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**Contact:**

**Marc Littman**

Metro Media Relations

213.922.4609/213.922.2700

[www.metro.net/pressroom](http://www.metro.net/pressroom)

## **Study Finds New Transportation Sales Tax Would Jump Start Los Angeles Economy**

With the Metro Board of Directors scheduled to discuss a proposal for a new transportation half cent sales tax ballot measure at its June 26 meeting, local economists are projecting that such a tax would not only help ease traffic but would stimulate the Los Angeles County economy in a major way.

The private nonprofit Los Angeles County Economic Development Corporation (LAEDC) estimated the economic impact in Los Angeles County of transportation projects that would be financed by a new sales tax. The construction would generate \$32 billion in local economic activity and create employment equivalent to 210,000 full-time, year-long jobs spread over a 30-year construction period.

The LAEDC also found that the tax increase would cost residents just \$25 more per person annually. Residents will pay about 42 percent of the sales tax raised with businesses and tourists footing the rest of the bill. In contrast, the American Automobile Association and the TRIP transportation research group estimate that traffic congestion costs county residents more than \$2,000 per person a year for wasted fuel, productivity and sales and other costs.

At its June meeting, the Metro Board will discuss a proposal for putting a new half-cent sales tax for transportation on the November ballot but will not consider final adoption of an ordinance to accomplish that until its July meeting. If it goes on the ballot and garners two thirds approval by voters, the new tax would generate \$1 billion annually over a 20 or 30 year period and would finance dozens of street and highway improvements and new public transit projects in Los Angeles County.

Specific projects will be listed in the Board report along with options for accelerating the schedule of new rail and bus projects already in the pipeline if a tax is approved by voters. The report also will include a list of short-term transportation improvements that could ease traffic and a draft ordinance.

The tax discussion will coincide with the Metro Board's review of the agency's draft Long Range Transportation Plan that looks ahead to the year 2030 and addresses mobility improvements necessary for handling another 2 million people living in the county and exponential growth in truck and rail traffic moving cargo from the Ports of Los Angeles and Long Beach.

While the draft plan identifies funds for transit operations and many new highway and transit projects, there is a significant funding shortfall. There is no funding for critical Tier 1 projects such as the Westside subway extension, the Foothill Metro Gold Line Extension, a downtown regional connector, 710 Freeway gap closure, and other transportation projects.

For more information on Metro's draft Long Range Transportation Plan, go to [metro.net/imagine](http://metro.net/imagine).

Faced with mounting traffic congestion, a number of community and business organizations and local government have expressed support for putting a new local sales tax for transportation on the ballot including the City of Los Angeles, CALPIRG, Environment California, Los Angeles Business Council, Los Angeles Chamber of Commerce, the Valley Industry & Commerce Association, and Building L.A.'s Future.

### **Metro-104**

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