro Orange Line and also complies with federal Consent Decree orders to continue adding more service on Metro Bus lines.

"In the year ahead Metro again will be straitjacketed by financial constraints on many fronts and, yet, we will still push forward on major transit projects that will offer commuters and others new ways to beat traffic and the high price of gas," Metro CEO Roger Snoble said.

The 14-mile Metro Orange Line will open this fall. This is a state-of-the-art 14-mile transitway that will link the Metro Rail North Hollywood station with Warner Center in the West San Fernando Valley via an exclusive transitway that once carried freight trains. New 60-foot Metro Liner buses, operating as trains on rubber wheels, will ply the Metro Orange Line at much faster travel times than local buses or even cars slogging along the congested 101 Freeway. Parking for more than 3,000 cars will be conveniently located along the Metro Orange Line, and there also will be a bikeway sidling the transitway.

Three new Metro Rapid lines, which will debut in late June, will be operating. These include service on Fairfax Avenue and Beverly and Lincoln Boulevards. In addition, in FY06 four Metro Rapid lines will begin service on Western Avenue, Santa Monica Boulevard, Long Beach Boulevard/Santa Fe Avenue and Reseda Boulevard. To better serve its customers, Metro also will deploy 200 new Metro Liner buses with nearly 50 percent more seating capacity than a standard coach.

Huge tunnel boring machines will be lowered into the ground this summer in Boyle Heights as construction of the Metro Gold Line extension to Little Tokyo, Boyle Heights and East Los Angeles proceeds full bore toward a late 2009 opening. It is also possible in Fiscal Year 2006 that Metro could break ground on the Exposition light rail line first phase to Culver City.

On the highway side, the following major projects will be under construction in FY06:

- Interstate 5 carpool lanes in both directions from Route 14 to Route 118.
- Route 14 carpool lanes in both directions from Pearblossom to Avenue P-8.
- Interstate 405/US 101 interchange connector gap closure (Northbound 405 to Eastbound 101)
- Interstate 405 southbound auxiliary and carpool lanes from Waterford to Interstate 10 in West Los Angeles

These accomplishments stand out in sharp relief considering that state transportation funding is still limited and the prospects for increased federal funding are remote.

That puts Metro in a precarious situation if the agency is saddled with additional financial burdens. Among the risks in this budget are rising fuel prices, the potential for eliminating existing state gas tax funding, and new federal Consent Decree orders to add even more bus service on top of the nearly \$1 billion Metro has spent in the past eight years complying with the Consent Decree.

### **More than \$1 billion for buses**

Nearly half the budget -- \$1.295 billion or 45.3% -- is earmarked for Metro Bus operating and capital expenses and support for municipal bus operators and paratransit programs countywide. Metro will take delivery of 176 new buses in the next fiscal year including 170 new 60-foot buses that can seat 50 percent more passengers than a standard size 40-foot bus. Additional buses may be ordered in FY 06 but delivery probably will not take place until FY 07.

### **Eastside construction spurs rail program**

The second biggest slice of the budget pie -- \$613 million or 21.4% -- will go for Metro Rail operating, construction and capital costs. This includes major construction of the Metro Gold Line Eastside Extension. Another \$57.9 million - 2% -- is LA County's subsidy for the Metrolink commuter rail network that serves LA and four outlying counties in the region.

### **Funding for streets and highway programs**

The next biggest portion of the budget -- \$519 million or 18.1% -- is for highway and other regional transportation programs such as construction of freeway carpool lanes, freeway sound walls, street widening, better traffic signal coordination, grade separations at railroad crossings, bikeways, ride-sharing incentives, shuttles, and other local transportation programs. The budget also includes funding for the Metro Freeway Service Patrol to help stranded motorists.

### **Debt service up slightly**

Metro's debt service next year will be \$309.7 million - 10.8% of the budget. That's up \$4.1 million from this year for planned debt issuance primarily due to support the Metro Eastside Extension and the Metro Orange Line.

Rounding out the FY 06 Metro budget are expenditures for other governmental programs such as transportation planning, capital projects such as warehousing, legal and other expenses. These expenditures total \$64.7 million or 2.4% of the budget.

Metro funding comes from the farebox, local, state and federal governments and other sources such as lease rentals, investment income and advertising revenue.

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