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Contact:

Marc Littman

Metro Media Relations

213.922.4609/213.922.2700

www.metro.net/pressroom

Metro Board Adopts FY09 Budget

The Los Angeles County Metropolitan Transportation Authority (Metro) Board of Directors today adopted a \$3.4 billion budget for Fiscal Year 2008-09 that begins July 1, 2008.

The spending plan is \$230 million or 7.3 percent more than the current Metro budget. The increase is largely due to increased transportation subsidies for municipal bus operators, paratransit service, Metrolink, the County of Los Angeles and cities, preparation to start new Metro Gold Line service to East Los Angeles later in 2009, and rehabilitation of older Metro Rail cars.

There will be no fare increase in the next fiscal year despite Metro's higher operating costs and projections that local sales tax revenue will only increase one percent. Non-labor expenses will be reduced to stay at or below current levels.

By the end of FY09, the full rapid bus system – 25 lines operated by Metro and three by municipal bus operators crisscrossing the county – will be in place. The Metro Board this spring voted to purchase 260 new 45-foot buses. Half of those high-capacity buses should be delivered in FY09 and the rest the following year.

Construction of the six mile extension of the Metro Gold Line light rail line from Union Station in downtown Los Angeles to East Los Angeles should be completed, and construction of the Expo light rail line from downtown to Culver City will be well underway.

In FY09, Metro will continue planning studies or environmental and preliminary engineering work on more than a half a dozen key busway, rail, and highway projects.

"The budget is balanced, however, there are a number of risk factors that could tip the scales including the potential for the state to again cut local transportation funding and the meltdown in the credit market which might make borrowing more expensive," said Metro CEO Roger Snoble. He noted that Metro is due to receive \$227.1 million in State Transit Assistance (STA) funding next year, but the Governor and Legislature are grappling with a projected \$20 billion budget deficit. "Still, Metro is advancing mobility on a number of fronts," Snoble underscored.

Bus Service Remains Top Budget Priority

The FY09 budget calls for spending \$1.517 billion or 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.

Six new Metro Rapid lines will start in late June 2008 just before the start of the new fiscal year. These include:

- Line 730 Pico
- Line 715 Manchester
- Line 762 Atlantic
- Line 724 San Fernando-Lankershim
- Line 794 San Fernando
- Line 753 Central

The popular red and silver Metro Rapid buses 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.

Torrance Municipal Bus Lines will begin operating Metro Rapid service from Torrance to Long Beach in January 2009 and Culver CityBus is scheduled to start Metro Rapid service on Sepulveda in June 2009. By then 500

rapid buses will be in operation serving 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.

In FY09, Metro will take delivery of 130 new 45-foot high capacity buses that will be used mostly to replace older buses to keep Metro's fleet in good shape and to offer more seating capacity. These are all compressed natural gas buses. In addition, Metro will be testing in service six new hybrid buses that run on gasoline and electricity.

Metro Rail Expands As Ridership Grows

The Metro spending plan earmarks \$781 million or 23.2 percent for countywide rail including Metro Rail operating and capital costs and the \$65.4 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 mid-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.

High gas prices have contributed to a 5 percent growth in Metro Rail ridership in the past year including record ridership on the Metro Gold Line from downtown Los Angeles to Pasadena.

In FY09, Metro will initiate the gating program at subway and many light rail stations to reduce fare evasion, improve security and better manage the system.

Monies For Streets And Highway Projects

The budget earmarks \$634 million or 18.8 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.

In the next fiscal year, Metro planners and consultants will continue a wide array of planning studies including:

- Westside extension
- Downtown regional connector that would limit the need for transfers on Metro light rail lines
- Canoga/northern extension of the Metro Orange Line
- Crenshaw-Prairie Transit Corridor and the I-710 Corridor Projects
- Harbor subdivision, a 26-mile railroad right-of-way owned by Metro that stretches from downtown Los Angeles to the ports via Inglewood, LAX and South Bay
SR2 Southern Freeway terminus
- Transportation efficiency improvements to Glendale Boulevard.
- Wilshire Boulevard Bus-Only Lane
- Countywide Bus Only lane Study

Among other projects, Metro and Caltrans also plan to go forward with plans for a congestion pricing demonstration project on the 210 and 10 freeways. The agencies were recently awarded a \$213.6 million federal grant.

Debt Service Up

Metro's debt service on bonds issued for various transportation projects and expenses for legal and other governmental programs next year will be \$438 million – 13 percent of the budget. This is up \$38 million over the current budget with debt service accounting for \$13 million of the increase and the balance due to planning studies.

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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