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Metro FY 08 Budget Adopted

The Los Angeles County Metropolitan Authority Board of Directors (Metro) today adopted a \$3.1 billion budget for Fiscal Year 2007-08 that begins July 1, 2007.

The spending plan is just under 3 percent more than the current Metro budget. The increase is largely due to increased transportation subsidies for the County and cities, higher operating costs for Metro bus and rail service, funding for municipal bus operators, paratransit service for the disabled and ongoing construction for the Metro Gold Line Eastside extension to East Los Angeles and the first phase of the Expo light rail line to Culver City.

There will be a slight increase in bus service hours spread throughout Los Angeles County, including the popular Metro Orange Line, but the quality of service will improve as Metro launches eight new Metro Rapid lines in FY08 and purchases up to 100 new 60-foot articulated buses that have more seating capacity than standard 40-foot coaches. In the next fiscal year Metro will experiment with a 65-foot prototype bus on the Metro Orange Line, which connects the North Hollywood Metro Rail stop with Warner Center in the San Fernando Valley.

For only the second time in 12 years, Metro fares will be raised starting July 1, however, the current \$1.25 cash fare will stay the same for the next two years. This is considerably less than the \$2 or higher one-way cash fares charged by New York, Chicago, Philadelphia, San Diego and other large transit properties. (For a complete Metro Fare Table, go to Metro.net)

"This is a no frills budget," said Metro CEO Roger Snoble. "Despite the fare increase, we will still need to use approximately \$40 million of one-time revenues next year to subsidize bus and rail operations. That means we have to aggressively pursue other revenue sources including state spillover gas taxes that Sacramento is banking in the wake of high gas prices. Metro must continue to work to operate more efficiently. The expansion of Metro Rapid, phasing in Metro Connections to serve major transit hubs, and the purchase of new high-capacity buses are a step in that direction."

Bus Service Remains Top Budget Priority

The FY08 plan calls for spending approximately 45 percent of the total budget on bus operating and capital for Metro and the municipal bus operators in Los Angeles County and for paratransit programs for the disabled who cannot use regular service.

Metro will increase bus service slightly next year for a total of 7.8 million revenue service hours. In FY08, Metro will continue implementing the popular Metro Rapid program that harnesses technology to extend green lights for buses equipped with special transponders or turn red lights green 10 seconds faster. The combination of signal priority and making fewer stops allows Metro Rapid to operate about 25 percent faster than local buses.

By June 2008, 500 Metro Rapid buses will serve 28 transit corridors covering 420 route miles and 35 cities throughout Los Angeles County. Besides Metro, three municipal operators will provide this special service. They include Santa Monica, Torrance and Culver City.

The following eight Metro Rapid lines will debut in FY08:

- West Olympic Boulevard
- Garvey Ave. /Cesar E Chavez Ave.
- Manchester Boulevard

- Atlantic Boulevard
- San Fernando Road South
- Sepulveda South (operated by Culver City Municipal Bus Lines)
- Torrance/Long Beach (operated by Torrance Municipal Bus Lines)
- Central Avenue

In the next fiscal year Metro also will receive and put into service up to 100 high-capacity articulated buses that are 60-feet long compared to standard 40-foot buses and have more seats. It also will test a 65-foot prototype bus on the Metro Orange Line that seats 50 percent more passengers than a standard 40-foot bus. Bolstering security, Metro will install additional security cameras at Metro bus yards and the Gateway Center.

Metro Rail expands as ridership grows

The Metro budget earmarks approximately 24 percent for countywide rail including Metro Rail operating and capital costs and the \$58.5 million subsidy for Metrolink.

Nearly 300,000 riders board Metro Rail trains weekdays and that will grow as the system, now spanning 73 miles, expands in 2009 with the scheduled opening of the six-mile extension of the Metro Gold Line from Union Station downtown to East Los Angeles via Little Tokyo/Arts District and Boyle Heights and the 8.5-mile Expo Line from downtown Los Angeles to Culver City, expected to open in 2010. Moreover, new joint development projects under construction or planned around many of the Metro Rail stations will help promote ridership.

No significant changes to Metro rail service hours (651,000) are budgeted in FY08 but Metro expects to receive 24 new rail cars next year and begin the procurement process for an additional 50 light rail cars.

Monies for streets and highway projects

The budget allocates approximately 19 percent 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 transportation programs. Funding also is included for the Metro Freeway Service Patrol to help stranded motorists.

Some of the major highway projects that will be under construction in FY 08 include:

- Interstate 405/US 101 interchange northbound connectogap closure.
- Interstate 405 northbound carpool lane Ventura Boulevard to Burbank Boulevard.
- Interstate 5 carpool lanes in both directions from Route 14 to Route 118.
- Interstate 405 carpool lanes from Route 90 to Interstate 10.
- Interstate 405 southbound carpool auxiliary lane from Waterford Street to Interstate 10.
- US 101 realign freeway and ramps at Center Street
- Route 60 carpool lanes both directions from Interstate 605 to Brea Canyon Road.

Little change in debt service

Metro's debt service next year will be \$308.5 million – 9.9 percent of the budget. It is up \$3 million from this year's debt service on bonds issued for various transportation projects.

Rounding out the FY08 Metro budget are expenditures for other governmental programs such as transportation planning, legal and other expenses. These total approximately 3 percent of the budget.

Highlighting these governmental programs is the array of planning studies for critical new highway and public transportation projects that will be underway in the next fiscal year. Some examples include: Environmental document work and preliminary engineering for the Canoga North/South Metro Orange Line extension and the

Crenshaw-Prairie Transit Corridor projects and awarding a contract to prepare the EIR/EIS environmental documents for the I-710 corridor.

In FY08, Metro also will be completing a Multi-County Goods Movement Action Plan that addresses the burgeoning truck and rail traffic moving goods from the ports.

Metro funding comes from fares, local sales taxes, state and federal government grants and other sources such as lease rentals, investment income and advertising revenue.

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