



Metro

Los Angeles County
Metropolitan Transportation Authority

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**REVISED
REGULAR BOARD MEETING
JULY 24, 2008**

SUBJECT: SALES TAX MEASURE

**ACTION: ADOPT SALES TAX MEASURE ORDINANCE, RESOLUTION FOR
PLACEMENT AND FY09 BUDGET AMENDMENT**

RECOMMENDATION

Adopt:

- A. the Ordinance, including Expenditure Plan, ballot language and Five-Point plan, to implement a transportation sales tax measure ~~contained in Attachment 1~~;
- B. the Resolution requesting the Los Angeles County Board of Supervisors to place the Ordinance on the ballot for the November 4, 2008 countywide general election contained in Attachment 2; and
- C. an amendment to the FY09 Budget to add \$8.4 million to cover additional election-related costs.

ISSUE

At the June 2008 Board meeting, an Ordinance, including an expenditure plan and ballot language, was introduced to place a transportation sales tax measure on the ballot for the November 4, 2008 countywide general election. The Board must now adopt the Ordinance including the expenditure plan and ballot language, and the Resolution calling for an election. The July 2008 Board meeting is the last opportunity to approve these documents at a regularly scheduled Board meeting and meet the November 4, 2008 general election filing deadlines. Finally, the projected costs related to the election exceeded the FY09 budgeted amount and will now require a budget amendment to cover these election costs.

POLICY IMPLICATIONS

The purpose of the Ordinance is to impose a half-cent sales tax pursuant to the requirements of AB 2321 (Feuer). The sales tax measure must be approved by a majority of the Board and by a two-thirds majority of the voters. A key element of the Ordinance, as required under AB 2321, is an expenditure plan. The expenditure plan must include a list of projects to be

funded with the sales tax revenues collected, the estimated budget for each project, the dates funds will be available for each project, estimated project completion dates and sources of funds to be used to match the sales tax dollars. The Resolution (Attachment 2) requests that the Los Angeles County Board of Supervisors place the sales tax on the November 2008 ballot. A sales tax is one way to implement a more robust transportation system that will better enable the county to keep pace with population and employment growth, and maintain mobility.

OPTIONS

Staff considered two options. One option is not to move forward with a sales tax measure and avoid the costs related to placement of the ballot measure. However, this option would eliminate the possibility of funding needed projects. A second option was to utilize the Board's existing authority under the Public Utilities Code pursuant to SB314 (Murray). However, the sales tax would sunset after only 6 ½ years which is not enough time to implement all the needed transit and roadway improvements.

FINANCIAL IMPACT

The full cost to place the sales tax measure on the ballot is \$11.4 million. The FY09 budget allocated \$3 million for this effort. Therefore an amendment to add \$8.4 million to the FY09 budget is necessary to cover these costs. The election costs consist of approximately \$7.3 million (\$1.75 per registered voter x 4.2 million registered voters) that must be paid to the County to place the measure on the ballot and \$4.1 million (\$1.25 per household x 3.3 million households) to provide the public with information concerning the measure. The amount that was budgeted, \$3 million, is in fund #2115 – Prop A Administration, Cost Center #0511 – Finance Non-departmental, Project/Task #100002/07.01 – Election Costs. The original budget estimate was based on the cost of placing MTA Reform and Accountability Act on the ballot in 1998 plus 50%. The additional \$8.4 million will come from interest earnings on our **state Traffic Congestion Relief Program (TCRP)** Letter of No Prejudice repayment funds.

BACKGROUND

Sales Tax Measure Ordinance

The Ordinance was revised to reflect comments submitted during the June 26 – July 11, 2008 comment period. This Ordinance includes the expenditure plan as required by AB 2321 (Feuer) ~~and the ballot language~~. The expenditure plan presented in June was revised to incorporate more detail on the highway projects. Staff has also provided an analysis (submitted via board box) of geographic balance based on population and employment. ~~Additionally, the Five-Point Plan will be included as attachment B to the ordinance to facilitate the provision of public information. The Five-Point Plan provides details of projects included in the expenditure plan~~ **Finally, the Ordinance has been revised to establish an Oversight Committee to review Sales Tax revenue fund expenditures.** It is important to note that the Sales Tax Ordinance provides that it will be based on AB 2321 at the time the Ordinance is approved by the Board. Therefore substantial changes to AB 2321 by the legislature after the Board adopts the Ordinance could invalidate our sales tax effort.

Resolution

The Resolution was drafted in consultation with the Office of the Registrar-Recorder/County Clerk to ensure that the Resolution that is submitted to them is acceptable. **The Resolution also provides enforcement authority authorizing the Chief Executive Officer to retain outside legal counsel to take any action necessary to effectuate the purposes of the Resolution and Ordinance.**

Public Information Materials

An information pamphlet (**Attachment 3**) is being developed to inform Los Angeles County voters of the proposed measure similar to the booklet the Orange County Transportation Commission distributed to the public during their recent successful effort to extend the term of their local sales tax measure. The information materials will be sent to all registered voters in the county. **The pamphlet is referred to as the Five-Point Plan and provides a A summary of how much revenue will be raised through the sales tax measure and what transportation improvements will be implemented if the measure is approved. The materials emphasize the Expenditure Plan priorities which are consistent with the public opinion indicated in the recent poll.**

~~All attachments are provided as of the time of publication of this report. Updated materials will be distributed as they become available.~~

NEXT STEPS

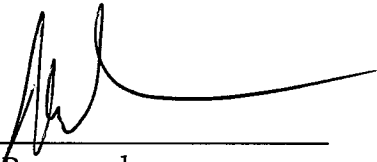
Staff will submit the Resolution, the proposed ballot measure and back-up documentation to the offices of the County Registrar-Recorder/County Clerk and County Board of Supervisors by the August 8, 2008 deadline. The Letter ~~F~~ R will be requested as the letter designation (with M and R-A as alternatives). **The Five-Point Plan uses the letter "R" when referring to the measure as a place holder but this will change based on final determination by the Registrar Recorder/County Clerk's office.** †The public informational materials on the proposed measure will be finalized and sent out to all Los Angeles County registered voters. We will also continue to work with legislative staff to monitor the progress of AB 2321.

ATTACHMENTS

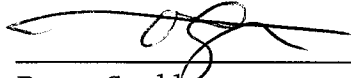
Attachments submitted are the last version at time of distribution. Final documents will be distributed under separate cover as they are updated and made available.

- ~~A 1. Draft Ordinance (including draft Five-Point Plan the Expenditure Plan as Attachment A — what will become attachment B of the Ordinance)~~
- ~~B.2 Draft Resolution~~
- 3. Five-Point Plan**

Prepared by: Matt Raymond, Chief Communications Officer
Cosette Stark, Director, Research and Development



Matt Raymond
Chief Communications Officer



Roger Snoble
Chief Executive Officer

1 **Ordinance #__**
2 **Traffic Relief and Rail Expansion Ordinance**
3 (WORKING DRAFT 10)

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4
5 PREAMBLE

6 Mobility in Los Angeles County is a necessity and requires an aggressive,
7 responsible and accountable plan to meet the transportation needs of its more than
8 10 million residents.

9
10 1. **RAIL EXPANSION:**

11 Expand the county's Metro rail system, including direct airport connections

Deleted: Double the size of

12
13 2. **LOCAL STREET IMPROVEMENTS:**

14 Synchronize signals, fill potholes, repair streets, and make neighborhood streets
15 and intersections safer for drivers, bicyclists, and pedestrians in each community

Deleted: Repair streets,

16
17 3. **TRAFFIC REDUCTION:**

18 Enhance safety and improve flow on L.A. County freeways and highways

Deleted: Synchronize traffic signals,
lessen congestion, enhance

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20 4. **BETTER PUBLIC TRANSPORTATION:**

21 Make public transportation more convenient and affordable - especially for
22 seniors, students, disabled and commuters

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24 5. **QUALITY OF LIFE:**

25 Provide alternatives to high gas prices, stimulate the local economy, create jobs,
26 reduce pollution and decrease dependency on foreign oil
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29 SECTION 1. TITLE

30 This Ordinance shall be known and may be cited as the Traffic Relief and Rail
31 Expansion Ordinance. The word "Ordinance," as used herein, shall include
32 Attachment A entitled "Expenditure Plan" which is attached hereto and incorporated
33 by reference as if fully set forth herein.

34
35 SECTION 2. SUMMARY

36 This Ordinance provides for the establishment and implementation of a retail
37 transactions and use tax at the rate of one-half of one percent (.5%) for a period of
38 thirty (30) years and an expenditure plan.

39
40 SECTION 3. DEFINITIONS

1 The following words, whenever used in this Ordinance, shall have the meanings as
2 set forth below:

3 "Board of Equalization" means the California State Board of Equalization.

4 "Capital Project" means a project or program described in Attachment A as a
5 "Capital Project."

6 "Expenditure Plan" means that expenditure plan for the revenues derived from
7 a Sales Tax imposed pursuant to this Ordinance, and any other identified state and
8 local funding, as required under proposed amended Section 130350.5(f) of the
9 Public Utilities Code.

10 "Gross Sales Tax" means the amount of Sales Taxes collected by the Board of
11 Equalization pursuant to this Ordinance.

12 "Interest" means interest and other earnings on cash balances.

13 "Metro or MTA" means the Los Angeles County Metropolitan Transportation
14 Authority or any successor entity.

15 "Net Revenues" means Sales Tax Revenues minus any amount expended on
16 administrative costs pursuant to Section 10.

17 "Sales Tax" means a retail transactions and use tax.

18 "Sales Tax Revenues" means the Gross Sales Tax minus any refunds and any
19 fees imposed by the Board of Equalization for the performance of functions incident
20 to the administration and operation of this Ordinance.

21
22 SECTION 4. STATUTORY AUTHORITY

23 This Ordinance is enacted, in part, pursuant to:

- 24 a. Part 1.6 (commencing with Section 7251) of Division 2 of the California
25 Revenue and Taxation Code;
- 26 b. Division 12 (commencing with Section 130000) of the California Public
27 Utilities Code;
- 28 c. Proposed amendments to Section 130350.5 of the California Public
29 Utilities Code adopted during the 2007-2008 legislative session.

30
31 SECTION 5. IMPOSITION OF RETAIL TRANSACTIONS AND USE TAX

32 a. Subject to the limits imposed by this Ordinance, Metro hereby imposes,
33 in the incorporated and unincorporated territory of Los Angeles County, a Sales Tax
34 at the rate of one-half of one percent (.5%) for a period of thirty (30) years beginning

1 on the first day of the first calendar quarter commencing not less than 180 days after
2 the adoption of this Ordinance by the voters.

3 b. This Sales Tax shall be in addition to any other taxes authorized by law,
4 including any existing or future state or local Sales Tax. The imposition,
5 administration and collection of the tax shall be in accordance with all applicable
6 statutes, laws, and rules and regulations prescribed and adopted by the Board of
7 Equalization.

8 c. Pursuant to proposed amended Section 130350.5(d) of the Public
9 Utilities Code, the tax rate authorized by this section shall not be considered for
10 purposes of the combined rate limit established by Section 7251.1 of the Revenue
11 and Taxation Code.

12 d. Pursuant to the provisions of Section 7262.2 of the Revenue and
13 Taxation Code, the required provisions of Sections 7261 and 7262 of that Code as
14 now in effect or as later amended are adopted by reference in this Ordinance.

15 e. This Ordinance incorporates provisions identical to those of the Sales
16 and Use Tax Law of the State of California insofar as those provisions are not
17 inconsistent with the requirements and limitations contained in Part 1.6 of Division 2
18 of the Revenue and Taxation Code.

19 f. The Sales Tax shall be administered and collected by the Board of
20 Equalization in a manner that adapts itself as fully as practicable to, and requires the
21 least possible deviation from, the existing statutory and administrative procedures
22 followed by the Board of Equalization in administering and collecting the California
23 State Sales and Use Taxes.

24 g. This Sales Tax shall be administered in a manner that will be, to the
25 greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of
26 the Revenue and Taxation Code, minimize the cost of collecting the transactions and
27 use taxes, and at the same time, minimize the burden of record keeping upon
28 persons subject to taxation under the provisions of this Ordinance.

30 SECTION 6. ADMINISTRATION BY BOARD OF EQUALIZATION

31 a. CONTRACT WITH STATE. Prior to the operative date, Metro shall
32 contract with the Board of Equalization to perform all functions incident to the
33 administration and operation of this Ordinance; provided, that if Metro shall not have
34 contracted with the Board of Equalization prior to the operative date, it shall

1 nevertheless so contract and in such a case the operative date shall be the first day of
2 the first calendar quarter following the execution of such a contract.

3 b. TRANSACTIONS TAX RATE. For the privilege of selling tangible
4 personal property at retail, a tax is hereby imposed upon all retailers in the
5 incorporated and unincorporated territory of Los Angeles County at the rate of one half
6 of one percent (.5%) of the gross receipts of any retailer from the sale of all tangible
7 personal property sold at retail in said territory on and after the operative date of this
8 Ordinance.

9 c. PLACE OF SALE. For the purposes of this Ordinance, all retail sales are
10 consummated at the place of business of the retailer unless the tangible personal
11 property sold is delivered by the retailer or his agent to an out-of-state destination or to
12 a common carrier for delivery to an out-of-state destination. The gross receipts from
13 such sales shall include delivery charges, when such charges are subject to the state
14 sales and use tax, regardless of the place to which delivery is made. In the event a
15 retailer has no permanent place of business in the State or has more than one place of
16 business, the place or places at which the retail sales are consummated shall be
17 determined under rules and regulations to be prescribed and adopted by the Board of
18 Equalization.

19 d. USE TAX RATE. An excise tax is hereby imposed on the storage, use or
20 other consumption in Los Angeles County of tangible personal property purchased
21 from any retailer on and after the operative date of this Ordinance for storage, use or
22 other consumption in Los Angeles County at the rate of one half of one percent (.5%)
23 of the sales price of the property. The sales price shall include delivery charges when
24 such charges are subject to state sales or use tax regardless of the place to which
25 delivery is made.

26 e. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise
27 provided in this Ordinance and except insofar as they are inconsistent with the
28 provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the
29 provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and
30 Taxation Code are hereby adopted and made a part of this Ordinance as though fully
31 set forth herein.

32 f. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF
33 USE TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and
34 Taxation Code:

1 1. Wherever the State of California is named or referred to as the
2 taxing agency, the name of Metro shall be substituted therefor. However, the
3 substitution shall not be made when:

4 A. The word "State" is used as a part of the title of the State
5 Controller, State Treasurer, State Board of Control, State Board of Equalization, State
6 Treasury, or the Constitution of the State of California;

7 B. The result of that substitution would require action to be
8 taken by or against Metro or any agency, officer, or employee thereof rather than by or
9 against the Board of Equalization, in performing the functions incident to the
10 administration or operation of this Ordinance.

11 C. In those sections, including, but not necessarily limited to
12 sections referring to the exterior boundaries of the State of California, where the result
13 of the substitution would be to:

14 i. Provide an exemption from this Sales Tax with
15 respect to certain sales, storage, use or other consumption of tangible personal
16 property which would not otherwise be exempt from this Sales Tax while such sales,
17 storage, use or other consumption remain subject to tax by the State under the
18 provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

19 ii. Impose this Sales Tax with respect to certain sales,
20 storage, use or other consumption of tangible personal property which would not be
21 subject to this Sales Tax by the state under the said provision of that code.

22 D. In Sections 6701, 6702 (except in the last sentence
23 thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

24 2. The phrase "Los Angeles County Metropolitan Transportation
25 Authority or any successor entity" shall be substituted for the word "State" in the
26 phrase "retailer engaged in business in this State" in Section 6203 and in the definition
27 of that phrase in Section 6203 of the Revenue and Taxation Code.

28 g. PERMIT NOT REQUIRED. If a seller's permit has been issued to a
29 retailer under Section 6067 of the Revenue and Taxation Code, an additional
30 transactor's permit shall not be required by this Ordinance.

31 h. EXEMPTIONS AND EXCLUSIONS.

32 1. There shall be excluded from the measure of the transactions tax
33 and the use tax the amount of any sales tax or use tax imposed by the State of
34 California or by any city, city and county, or county pursuant to the Bradley-Burns

1 Uniform Local Sales and Use Tax Law or the amount of any state-administered
2 transactions or use tax.

3 2. There are exempted from the computation of the amount of
4 transactions tax the gross receipts from:

5 A. Sales of tangible personal property, other than fuel or
6 petroleum products, to operators of aircraft to be used or consumed principally outside
7 the County in which the sale is made and directly and exclusively in the use of such
8 aircraft as common carriers of persons or property under the authority of the laws of
9 this State, the United States, or any foreign government.

10 B. Sales of property to be used outside Los Angeles County
11 which is shipped to a point outside Los Angeles County, pursuant to the contract of
12 sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer
13 to a carrier for shipment to a consignee at such point. For the purposes of this
14 paragraph, delivery to a point outside Los Angeles County shall be satisfied:

15 i. With respect to vehicles (other than commercial
16 vehicles) subject to registration pursuant to Chapter 1 (commencing with Section
17 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section
18 21411 of the Public Utilities Code, and undocumented vessels registered under
19 Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an
20 address outside Los Angeles County and by a declaration under penalty of perjury,
21 signed by the buyer, stating that such address is, in fact, his or her principal place of
22 residence; and

23 ii. With respect to commercial vehicles, by registration
24 to a place of business outside Los Angeles County and declaration under penalty of
25 perjury, signed by the buyer, that the vehicle will be operated from that address.

26 C. The sale of tangible personal property if the seller is
27 obligated to furnish the property for a fixed price pursuant to a contract entered into
28 prior to the operative date of this Ordinance.

29 D. A lease of tangible personal property which is a continuing
30 sale of such property, for any period of time for which the lessor is obligated to lease
31 the property for an amount fixed by the lease prior to the operative date of this
32 Ordinance.

33 E. For the purposes of subparagraphs (C) and (D) of this
34 section, the sale or lease of tangible personal property shall be deemed not to be

1 obligated pursuant to a contract or lease for any period of time for which any party to
2 the contract or lease has the unconditional right to terminate the contract or lease upon
3 notice, whether or not such right is exercised.

4 3. There are exempted from the use tax imposed by this Ordinance,
5 the storage, use or other consumption in Los Angeles County of tangible personal
6 property:

7 A. The gross receipts from the sale of which have been
8 subject to a transactions tax under any state-administered transactions and use tax
9 ordinance.

10 B. Other than fuel or petroleum products purchased by
11 operators of aircraft and used or consumed by such operators directly and exclusively
12 in the use of such aircraft as common carriers of persons or property for hire or
13 compensation under a certificate of public convenience and necessity issued pursuant
14 to the laws of this State, the United States, or any foreign government. This exemption
15 is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue
16 and Taxation Code of the State of California.

17 C. If the purchaser is obligated to purchase the property for a
18 fixed price pursuant to a contract entered into prior to the operative date of this
19 Ordinance.

20 D. If the possession of, or the exercise of any right or power
21 over, the tangible personal property arises under a lease which is a continuing
22 purchase of such property for any period of time for which the lessee is obligated to
23 lease the property for an amount fixed by a lease prior to the operative date of this
24 Ordinance.

25 E. For the purposes of subparagraphs (C) and (D) of this
26 section, storage, use, or other consumption, or possession of, or exercise of any right
27 or power over, tangible personal property shall be deemed not to be obligated
28 pursuant to a contract or lease for any period of time for which any party to the
29 contract or lease has the unconditional right to terminate the contract or lease upon
30 notice, whether or not such right is exercised.

31 F. Except as provided in subparagraph (G), a retailer
32 engaged in business in Los Angeles County shall not be required to collect use tax
33 from the purchaser of tangible personal property, unless the retailer ships or delivers
34 the property into the County or participates within the County in making the sale of the

1 property, including, but not limited to, soliciting or receiving the order, either directly or
2 indirectly, at a place of business of the retailer in County or through any representative,
3 agent, canvasser, solicitor, subsidiary, or person in the County under the authority of
4 the retailer.

5 G. "A retailer engaged in business in Los Angeles County"
6 shall also include any retailer of any of the following: vehicles subject to registration
7 pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle
8 Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code,
9 or undocumented vessels registered under Division 3.5 (commencing with Section
10 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any
11 purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in Los
12 Angeles County.

13 4. Any person subject to use tax under this Ordinance may credit
14 against that tax any transactions tax or reimbursement for transactions tax paid to a
15 district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division
16 2 of the Revenue and Taxation Code with respect to the sale to the person of the
17 property the storage, use or other consumption of which is subject to the use tax.

18 i. AMENDMENTS. All amendments subsequent to the effective date of this
19 Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales
20 and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of
21 the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of
22 Division 2 of the Revenue and Taxation Code, shall automatically become a part of
23 this Ordinance, provided however, that no such amendment shall operate so as to
24 affect the rate of tax imposed by this Ordinance.

25 j. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of
26 mandate or other legal or equitable process shall issue in any suit, action or
27 proceeding in any court against the State or Metro, or against any officer of the State
28 or Metro, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of
29 Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax
30 required to be collected.

31
32 SECTION 7. USE OF REVENUES

33 a. All of the Net Revenues generated from the Sales Tax plus any Interest
34 or other earnings thereon, less any funds necessary for satisfaction of debt service

1 and related requirements of all bonds issued pursuant to this Ordinance that are not
2 satisfied out of separate allocations, shall be allocated solely for the transportation
3 purposes described in this Ordinance.

4 b. Metro shall establish and administer a sales tax revenue fund with
5 appropriate subfunds to account for the allocation categories defined in this
6 Ordinance. All Net Revenues and Interest on Sales Tax Revenues shall be credited
7 into the sales tax revenue fund and credited to the appropriate subfunds pursuant to
8 the allocation ratios described in on page 1 of Attachment A. The moneys in the
9 sales tax revenue fund shall be available to Metro to meet expenditure and cashflow
10 needs of the projects and programs described in Attachment A. Metro may expend
11 additional funds from sources other than the Sales Tax imposed pursuant to this
12 Ordinance on the projects and programs described in Attachment A. Funds shall be
13 available for projects and programs described in Attachment A beginning in the fiscal
14 years identified in Attachment A as "Funds Available Beginning."

15 c. Metro shall establish the following subfunds of the sales tax revenue
16 fund:

- 17 1. Transit Capital Subfund
- 18 2. Highway Capital Subfund
- 19 3. Operations Subfund
- 20 4. Local Return Subfund

21 d. Funds in the Transit Capital Subfund shall be allocated to Capital
22 Projects identified in Attachment A as "Transit Projects."

23 1. For those Capital Projects identified in Attachment A as "Transit
24 Projects" and identified as "Escalated \$," Metro shall expend no less than the amount
25 of Net Revenues identified in Attachment A as "New Sales Tax – Total" for each
26 Capital Project so identified.

27 2. For those Capital Projects identified in Attachment A as "Transit
28 Projects" and identified as "Current 2008 \$," Metro shall expend no less than an
29 amount of Net Revenues equal to the value of the amount identified in Attachment A
30 as "New Sales Tax – Total" for each Capital Project so identified. The amount of Net
31 Revenues equal to the value of the amount identified in Attachment A as "New Sales
32 Tax – Total" shall be determined by adjusting the amount identified as follows, at the
33 discretion of Metro;

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A. ~~Up to four, percent (4%) annually for the fiscal years 2010~~

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through 2014; and

B. ~~Up to three, percent (3%) annually for the fiscal year 2015~~

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and all fiscal years thereafter.

3. Funds allocated to the "Capital Project Contingency Subfund

(Transit)" in Attachment A shall be allocated as needed to provide additional funding for Capital Projects identified in Attachment A as "Transit Projects." Metro may expend funds such funds for debt service, excluding payments for principal, or to offset the costs of inflation as required in this Ordinance.

4. In the event that a Capital Project identified in Attachment A as a

"Transit Project" is completed without the expenditure of the amount of Net Revenues allocated by this Ordinance, any surplus Net Revenues allocated to that Capital Project shall be credited to the Transit Capital Subfund and expended for Capital Projects located within the same subregion as the project so completed. The Board of Directors of Metro shall determine by a two-thirds vote whether a Capital Project is complete.

e. Funds in the Highway Capital Subfund shall be allocated to Capital

Projects identified in Attachment A as "Highway Projects."

1. For those Capital Projects identified in Attachment A as

"Highway Projects" and identified as "Escalated \$," Metro shall expend no less than the amount of Net Revenues identified in Attachment A as "New Sales Tax – Total" for each Capital Project so identified.

2. For those Capital Projects identified in Attachment A as

"Highway Projects" and identified as "Current 2008 \$," Metro shall expend no less than an amount of Net Revenues equal to the value of the amount identified in Attachment A as "New Sales Tax – Total" for each Capital Project so identified. The amount of Net Revenues equal to the value of the amount identified in Attachment A as "New Sales Tax – Total" shall be determined by adjusting the amount identified as follows, at the discretion of Metro;

Deleted: for inflation as follows:

A. ~~Up to four, percent (4%) annually for the fiscal years 2010~~

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through 2014; and

B. ~~Up to three, percent (3%) annually for the fiscal year 2015~~

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and all fiscal years thereafter.

1 3. Funds allocated to the "Capital Project Contingency Subfund
2 (Highway)" in Attachment A shall be allocated as needed to provide additional
3 funding for Capital Projects identified in Attachment A as "Highway Projects." Metro
4 may expend such funds for debt service, excluding payments for principal, or to
5 offset the costs of inflation as required in this Ordinance.

6 4. In the event that a Capital Project identified in Attachment A as a
7 "Highway Project" is completed without the expenditure of the amount of Net
8 Revenues allocated by this Ordinance, any surplus Net Revenues allocated to that
9 Capital Project shall be credited to the Highway Capital Subfund and expended for
10 Capital Projects located within the same subregion as the project so completed. The
11 Board of Directors of Metro shall determine by a two-thirds vote whether a Capital
12 Project is complete.

13 f. Funds in the Operations Subfund shall be allocated to the projects and
14 programs described in Attachment A as "Operations." Metro shall expend the
15 percentage of Net Revenues identified in Attachment A as "Percent of New Sales
16 Tax" for each project and program described in Attachment A as "Operations."

17 g. Funds in the Local Return Subfund shall be allocated to the projects
18 and programs described in Attachment A as "Local Return." Metro shall expend the
19 percentage of Net Revenues identified in Attachment A as "Percent of New Sales
20 Tax" for each project and program described in Attachment A as "Local Return."

21 1. No Net Revenues distributed to a local jurisdiction pursuant to
22 Paragraph (g) shall be used for other than transportation purposes. Any jurisdiction
23 that violates this provision must fully reimburse Metro, including Interest thereon, for
24 the Net Revenues misspent and shall be deemed ineligible to receive Net Revenues
25 for a period of three (3) years.

26 2. To the extent that funds are returned to local jurisdictions
27 pursuant to this paragraph, the receipt, maintenance and expenditure of such funds
28 shall be distinguishable in each jurisdiction's accounting records from other funding
29 sources, and expenditures of such funds shall be distinguishable by program or
30 project. Interest earned on funds allocated pursuant to this paragraph shall be
31 expended only for those purposes for which the funds were allocated.

32 h. Metro may enter into an agreement with the Board of Equalization to
33 transfer Sales Tax Revenues directly to a bond trustee or similar fiduciary, in order to
34 provide for the timely payment of debt service and related obligations, prior to

1 Metro's receipt and deposit of such Sales Tax Revenues into the sales tax revenue
2 fund; provided, however, that such payments of debt service and related obligations
3 shall be allocated to the appropriate Capital Project Contingency Subfund or to such
4 other subfund within the sales tax revenue fund consistent with the expenditure of
5 the proceeds of the corresponding debt.

6 i. Metro shall propose the projects and programs in Attachment A for
7 inclusion in the Long Range Transportation Plan.

8 9 SECTION 8. OVERSIGHT

10 a. Commencing with the 2009-2010 fiscal year, and in accordance with
11 Section 8(a)(1) of this Ordinance, Metro shall contract for an annual audit, to be
12 completed within six months after the end of the fiscal year being audited, for the
13 purpose of determining compliance by Metro with the provisions of this Ordinance
14 relating to the receipt and expenditure of Sales Tax Revenues during such fiscal
15 year.

16 1. Prior to entering into a contract with an auditing firm to perform
17 any audit required under Section 8(a), Metro shall solicit bids from at least three
18 qualified firms. Notwithstanding any other provision of law, the cost of performing
19 and publishing any audit required under Section 8(a) of this Ordinance shall be paid
20 from Sales Tax Revenues.

21 b. There is hereby established a Proposition R Independent Taxpayers
22 Oversight Committee of Metro ("Committee"). The Committee shall meet at least
23 twice each year to carry out the purposes of this Ordinance.

24 c. The Committee shall be comprised of three persons, each of whom
25 shall be a retired Federal or State Judge. Committee members shall be selected as
26 follows: one member shall be appointed by the Los Angeles County Board of
27 Supervisors; one member shall be appointed by the Mayor of the City of Los
28 Angeles; and one member shall be appointed by the Los Angeles County City
29 Selection Committee. The members of the Committee must reside in Los Angeles
30 County. No person currently serving as an elected or appointed city, county, special
31 district, state, or federal public officeholder shall be eligible to serve as a member of
32 the Committee.

33 d. The Committee shall select an advisory panel consisting of at least five
34 members. The Committee shall consult with the advisory panel when performing its

1 responsibilities required under this Ordinance. The advisory panel shall consist of at
2 least one representative of the following professions or areas of expertise:

- 3 1. Construction trade labor union representative
- 4 2. Environmental engineer or environmental scientist
- 5 3. Road or rail construction firm project manager
- 6 4. Public and private finance expert
- 7 5. Regional association of businesses representative

8 e. All meetings of the Committee shall be held within Los Angeles County.
9 All meetings of the Committee shall be held in compliance with the provisions of the
10 Ralph M. Brown Act (Section 54950 et seq. of the California Government Code).

11 f. Each member of the Committee shall serve for a term of two years, and
12 until a successor is appointed. No member of the Committee shall be entitled to any
13 compensation, except that Metro may reimburse actual expenses of members
14 arising out of the performance of their duties as Committee members.

15 g. Members of the advisory panel may be replaced by the Committee at
16 any time by a majority vote of the Committee. No member of the advisory panel
17 shall be entitled to any compensation, except that the Metro may reimburse actual
18 expenses of members arising out of the performance of their duties as advisory
19 panel members.

20 h. Metro may adopt further guidelines to govern the operations of the
21 Committee.

22 i. The Committee shall have the following responsibilities:

- 23 1. Review the results of the audit performed pursuant to Section
24 8(a) of this Ordinance and making findings as to whether Metro has complied with
25 the terms of the Ordinance. Such findings shall include a determination as to
26 whether recipients of Net Revenues allocated to the Local Return Subfund have
27 complied with this Ordinance and any additional guidelines developed by Metro
28 pursuant to Section 9(b).
- 29 2. Prepare an annual report to the Metro Board of Directors
30 presenting the results of the annual audit process and any findings made. The report
31 shall include an assessment of the consistency of the expenditures of Sales Tax
32 Revenues with this Ordinance, including Attachment A. The Committee shall cause
33 a summary of the report to be published in local newspapers and the entire report
34 and annual audit to be made available to every library located within Los Angeles

1 County for public review. The Committee shall hold a public hearing on each audit
2 and annual report and shall report the comments of the public to Metro.

3 3. Review any proposed amendments to this Ordinance, including
4 the expenditure plan, and make a finding as to whether the proposed amendments
5 further the purpose of this Ordinance. Metro shall make any proposed amendments
6 available to the Committee at least 30 days prior to any vote to adopt the proposed
7 amendments.

8 4. Review all proposed debt financing and make a finding as to
9 whether the benefits of the proposed financing for accelerating project delivery,
10 avoiding future cost escalation, and related factors exceed issuance and interest
11 costs.

12 5. Any findings made by the Committee shall be submitted to the
13 Metro Board of Directors in advance of the next regular Board meeting.

14
15 SECTION 9. MAINTENANCE OF EFFORT REQUIREMENTS

16 a. It is the intent of the Legislature, as stated in Public Utilities Code
17 proposed amended Section 130350.5(e), and Metro, that revenues provided from
18 this Ordinance to local jurisdictions in Los Angeles County under the projects and
19 programs described in Attachment A as "Local Return" be used to augment, not
20 supplant, existing local revenues being used for transportation purposes.

21 b. Metro shall develop guidelines which, at a minimum, specify
22 maintenance of effort requirements for the local return program, matching funds, and
23 administrative requirements for the recipients of revenue derived from the Sales Tax.
24

25 SECTION 10. COSTS OF ADMINISTRATION

26 Gross Sales Tax revenues may be appropriated by Metro for administrative
27 costs, including contractual services; however in no case shall the Gross Sales Tax
28 revenues appropriated for such costs exceed more than one and one-half percent
29 (1.5%) of the Gross Sales Tax revenues in any year.
30

31 SECTION 11. AMENDMENTS

32 a. Metro may amend this Ordinance, including Attachment A, with the
33 exception of Section 11, for any purpose, including as necessary to account for the
34 results of any environmental review required under the California Environmental

1 Quality Act of the individual specific projects listed in Attachment A. Any such
2 amendments shall be approved by a vote of not less than two-thirds (2/3) of the
3 Metro Board of Directors. Metro shall hold a public meeting on proposed
4 amendments prior to adoption. Metro shall provide notice to the Los Angeles County
5 Board of Supervisors, the city council of each city in Los Angeles County, and the
6 public of the public meeting and proposed amendments, and provide them with a
7 copy of the proposed amendments, at least 30 days prior to the public meeting.
8 Amendments shall become effective forty-five days after adoption.

9 b. Notwithstanding Section 11(a) of this Ordinance, Metro shall not adopt
10 any amendment to this Ordinance, including Attachment A, that reduces total Net
11 Revenues allocated to the sum of the Transit Capital Subfund and the Highway
12 Capital Subfund. Not more than once in any ten (10) year period commencing after
13 the year 2019, Metro may adopt an amendment transferring Net Revenues between
14 the Transit Capital Subfund and the Highway Capital Subfund.

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15 c. Notwithstanding Section 11(a) of this Ordinance, Metro shall not adopt
16 any amendment to this Ordinance, including Attachment A, that reduces Net
17 Revenues allocated to the Operations Subfund or the Local Return Subfund.

18 d. Metro may amend Section 11 of this Ordinance if such amendments are
19 approved by a vote of not less than two-thirds (2/3) of the Metro Board of Directors
20 and are approved by a simple majority vote of the electors. Metro shall hold a public
21 meeting on proposed amendments prior to adoption by the Board. Metro shall
22 provide notice to the Los Angeles County Board of Supervisors, the city council of
23 each city in Los Angeles County, and the public of the public meeting and proposed
24 amendments, and provide them with a copy of the proposed amendments, at least
25 30 days prior to the public meeting. Amendments shall become effective forty-five
26 days after adoption by the electors.
27

28 SECTION 12. ESTABLISHMENT OF BONDING AUTHORITY

29 Metro is authorized to issue limited tax bonds, from time to time, payable from
30 and secured by Sales Tax Revenues to finance any program or project in the
31 Expenditure Plan, pursuant to Sections 130500 et seq. of the Public Utilities Code, and
32 any successor act. As additional security, such bonds may be further payable from
33 and secured by farebox revenues or general revenues of Metro, on a basis
34 subordinate to Metro's existing General Revenue Bonds, or any other available source

1 of Metro's revenues, in each case as specified in a resolution adopted by a majority of
 2 Metro's Board of Directors. The maximum bonded indebtedness, including issuance
 3 costs, interest, reserve requirements and bond insurance, shall not exceed the total
 4 amount of the Gross Sales Tax. Nothing herein shall limit or restrict in any way the
 5 power and authority of Metro to issue bonds, notes or other obligations, to enter into
 6 loan agreements, leases, reimbursement agreements, standby bond purchase
 7 agreements, interest rate swap agreements or other derivative contracts or to engage
 8 in any other transaction under the Government Code, the Public Utilities Code or any
 9 other law.

10
 11 SECTION 13. APPROPRIATIONS LIMIT

12 Article XIII B of the California Constitution requires certain governmental entities
 13 to establish an annual appropriations limit. This appropriations limit is subject to
 14 adjustment as provided by law. To the extent required by law, Metro shall establish an
 15 annual appropriations limit and expenditures of the retail transactions and use tax shall
 16 be subject to such limit.

17
 18 SECTION 14. REQUEST FOR AN ELECTION

19 Pursuant to California Public Utilities Code Section 130351, Metro hereby
 20 requests that the County of Los Angeles Board of Supervisors call a special election
 21 to be conducted by the County of Los Angeles on November 4, 2008, to place this
 22 Ordinance before the electors. The ballot language shall read as follows:

23
 24 **Los Angeles County Traffic Reduction and Safety, Rail Extension, Air**
 25 **Pollution Prevention and Reduction of Foreign Oil Dependence Measure**

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- 26
- 27 • Synchronize traffic signals;
- 28 • Repair potholes;
- 29 • Extend light rail / connect to airports;
- 30 • Improve freeway traffic flow (5, 10, 60, 91, 101, 105, 110, 138, 210, 405,
- 31 605, 710);
- 32 • Keep senior / student / disabled bus fares low;
- 33 • Convert to cleaner burning buses;
- 34 • Expand subway / Metrolink / bus service;

- Dedicate millions to each community for traffic relief;

Shall the Los Angeles County sales tax be increased by one-half cent for 30 years, with local control, independent audits, public review of expenditures?

SECTION 15. STATUTORY REFERENCES

References in this Ordinance to proposed amendments to Section 130350.5 of the Public Utilities Code are to Section 130350.5 as amended or added by Assembly Bill 2321 of the 2007-2008 legislative session.

SECTION 16. EFFECTIVE AND OPERATIVE DATES

a. This Ordinance shall be effective on January 2, 2009, if:

1. ~~Two-thirds (2/3) of the electors voting on the measure~~

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authorizing the imposition of the Sales Tax vote to authorize its enactment at the statewide general election scheduled for November 4, 2008; and,

2. A California state statute that provides for all of the following is adopted by the California Legislature and becomes effective prior to January 2, 2009:

Deleted: (ii) a California state statute that requires Metro to include in Attachment A the projects, programs, and funding levels enumerated below, and no California state statute that requires Metro to provide funding for any additional projects or programs or provide a level of funding greater than described below, is adopted by the California Legislature and becomes effective prior to January 2, 2009.

A. Requires Metro to include in Attachment A the following projects, programs, and funding levels:

i. Exposition Boulevard Light Rail Transit Project from downtown Los Angeles to Santa Monica. The sum of nine hundred twenty-five million dollars (\$925,000,000).

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ii. Crenshaw Transit Corridor from Wilshire Boulevard to Los Angeles International Airport along Crenshaw Boulevard. The sum of two hundred thirty-five million five hundred thousand dollars (\$235,500,000).

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iii. San Fernando Valley North-South Rapidways. The sum of one hundred million five hundred thousand dollars (\$100,500,000).

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iv. Metro Gold Line (Pasadena to Claremont) Light Rail Transit Extension. The sum of seven hundred thirty-five million dollars (\$735,000,000).

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v. Metro Regional Connector. The sum of one hundred sixty million dollars (\$160,000,000).

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- 1 vi. Metro Westside Subway Extension. The sum of Deleted: 6.
- 2 nine hundred million dollars (\$900,000,000).
- 3 vii. State Highway Route 5 Carmenita Road Deleted: 7.
- 4 Interchange Improvement. The sum of one hundred thirty-eight million dollars
- 5 (\$138,000,000).
- 6 viii. State Highway Route 5 Capacity Enhancement Deleted: 8.
- 7 (State Highway Route 134 to State Highway Route 170, including access improvement
- 8 for Empire Avenue). The sum of two hundred seventy-one million five hundred
- 9 thousand dollars (\$271,500,000).
- 10 ix. State Highway Route 5 Capacity Enhancement Deleted: 9.
- 11 (State Highway Route 605 to the Orange County line, including improvements to the
- 12 Valley View Interchange). The sum of two hundred sixty-four million eight hundred
- 13 thousand dollars (\$264,800,000).
- 14 x. State Highway Route 5/State Highway Route 14 Deleted: 10.
- 15 Capacity Enhancement. The sum of ninety million eight hundred thousand dollars
- 16 (\$90,800,000).
- 17 xi. Capital Project Contingency Fund. The sum of one Deleted: 11.
- 18 hundred seventy-three million dollars (\$173,000,000).
- 19 xii. Alameda Corridor East Grade Separations. The Deleted: 12.
- 20 sum of two hundred million dollars (\$200,000,000).
- 21 xiii. MTA and Municipal Regional Clean Fuel Bus Deleted: 13.
- 22 Capital (Facilities and Rolling Stock). The sum of one hundred fifty million dollars
- 23 (\$150,000,000).
- 24 xiv. Countywide Soundwall Construction (MTA Deleted: 14.
- 25 Regional List and Monterey Park/State Highway Route 60). The sum of two hundred
- 26 fifty million dollars (\$250,000,000).
- 27 xv. Local return for major street resurfacing, Deleted: 15.
- 28 rehabilitation, and reconstruction. The sum of two hundred fifty million dollars
- 29 (\$250,000,000).
- 30 xvi. Metrolink Capital Improvements. The sum of Deleted: 16.
- 31 seventy million dollars (\$70,000,000).
- 32 xvii. Eastside Light Rail Access. The sum of thirty million Deleted: 17.
- 33 dollars (\$30,000,000). Deleted: .

1 B. Authorizes Metro to impose an additional one half of one
2 percent (.5%) Sales Tax in the incorporated and unincorporated areas of Los Angeles
3 County.

4 C. Provides that any tax imposed by Metro pursuant to the
5 authority granted in the statute shall not be considered for the purposes of the
6 combined rate limit established by Section 7251.1 of the Revenue and Taxation Code;
7 and

8 3. No California state statute that requires Metro to provide funding from
9 revenues derived from the Sales Tax imposed pursuant to this Ordinance for any
10 projects or programs other than those listed in this Section or provide a level of funding
11 greater than described in this Section, is adopted by the California Legislature in the
12 2007-2008 legislative session.

13 b. The operative date of the Sales Tax imposed by this Ordinance shall be
14 July 1, 2009, which is the first day of the first calendar quarter commencing not less
15 than 180 days after the adoption of this Ordinance by the voters.

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17 SECTION 17. SEVERABILITY

18 If any tax or provision of this Ordinance is for any reason held invalid or
19 unenforceable by a court of competent jurisdiction, that holding shall not affect the
20 validity or enforceability of the remaining taxes or provisions, and Metro declares that
21 it would have passed each part of this Ordinance irrespective of the validity of any
22 other part.

**Proposed One-Half Cent Sales Tax for Transportation
Outline of Expenditure Categories**

Sunsets in 30-Years: Fiscal Year (FY) 2010 - 2039

(millions)

**ATTACHMENT A
Revised July 29, 2008**

Subfund	Program	% of Sales Tax (net of administration)	First Year Amount	10-Year Amount	30-Year Amount
Transit Capital	New Rail and/or Bus Rapid Transit Capital Projects - project definition depends on final environmental review process	35%	\$ 241	\$ 2,930	\$ 13,790
Transit Capital	Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion)	3%	\$ 21	\$ 251	\$ 1,182
Transit Capital	Metro Rail Capital - System Improvements, Rail Yards, and Rail Cars	2%	\$ 14	\$ 167	\$ 788
Highway Capital	Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls	20%	\$ 138	\$ 1,675	\$ 7,880
Operations	Rail Operations (New Transit Project Operations and Maintenance)	5%	\$ 34	\$ 419	\$ 1,970
Operations	Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.)	20%	\$ 138	\$ 1,675	\$ 7,880
Local Return	Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit. (Local Return to the Incorporated Cities within Los Angeles County and to Los Angeles County for the Unincorporated Area of the County on a Per Capita Basis.)	15%	\$ 103	\$ 1,256	\$ 5,910
TOTAL PROGRAMS		100%	\$ 689	\$ 8,373	\$ 39,400
1.5% for Administration			\$ 11	\$ 127	\$ 600
GRAND TOTAL			\$ 700	\$ 8,500	\$ 40,000

Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan

30 Years, Fiscal Year (FY) 2010 - 2039

As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008

(\$ in millions)

ATTACHMENT A

Revised July 29, 2008

for reference only - not priority order	Subfund	Potential Project in Alphabetical Order by Category (project definition depends on final environmental process)	Cost Estimate	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion		
				Minimum	Additional	Total	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)				
1	Transit Projects: New Rail and/or Bus Rapid Transit Capital Projects. Could include rail improvements or exclusive bus rapid transit improvements in designated corridors.												
2			Escalated \$										
3		Eastside Light Rail Access (Gold Line)	\$ 30	\$ 30	\$ -	\$ 30	\$ -	\$ -	\$ -	FY 2010	FY 2013		
4		Exposition Boulevard Light Rail Transit	\$ 1,632 ^a	\$ 925	\$ -	\$ 925	\$ -	\$ 353	\$ 354	FY 2010-12	FY 2013-15		
5		Metro and Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock (Metro's share to be used for clean fuel buses)	\$ 150	\$ 150	\$ -	\$ 150	\$ -	\$ -	\$ -	FY 2010	FY 2039		
6		Regional Connector (links local rail lines)	\$ 1,320	\$ 160	\$ -	\$ 160	\$ 708	\$ 186	\$ 266 ^b	FY 2014-16	FY 2023-25		
7			Current 2008 \$										
8	Transit Capital Projects	Crenshaw Transit Corridor - project acceleration	\$ 1,470	\$ 235.5	\$ 971.5	\$ 1,207	To be determined		\$ 263 ^c	FY 2010-12	FY 2016-18		
9		Gold Line Eastside Extension	\$ 1,310	\$ -	\$ 1,271	\$ 1,271			\$ 39	FY 2022-24	FY 2033-35		
10		Gold Line Foothill Light Rail Transit Extension	\$ 758	\$ 328	\$ 407	\$ 735			\$ 23	FY 2010-12	FY 2015-17		
11		Green Line Extension to Los Angeles International Airport	\$ 200	\$ -	\$ 200	\$ 200			TBD ^d	FY 2010-12	FY 2015-28 ^d		
12		Green Line Extension: Redondo Beach Station to South Bay Corridor	\$ 280	\$ -	\$ 272	\$ 272			\$ 8	FY 2028-30	FY 2033-35		
13		San Fernando Valley I-405 Corridor Connection (match to total project cost)	TBD	\$ -	\$ 1,000	\$ 1,000			\$ 31	FY 2030-32	FY 2038-39		
14		San Fernando Valley North-South Rapidways (Canoga Corridor) - project acceleration	\$ 188	\$ 32 ^e	\$ 150	\$ 182			\$ 6	FY 2010-12	FY 2014-16		
15		San Fernando Valley East North-South Rapidways - project acceleration	\$ 70	\$ 68.5 ^e	\$ -	\$ 68.5			\$ 2	FY 2013-15	FY 2016-18		
16		West Santa Ana Branch Corridor (match to total project cost)	TBD	\$ -	\$ 240	\$ 240			\$ 7	FY 2015-17*	FY 2025-27*		
17		Westside Subway Extension - to be opened in segments	\$ 4,200 ^f	\$ 900	\$ 3,174	\$ 4,074			\$ 126	FY 2013-15	FY 2034-36		
18		Capital Project Contingency (Transit)-Escalation Allowance for lines 8-17 to be based on year of construction	\$ 7,331	\$ 173	\$ 3,103	\$ 3,276			\$ 2,200	\$ 1,015	\$ 840 ^g	FY 2010	FY 2039
19		Total New Rail and/or Bus Rapid Transit Capital Projects		\$ 18,939 ^h	\$ 3,001.5	\$ 10,788.5			\$ 13,790	\$ 2,908	\$ 1,554	\$ 1,965	FY 2010

Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan

30 Years, Fiscal Year (FY) 2010 - 2039

As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008

(\$ in millions)

ATTACHMENT A

Revised July 29, 2008

for reference only - not priority order	Subfund	Potential Project in Alphabetical Order by Category (project definition depends on final environmental process)	Cost Estimate	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion
				Minimum	Additional	Total	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)		
20		Highway Projects: Capital Projects - Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls									
21			Escalated \$								
22		Alameda Corridor East Grade Separations Phase II	\$ 1,123	\$ 200	\$ 200	\$ 400	\$ 200	\$ 336	\$ 187 ⁱ	As funds become available	
23		BNSF Grade Separations in Gateway Cities	\$ 35	\$ -	\$ 35	\$ 35	\$ -	\$ -	\$ -	As funds become available	
24		Countywide Soundwall Construction (Metro regional list and Monterey Park/SR-60)	\$ 250	\$ 250	\$ -	\$ 250	\$ -	\$ -	\$ -	FY 2010	FY 2039
25		High Desert Corridor (environmental)	\$ 33	\$ -	\$ 33	\$ 33	\$ -	\$ -	\$ -	As funds become available	
26		Interstate 5 / St. Route 14 Capacity Enhancement	\$ 161	\$ 90.8	\$ -	90.8	\$ 15	\$ 41	\$ 14 ^j	FY 2010	FY 2013-15
27		Interstate 5 Capacity Enhancement from I-605 to Orange County Line	\$ 1,240	\$ 264.8	\$ -	\$ 264.8	\$ 78	\$ 834	\$ 63 ^j	FY 2010	FY 2016-17
28		I-5 Capacity Enhancement from SR-134 to SR-170	\$ 610	\$ 271.5	\$ -	\$ 271.5	\$ 50	\$ 264	\$ 24 ^j	FY 2010	FY 2013
29		I-5 Carmenita Road Interchange Improvement	\$ 389	\$ 138	\$ -	\$ 138	\$ 97	\$ 154	\$ - ^j	FY 2010	FY 2015
30			Current 2008 \$								
31	Highway Capital Projects	Highway Operational Improvements in Arroyo Verdugo subregion	\$ 170	\$ -	\$ 170	\$ 170	To be determined			As funds become available	
32		Highway Operational Improvements in Las Virgenes/Malibu subregion	\$ 175	\$ -	\$ 175	\$ 175					
33		Interstate 405, I-110, I-105, and SR-91 Ramp and Interchange Improvements (South Bay)	\$ 906	\$ -	\$ 906	\$ 906					
34		Interstate 5 North Capacity Enhancements from SR-14 to Kern County Line (Truck Lanes)	\$ 2,800	\$ -	\$ 410	\$ 410					
35		Interstate 605 Corridor "Hot Spot" Interchanges	\$ 2,410	\$ -	\$ 590	\$ 590					
36		Interstate 710 North Gap Closure (tunnel)	\$ 3,730	\$ -	\$ 780	\$ 780					
37		Interstate 710 South and/or Early Action Projects	\$ 5,460	\$ -	\$ 590	\$ 590					
38		State Route 138 Capacity Enhancements	\$ 270	\$ -	\$ 200	\$ 200					
39		Capital Project Contingency (Highway)-Escalation Allowance for lines 31-38 to be based on year of construction	\$ 2,575	\$ -	\$ 2,575.9	\$ 2,576					
40			Total Capital Projects Highway: Carpool Lanes, Highways, Goods Movements, Grade Separations, and Soundwalls	\$ 22,337	\$ 1,215.1	\$ 6,664.9					

Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan

30 Years, Fiscal Year (FY) 2010 - 2039

As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008

(\$ in millions)

ATTACHMENT A

Revised July 29, 2008

for reference only - not priority order	Subfund	Operating and Capital Programs	Percent of New Sales Tax Net Revenues	New Sales Tax (Assembly Bill 2321)			Other Funds			Funds Available Beginning	Expected Completion												
				Minimum	Additional	Total Escalated	Federal Funding	State Funding	Local Funding (Rail is 3% except as noted)														
41	Ops	Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.)	20%	\$ -	\$ 7,880	\$ 7,880 ^k	Not Applicable		FY 2010	FY 2039													
42	Ops	Rail Operations (New Transit Project Operations and Maintenance)	5%	\$ -	\$ 1,970	\$ 1,970 ^k					Not Applicable		FY 2010	FY 2039									
43	Local Return	Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit.	15% ^l	\$ 250	\$ 5,660	\$ 5,910 ^k									Not Applicable		FY 2010	FY 2039					
44	Tran. Cap.	Metro Rail Capital Projects - System Improvements, Rail Yards, and Rail Cars	2%	\$ -	\$ 788	\$ 788 ^k													Not Applicable		FY 2010	FY 2039	
45	Tran. Cap.	Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion)	3%	\$ 70	\$ 1,112	\$ 1,182 ^k																	Not Applicable
46	Subtotal Transit and Highway Capital Projects		\$ 41,276^m	\$ 4,216.6	\$ 17,453	\$ 21,670	\$ 2,908	\$ 1,554	\$ 2,253	FY 2010													
47	Subtotal page 4			\$ 320.0	\$ 17,410	\$ 17,730	Not Applicable																
48	1.5% for Administration		N/A	\$ 10	\$ 590	\$ 600	Not Applicable			FY 2010	FY 2039												
49	Total			\$ 4,546.6	\$ 35,453	\$ 40,000	\$ 2,908	\$ 1,554	\$ 2,253	FY 2010	FY 2039												

Notes:

- a. The Exposition Blvd Light Rail Transit project includes the following funds: Prop 1B Transit Modernization funds (\$250 M), State Transportation Improvement Program funds (\$103 M), Metro Propositions A and C funds (\$354 M).
- b. Systemwide ridership forecasts indicate need for a Regional Connector downtown. This expenditure plan assumes that Metro Long Range Transportation Plan funds freed-up from the Exposition Phase II project by passage of this sales tax will be redirected to the Regional Connector project by the Metro Board.
- c. Local funding for the Crenshaw Transit Corridor assumes a 3% local contribution (\$44 M) and a Metro Long Range Transportation Plan contribution (\$219 M).
- d. Local funding target and project schedule to be determined due to potential LAX contribution. First segment is included in the Crenshaw project.
- e. The San Fernando Valley North-South Rapidways minimum of \$100 M is divided between the East and Canoga segments.
- f. Unescalated cost estimate to Westwood.
- g. Assumes a 3% local contribution to the Escalation Allowance (\$225 M) and a Metro Long Range Transportation Plan contribution for project scheduling risk (\$615 M).
- h. Total new rail and/or bus rapid transit capital projects cost estimate subject to change when cost estimates are developed for the San Fernando Valley I-405 Corridor Connection (line 13) and the West Santa Ana Branch Corridor (line 16).
- i. The precise amounts of Federal and local funding for the Alameda Corridor East Grade Separations Phase II project are subject to change.
- j. For projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of this sales tax shall remain in the subregion in which the project is located for projects or programs of regional significance (per AB 2321).
- k. Amounts are estimates. Actual amounts will be based on percentage of actual sales tax receipts net of administration.
- l. Local Return to the incorporated cities within Los Angeles County and to Los Angeles County for the unincorporated area of the County on a per capita basis per annual California Department of Finance population data.
- m. The total project cost estimate for the transit and highway capital projects of \$41.2 B includes \$12.9 B in as yet unidentified federal, state, local, and public-private partnership funds for highway projects.

Legend: Ops = Operations; Tran. Cap. = Transit Capital; SR = State Route; I = Interstate

* The West Santa Ana Branch matching funds would be accelerated by utilizing Long Range Transportation Plan resources freed-up by the use of new sales tax funds on the Interstate 5 Capacity Enhancement from I-605 to Orange County Line project (line 27).

**RESOLUTION CALLING SPECIAL ELECTION PROPOSING AN ADDITIONAL
RETAIL TRANSACTIONS AND USE TAX FOR TRANSPORTATION
PURPOSES TO BE SUBMITTED TO THE VOTERS OF THE COUNTY AT THE
SPECIAL ELECTION AND REQUESTING THE CONSOLIDATION OF THE
SPECIAL ELECTION WITH THE NOVEMBER GENERAL ELECTION**

BE IT RESOLVED by the Los Angeles County Metropolitan Transportation Authority ("Metro"), that, pursuant to Section 130350 of the California Public Utilities Code, a special election is hereby ordered and called to be held on Tuesday, November 4, 2008, and that the following Proposition be submitted to the electors of the County of Los Angeles at the special election.

BE IT FURTHER RESOLVED that Metro requests that the Board of Supervisors of the County of Los Angeles, State of California, consolidate the special election with the November General Election and place the Proposition upon the same ballot as shall be provided for the General Election to be held on the 4th day of November 2008, and, that the same precincts, polling places, and precinct board members as shall be used for the General Election shall be used for the Special Election pursuant to California Elections Code Sections 10400 et seq.

BALLOT PROPOSITION

The exact form of the Proposition as it is to appear on the ballot is as follows:

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<p>LOS ANGELES COUNTY TRAFFIC CONGESTION RELIEF AND SAFETY, RAIL EXTENSION, AIR POLLUTION PREVENTION AND REDUCTION OF FOREIGN OIL DEPENDENCE MEASURE</p> <ul style="list-style-type: none"> • Synchronize traffic signals; • Repair potholes; • Extend light rail / connect to airports; • Improve freeway traffic flow (5, 10, 14, 60, 91, 101, 105, 110, 138, 210, 405, 605, 710); • Keep senior / student / disabled bus fares low; • Convert to cleaner burning buses; • Expand subway / Metrolink / bus service; • Dedicate millions to each community for traffic relief; 	<p>YES</p>
<p>Shall the Los Angeles County sales tax be increased by one-half cent for 30 years, with local control, independent audits, public review of expenditures?</p>	<p>NO</p>

EXHIBITS

The complete text of the proposed ordinance, including Attachment A, entitled "Expenditure Plan," is attached as Exhibit 1, and the document entitled "Five Point Plan," is attached as Exhibit 2. These documents are incorporated herein by reference.

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PROCLAMATION

Pursuant to Section 12001 of the California Elections Code, Metro hereby PROCLAIMS that a special County-wide election shall be held on November 4, 2008, to vote upon the Proposition set forth in this resolution. Pursuant to Section 14212 of the California Elections Code, the polls shall be open for said election from 7:00 a.m. to 8:00 p.m. The Los Angeles County Registrar-Recorder shall cause this proclamation to be published in a daily newspaper of general circulation, printed, published, and circulated in Los Angeles County, at least one (1) time before the 4th day of November, 2008, pursuant to

1 Section 130351 of the California Public Utilities Code and Section 9163 of the California
2 Elections Code.

3
4 FILING RESOLUTION

5 The Chief Executive Officer of Metro, or his designee, is ordered to file a copy of this
6 resolution with the Clerk of the Los Angeles County Board of Supervisors and the Los
7 Angeles County Registrar-Recorder/County Clerk at least eighty-eight (88) days prior to the
8 date of the election.

9
10 ANALYSIS OF ORDINANCE

11 The County Counsel of the County of Los Angeles is hereby requested to prepare an
12 analysis of said ordinance pursuant to Section 130351 of the California Public Utilities Code
13 and Section 9160 of the California Elections Code.

14
15 CEQA EXEMPTION

16 The California Environmental Quality Act does not apply to this tax proposal, according
17 to Section 21080(b)(8) and (10) through (13) of the California Public Resources Code, and
18 Sections 15273, 15275, ~~15276 and 15378(b)~~ of Title 14 of the California Code of
19 Regulations.

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20 This tax is proposed for the purpose of (1) meeting operating expenses; purchasing or
21 leasing supplies, equipment or materials; meeting financial reserve requirements; obtaining
22 funds for capital projects necessary to maintain service within existing service areas; (2)
23 increasing funds for the existing public transit service programs; (3) instituting or increasing
24 passenger or commuter services on rail or highway rights of way already in use and/or (4)
25 the continued development of a regional transportation improvement program.

26 Metro hereby finds that the purpose of this tax includes supplementing existing tax
27 revenues to meet a demonstrated shortfall due to decreasing federal funding and
28 increasing transportation costs needed to complete the Los Angeles County transportation
29 system as set forth in the Regional Transportation Improvement Program, which is
30 incorporated herein by reference, including funding to meet operating expenses, purchase
31 or lease of equipment or materials, meet financial reserve needs and requirements and to
32 obtain funds for capital projects necessary to maintain service within existing service areas
33 and to assist in meeting stricter air quality standards and accessibility requirements.

1 The Chief Executive Officer of Metro, or his designee, is directed to promptly file a
2 Notice of Exemption under the California Environmental Quality Act.

3
4 ELECTION/REGISTRAR-RECORDER

5 Metro staff is hereby instructed to cooperate with the Los Angeles County Registrar-
6 Recorder and to perform or cause to be performed such functions preliminary to the conduct
7 of such special election as may be agreed upon with the Registrar-Recorder.

8 Pursuant to Section 130351 of the California Public Utilities Code, the cost incurred by
9 Los Angeles County in conducting the special election shall be reimbursed by Metro.

10 The Los Angeles County Board of Supervisors is hereby authorized to canvass the
11 returns of said special election requested herein to be consolidated with the November 2008
12 general election.

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13 Pursuant to Section 130350 of the California Public Utilities Code, the vote
14 requirement for the Proposition shall be an affirmative vote of two-thirds (2/3) of the votes
15 cast on the Proposition.

16
17 ARGUMENTS

18 Metro hereby authorizes the Chairman of the Board of Directors of Metro to file a
19 written argument in support of the Proposition and any rebuttal arguments.

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20
21 REQUEST FOR LETTER IDENTIFYING PROPOSITION

22 Metro hereby requests that the Registrar-Recorder identify the Proposition as
23 "Proposition R." In the event that the letter "R" is not available, Metro requests that the
24 Registrar-Recorder identify the Proposition as "Proposition M." In the event that neither the
25 letter "R" nor the letter "M" is available, Metro requests that the Registrar-Recorder identify
26 the Proposition as "Proposition T." In the event that none of the above letters are available,
27 Metro hereby authorizes the Chief Executive Officer, or his designee, to select a letter
28 identifying the Proposition.

29
30 BALLOT PAMPHLET EXHIBITS

31 Metro hereby authorizes the Chief Executive Officer, or his designee, to submit any
32 exhibits he deems necessary, including Exhibit 1 or Exhibit 2 of this resolution, or excerpts
33 thereof, to the Registrar-Recorder for inclusion in the ballot pamphlet.

NOTICE OF ELECTION

Upon receipt from the Registrar-Recorder of the published notice of election, the Chief Executive Officer, or his designee, shall post the notice of election in a publicly available location in the Metro Headquarters Building located at One Gateway Plaza in the City of Los Angeles, California.

ENFORCEMENT AUTHORITY

Metro hereby authorizes the Chief Executive Officer to retain outside legal counsel to take any action necessary to effectuate the purposes of this resolution, including the attached Ordinance.

I certify that the foregoing ~~resolution~~ was adopted by a majority vote of all members of the Los Angeles County Metropolitan Transportation Authority, at its meeting held on the 24th day of July, 2008.

Deleted: Resolution

MICHELE JACKSON,
Metro Board Secretary

Deleted: ROGER SNOBLE
Deleted: Chief Executive Officer
Los Angeles County
Metropolitan
Transportation Authority

Measure R and
Metro's Five-Point Plan

1. **RAIL EXPANSION:**
Expand the county's Metro rail system, including direct airport connection.

2. **LOCAL STREET IMPROVEMENTS:**
Synchronize signals, fill potholes, repair streets and make neighborhood streets and intersections safer for drivers, bicyclists and pedestrians in each community.

3. **TRAFFIC REDUCTION:**
Enhance safety and improve traffic flow on LA County freeways and highways.

4. **BETTER PUBLIC TRANSPORTATION:**
Make public transportation more convenient and affordable - especially for seniors, students, disabled and commuters

5. **QUALITY OF LIFE:**
Provide alternatives to high gas prices, stimulate the local economy, create jobs, reduce pollution and decrease dependency on foreign oil

Note: The proposed measure letter designation of "R" is pending action by the County Registrar Recorder/ County Clerk's Office. Once the final letter is chosen, the Five-Point Plan will be updated accordingly.

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Introduction:

Rough roads ahead....

The one common denominator for everyone who lives and works in Los Angeles County is traffic frustration. By the year 2030, LA County's population is expected to swell to more than 12 million. And growth in international trade will double current truck traffic at our ports.

More people. More cars. More freight. It all means more congestion. In 20 years traffic on local streets will increase 30 percent, and unless we spend more to improve transportation, average freeway speeds could dip below 20 miles per hour.

Today we all waste more than 72 hours a year stuck in traffic, the worst congestion in the nation. Since mobile source emissions are a large contributor to regional smog, it's no surprise we have poor air quality and our children's asthma rates are among the worst in the nation. And we're a major contributor to global warming.

The Los Angeles region lags behind every major North American urban area in the development of a comprehensive mass transit system and that is costing us jobs and undermining our quality of life.

Compounding matters, the state has cut local transportation funding by hundreds of millions of dollars in recent years, while LA County remains a donor on the federal side, sending more transportation tax dollars to Washington than our region gets back.

And this is happening at time when the public is desperate for alternatives to high gas prices. While more than 600 million boarding

passengers annually use public transit in the county, many more would ride trains or express buses or join a carpool or vanpool if they had more options.

We can improve traffic.....

A massive investment in LA County's transportation infrastructure is necessary to keep up with growth. Measure R is a half-cent sales tax that will provide the local resources to finance new transportation projects and accelerate those already in the pipeline. Over 30 years, it will generate \$40 billion for countywide congestion relief projects – and attract additional state and federal matching funds that will otherwise go to another county.

Here's how Measure R will help us keep pace:

Rail Expansion

- Expand the Metro Rail system, including direct airport connection; extend the subway and bring light rail service, Metrolink service and bus service on roadways dedicated for their use to many parts of the county not currently served.

Local Street Improvements

- Synchronize signals; fix tens of thousands of potholes; make intersections safer in each community; provide additional street, bridge and sidewalk repairs and construct bikeways and other amenities that encourage walking.

Traffic Reduction

- Enhance safety and improve traffic flow on LA County freeways and highways and build lanes dedicated for trucks on freeways that experience heavy truck traffic.

Better Public Transportation

- Make public transportation more convenient and affordable - especially for seniors, students, disabled and commuters; acquire new buses; upgrade bus facilities and expand dial-a-ride service for seniors and the disabled.

Quality of Life

- Provide alternatives to high gas prices for tens of thousands of commuters and others; generate hundreds of thousands of jobs and \$32 billion in economic activity; reduce air pollution by 4.6 percent over the next 30 years; replace diesel buses with those that run on clean fuels and decrease dependency on foreign oil.

The cost is \$25 a year per person.

According to the private nonprofit Los Angeles County Economic Development Corporation (LAEDC), Measure R would cost residents just \$25 per person each year. Compare that to what traffic congestion and poor roads cost us today: the American Automobile Association estimates traffic congestion costs the Los Angeles-Orange County economy \$9.3 billion annually. We lose another \$10.6 billion each year due to roadway collisions, which are a leading cause of congestion. And the national transportation research group TRIP says roads

riddled with potholes cost the average Angeleno \$778 a year in vehicle wear and tear.

We've already come a long way with traffic...

Los Angeles County has made more progress managing congestion in recent years than any large urban area in the nation, despite the addition of 2.5 million residents and the rapid growth of truck traffic moving goods through our Ports.

What's made the difference? A multi-pronged approach that has brought such improvements as:

- More left turn lanes, carpool lanes and traffic signal synchronization, plus services like the Metro Freeway Service Patrol – clearing 300,000 stranded vehicles annually – which save drivers an estimated 57 million hours of delay and more than \$1 billion annually, according to the Texas Transportation Institute.
- An expanded transportation network that now carries more than 600 million passengers annually.
- One of the nation's largest clean-air bus fleet -- more than 2,500 vehicles powered by compressed natural gas. Metro's transit operations, coupled with our rideshare efforts, eliminate 76 tons of air pollutants a day in LA County.

But more is needed...

In this voter information pamphlet, you'll find an overview of the dozens of transportation projects and programs Measure R will make possible.

To ensure that money will be spent in LA County for exactly what voters were promised, Measure R calls for an annual independent audit and report to taxpayers, plus ongoing monitoring and review of spending by an independent taxpayer oversight committee.

But there's one more key element to improving Los Angeles traffic: **individual choice**. Each of us needs to find new ways to commute and to dedicate ourselves to positive change. One way or another, it's really up to you.

**PROJECTS INCLUDED IN MEASURE R
BY REGION**

REVISED

City of Los Angeles

- 1-A. Exposition Boulevard Light Rail Transit
- 1-B. Crenshaw Transit Corridor (project acceleration)
- 1-C. Regional Connector: Links Local Rail Lines
- 1-D. Westside Subway Extension
- ~~1-G. Green Line Extension: Redondo Beach Station to South Bay Corridor~~
- 1-H. Green Line Extension to Los Angeles International Airport
- 1-I. San Fernando Valley North-South Rapidways: Canoga Corridor (project acceleration)
- 1-J. San Fernando Valley East North-South Rapidways: ~~East Corridors~~ (project acceleration)
- 1-L. San Fernando Valley I-405 Corridor Connection
- 1-O. Eastside Light Rail Access (Gold Line)
- 3-A. I-5 Capacity Enhancement: SR-170 to SR-134

Westside Cities

- 1-A. Exposition Boulevard Light Rail Transit
- 1-C. Regional Connector: Links Local Rail Lines
- 1-D. Westside Subway Extension

Gateway Cities

- 1-C. Regional Connector: Links Local Rail Lines
- 1-K. West Santa Ana Branch Corridor
- 3-B. I-5 Capacity Enhancement: I-605 to Orange County Line
- 3-C. I-5/Carmenita Rd. Interchange Improvement
- 3-G. I-710 South and/or Early Action Projects

- 3-J. I-605 Corridor “Hot Spots” Interchanges
- 5-G. BNSF Grade Separation in Gateway Cities

San Gabriel Valley

- 1-C. Regional Connector: Links Local Rail Lines
- 1-E. Gold Line Eastside Extension
- 1-F. Gold Line Foothill Light Rail Transit Extension
- 1-O. Eastside Light Rail Access (Gold Line)
- 3-M. I-710 North Gap Closure (Tunnel)
- 5-H. Alameda Corridor East Grade Separations Phase II

South Bay Cities

- 1-B. Crenshaw Transit Corridor (project acceleration)
- 1-C. Regional Connector: Links Local Rail Lines
- 1-G. Green Line Extension: Redondo Beach Station to South Bay Corridor
- 1-H. Green Line Extension to Los Angeles International Airport
- 3-E. I-405, I-110, I-105 and SR-91 Ramp and Interchange Improvements: South Bay

North Los Angeles County

- ~~3-A. I-5 Capacity Enhancement: SR-170 to SR-134~~
- 3-D. I-5/SR-14 Capacity Enhancement
- 3-F. I-5 North Capacity Enhancement: SR-14 to Kern County Line (Truck Lanes)
- 3-H. SR-138 Capacity Enhancements
- 3-I. High Desert Corridor (environmental)

Arroyo Verdugo

- 3-A. I-5 Capacity Enhancement: SR-170 to SR-134
- 3-K. Highway Operational Improvements in Arroyo Verdugo Subregion

Las Virgenes/Malibu

- 3-L. Highway Operational Improvements in Las Virgenes and Malibu Subregion

Regionwide Programs

- 1-M. Metrolink Capital Improvements
- 1-N. Metro Rail Capital
- 2-A. Signal Synchronization
- 2-B. Major Street Resurfacing & Pothole Repair
- 2-C. Traffic Monitoring Programs
- 2-D. Bicycle Programs
- 2-E. Pedestrian Improvement Program
- 2-F. Safer Bus Stops
- 2-G. Traffic Demand Management
- 4-A. Rapid Bus Improvements
- 4-B. Express Bus Improvements
- 4-C. Local Bus Improvements
- 4-D. Improved Service for Seniors
- 4-E. Improved Service for the Disabled
- 4-G. Increased Bus Service to Rail Stations
- 4-H. Expanding Community-Based Shuttle Services
- 5-I. Countywide Soundwall Construction
- 5-J. Metro and Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock

Regionwide Benefits

- 4-F. Fare Equity
- 5-A. Alternative to High Gas Prices
- 5-B. Significant Economic Impacts
- 5-C. Job Stimulus
- 5-D. Reduced Traffic Congestion
- 5-E. Local Air Quality Improvements
- 5-F. Live/Work Opportunities

1. Rail Expansion

Goals: To significantly expand the size of the Metro Rail and busway systems; to accelerate and enhance existing rail and bus projects; to serve more communities.

Since its inception in 1990, Metro Rail has grown to become one of the largest urban rail systems in the nation. The Metro Blue, Red, Green, Gold and Purple lines cover 73 miles and move nearly 320,000 boardings each day.

Busways that emulate rail by operating buses on dedicated roadways are an important element of the county's transit system. Examples include the Metro Orange Line in the San Fernando Valley dedicated busways along the I-110 Harbor Freeway and the I-10 El Monte freeway. These three busways carry 137,000 passengers a day.

In addition, Metrolink began providing the region with long-distance commuter rail service in 1992. Since then, it has expanded its service to six counties and 512 route miles, with an average of 43,500 passenger trips daily.

Additional rail and busway projects are either under construction or proposed to be built as outlined in Los Angeles County's transportation blueprint, the Long Range Transportation Plan (LRTP). However, the county's needs are far greater than the funding currently available. Therefore, Measure R would accelerate further expansion of the current system.

1-A. Exposition Boulevard Light Rail Transit : Culver City to Santa Monica
Construction is currently under way on the Exposition Light Rail Line between downtown Los Angeles and Culver City, with a projected opening date of 2010. Measure R accelerates the extension from Culver City to Santa

Monica. The extension will add 7 to 10 station stops serving the Westside. This project will provide an alternative to the congested Interstate I-10 Santa Monica Freeway. Specific routing and mode will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

1-B. Crenshaw Transit Corridor (project acceleration)

Measure R will accelerate construction of a north-south transit line along the Crenshaw Boulevard Corridor. It will connect five jurisdictions: the cities of Los Angeles, Inglewood, Hawthorne and El Segundo, plus unincorporated portions of Los Angeles County. The project is proposed to provide transit service to significant activity centers and rail facilities, including Los Angeles International Airport, downtown Inglewood, Leimert Park Village, Baldwin Hills and will connect to the Metro Green Line and the Exposition Light Rail Line. Specific routing and mode will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

1-C. Regional Connector: Links Local Rail Lines

Measure R provides a link between the four light rail lines terminating at the edges of Central Los Angeles. The Regional Connector would provide passengers with seamless connections between Long Beach and Pasadena, as well as between Culver City and East Los Angeles. This project benefits the entire region by reducing travel times and minimizing the need for rail transfers. The

Regional Connector provides additional stations in Central Los Angeles and enables all county rail and bus service to operate more efficiently and attract higher ridership. Specific routing and mode will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

1-D. Westside Subway Extension

This project, to be opened in segments, will extend Metro Rail to the Westside. The extension would substantially cut transit travel times; one study estimates a 50% time savings for commuters along this heavily congested corridor. The project serves several major employment centers including Century City and Westwood/UCLA. Specific routing and mode will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

1-E. Gold Line Eastside Extension

Measure R extends the Metro Gold Line from the Atlantic/Pomona Station now under construction further east. The project area includes the cities of Los Angeles, Montebello, Pico Rivera, Monterey Park, Industry, Downey, Whittier, Commerce, Rosemead, South El Monte, El Monte, Santa Fe Springs and Bell, as well as unincorporated portions of Los Angeles County. It would provide quick and convenient east/west transit access. Specific routing and mode will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

1-F. Gold Line Foothill Light Rail Transit Extension

Measure R extends Metro's Gold Line from its current terminus in Pasadena at the Sierra Madre Villa station toward Claremont. It will provide a viable alternative to the heavily congested I-210 Freeway. Specific routing and

mode will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

1-G. Green Line Extension: Redondo Beach Station to South Bay Corridor

Measure R continues the Metro Green Line from its current terminus on Marine Avenue in Redondo Beach to the South Bay Galleria. It will provide a viable alternative to the heavily congested I-405 Freeway. Specific routing and mode will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

1-H. Green Line Extension to Los Angeles International Airport

Measure R connects the Metro Green Line with LAX from the Aviation Station. It will provide a viable alternative to the heavily congested I-105 and I-405 freeways. Specific routing and mode will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

1-I. San Fernando Valley North-South Rapidways: Canoga Corridor (project acceleration)

This project extends the Metro Orange Line north from the Canoga Park Station to the Chatsworth Metrolink Station, with new stations at Sherman Way, Roscoe and Nordhoff. Measure R funds will complete this project three years early. The route connects major activity areas in the western San Fernando Valley, including Warner Center, downtown Canoga Park and Chatsworth.

1-J. San Fernando Valley North-South Rapidways: East Corridors (project acceleration)

Measure R will accelerate bus service improvements on four potential East San Fernando Valley corridors, including Van Nuys, Sepulveda, Reseda and Lankershim. The improvements may include dedicated bus lanes, either all day or during peak hours only.

1-K. West Santa Ana Branch Corridor

Measure R will provide for the development of an environmentally friendly grade-separated transit corridor that also will allow for pedestrian and bicycle uses. Phase I will go from the Los Angeles County line toward downtown Los Angeles. It will provide a viable alternative to the heavily congested I-5 Freeway. The complete project could ultimately extend from Orange County to the High Desert area.

1-L. San Fernando Valley I-405 Corridor Connection

Measure R improves traffic flow between the Westside and San Fernando Valley by providing a rapid transit option through the Sepulveda Pass. This project will serve the I-405 corridor from the San Fernando Valley to Westwood. It will provide a viable alternative to driving on that heavily congested freeway. Specific modes and routing will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

1-M. Metrolink Capital Improvements

The Metrolink system provides high-speed, long-distance regional commuter rail service with 512 route miles across six counties. To implement service expansion and safety enhancements, Metrolink will purchase additional clean trains, expand the Eastern Maintenance Facility and construct or upgrade sidings and crossovers to increase speed and

safety. Local jurisdictions also will have the opportunity to make improvements to parking and facilities at stations within their cities and offer shuttle services connecting to the Metrolink system. Specific enhancements will be subject to approved plans developed in cooperation with local jurisdictions and affected communities.

1-N. Metro Rail Capital

Measure R will help maintain rail facilities through improvements to operational systems, upgrades to rail yards and purchase of new rail cars.

1-O. Eastside Light Rail Access (Gold Line)

These improvements to be provided by Measure R will increase access, including pedestrian and bicycle, to the Gold Line Eastside Light Rail project, thereby increasing ridership potential for the line.

2. Local Street Improvements

Goals: To synchronize traffic signals to ease traffic flow; to accelerate pothole repair and other maintenance on local streets; to make neighborhood streets and intersections safer for drivers, bicyclists and pedestrians in each community.

The care and maintenance of local streets is handled by various entities throughout the county's 88 cities and its unincorporated areas. Simple and complex traffic maintenance is outpacing the county's current capacity. The "local return" programs described in this section would provide \$5.9 billion to these local jurisdictions to make transportation improvements in their respective areas. Therefore Measure R would accelerate upgrades to streets, transit and traffic flow at the local level with projects such as the following.

2-A. Signal Synchronization

Measure R enables coordinated operation of traffic signals including left-turn arrows at intersections throughout the county. The goal is to improve traffic flow by coordinating signals along major roadways. This effort can increase the capacity of the street grid and significantly reduce delays.

2-B. Major Street Resurfacing & Pothole Repair

Many areas of the county currently have extensive backlogs of street maintenance, with anticipated repair time running years in the future. Measure R provides for accelerated repair of potholes and other street and curb damage. Specific maintenance plans will be developed by local jurisdictions.

2-C. Traffic Monitoring Programs

Measure R provides for expanded development of the regional traffic monitoring systems, providing continuous and real-time traffic congestion and incident data flow both to traffic control centers and the general public. Specific improvements will be developed by local jurisdictions.

2-D. Bicycle Programs

Measure R provides for the development of bicycle facilities throughout Los Angeles County. Each trip made by bicycle reduces traffic congestion while producing zero emissions as no fossil fuels are used. Specific improvements will be developed by local jurisdictions.

2-E. Pedestrian Improvement Program

Measure R provides for the improvement of the pedestrian environment by retrofitting existing facilities with improved signage and safety components to make walking a more viable option for more people, more often. Specific improvements will be developed by local jurisdictions.

2-F. Safer Bus Stops

Measure R provides for enhancements to bus stops such as lighting, electronic real-time arrival signage, shelters and electronic surveillance to offer passengers a safer, more comfortable and convenient bus riding experience. Specific improvements will be developed by local jurisdictions.

2-G. Traffic Demand Management

Measure R provides for Traffic Demand Management (TDM) strategies that are designed to promote alternatives to drive-alone vehicle travel. They include improving the efficiency of existing transportation infrastructure, eliminating or combining vehicle trips and encouraging the deployment of new technologies that support these objectives. TDM programs are more localized in nature and are implemented by cities with their local share of sales tax revenues.

3. Traffic Reduction

Goals: To relieve highway traffic congestion throughout Los Angeles County; to enhance highway safety and improve traffic flow.

Since 1995, Los Angeles County has seen the average annual delay per traveler drop by one hour. Most major cities have seen an increase in driver delay during that period.

While our transportation investments help curb congestion, the challenge of continued growth means that the county must find new ways to ensure that our freeway system stays one step ahead. Measure R ensures that currently planned projects continue while crucial others are added.

Measure R will allow the county to build a more robust highway system by building beyond the projects currently planned or under construction. The following is a list of freeway projects that could be advanced if the measure is approved.

3-A. I-5 Capacity Enhancement: SR-134 to SR-170

Measure R will construct one carpool lane in each direction along the I-5 freeway median between SR- 134 and SR-170 including an access improvement for Empire Avenue. The proposed 9.7-mile project will extend the carpool lanes south of SR-170.

3-B. I-5 Capacity Enhancement: I-605 to Orange County Line

Measure R will construct one carpool lane and one mixed-flow lane in each direction extending 6.4 miles through the cities of Cerritos, La Mirada, Santa Fe Springs and Norwalk. The project includes related interchange reconstruction and arterial modifications.

3-C. I-5/Carmenita Rd. Interchange Improvement

Measure R will remove the existing two-lane structure and construct a new eight-lane interchange with carpool lane on-ramps. The project is located in the cities of Santa Fe Springs and Norwalk between the Alondra Boulevard and Shoemaker Avenue overcrossings and will accommodate the widening of the I-5 in the area.

3-D. I-5/SR-14 Capacity Enhancement

Measure R will provide a direct link for carpoolers between the I-5 and SR-14 freeways to eliminate the need for carpoolers to exit the carpool lanes when switching freeways. Measure R also will reduce delay and increase speed along the I-5 and SR-14 carpool lanes. Direct carpool lane connectors increase safety and reduce congestion in the interchange area by eliminating weaving moves as motorists travel from one freeway to another.

3-E. I-405, I-110, I-105 and SR-91 Ramp and Interchange Improvements: South Bay

Measure R will construct improvements to reduce delays on the freeways. Examples of projects that could be funded include auxiliary lanes and ramp reconfigurations.

3-F. I-5 North Capacity Enhancement: SR-14 to Kern County Line (Truck Lanes)

Measure R will add a carpool lane and a dedicated truck lane in both directions on the I-5 freeway north of SR-14 in the Santa Clarita Valley. It is assumed that partial funding by public/private partnerships will be part of the project plan.

3-G. I-710 South and/or Early Action Projects

Measure R will improve congestion, safety and air quality by upgrading the freeway and improving truck and traffic flows between the ports of Los Angeles and Long Beach and the SR-60 freeway. Also to be considered are upgrades to the I-710 Freeway between Pacific Coast Highway and downtown Long Beach. It is assumed that partial funding by public/private partnerships will be part of the project plan.

3-H. SR-138 Capacity Enhancement

Measure R will widen SR-138 by adding new lanes in each direction to the San Bernardino County Line.

3-I. High Desert Corridor (environmental)

Measure R provides for initial study of the High Desert Corridor, linking the Antelope Valley to Apple Valley. It is assumed that partial funding by public/private partnerships will be part of the project plan.

3-J. I-605 Corridor “Hot Spot” Interchanges

Measure R provides for improvements to interchanges along the I-605 corridor, such as the I-605/I-10, I-605/SR-60, I-605/I-5, I-605/SR-91 and I-605/I-405 interchanges. Examples of the types of improvements include roadway widening, ramp expansion and added signage within the interchange.

3-K. Highway Operational Improvements in Arroyo Verdugo Subregion

Measure R will construct freeway operational enhancements such as ramp improvements, auxiliary lanes and interchange improvements in such areas as Burbank, Glendale and La Canada/Flintridge.

3-L. Highway Operational Improvements in Las Virgenes and Malibu Subregion

Measure R will construct freeway operational enhancements such as ramp improvements, auxiliary lanes and interchange improvements in such areas as Agoura Hills, Calabasas, Hidden Hills, Westlake Village and Malibu.

3-M. I-710 North Gap Closure (Tunnel)

Measure R will extend SR-710 freeway north through a tunnel to relieve congestion on local streets. It is assumed that partial funding by public/private partnerships will be part of the project plan.

4. Better Public Transportation

Goals: To keep public transportation affordable, especially for seniors and the disabled; to expand proven bus transit methods; to extend the convenience of public transportation.

Los Angeles County's transit providers operate over 4,000 buses and serve 1.6 million boardings daily. Metro also administers funding for specialized dial-a-ride programs for the elderly and disabled.

Measure R provides \$7.88 billion for improving bus service over the next 30 years, plus additional funds to cities for transit improvements such as dedicated bus lanes, higher capacity vehicles, more efficient routing and traffic signal priority.

4-A. Rapid Bus Improvements

Measure R will provide for continued operation of the Metro Rapid network with over 400 miles of service throughout Los Angeles County. These lines make fewer stops, follow simpler routes, run more frequently, use low-floor buses to facilitate boarding and are given priority at traffic signals in many locations.

4-B. Express Bus Improvements

Measure R will provide for continued operation and expansion of express bus service. Express lines use existing rights-of-way to provide efficient long-distance service.

4-C. Local Bus Improvements

Measure R provides improvements in the quality and reliability of local bus service over the next 30 years. Both municipal operators and Metro will make greater use of higher capacity buses to expand system capacity while

limiting operating costs. Local buses also feed passengers to regional transit facilities like rail lines, Metro Rapid stations and Metro Orange Line stations.

4-D. Improved Service for Seniors

Measure R provides for the continuation and expansion of efforts such as dedicated hands-on "sampler" buses, large-type mapping and route planning tools, outreach to senior centers and retirement homes, specialized large-type informational materials and audience-appropriate training videos.

4-E. Improved Service for the Disabled

Measure R provides for the continuation and expansion of enhancements on buses such as wheelchair lifts or ramps, automated voice enunciators and electronic signage to call out stops for visually and hearing impaired passengers. Specific improvements will be developed by local jurisdictions.

4-F. Fare Equity

The per-passenger cost of providing transit service is much higher than the fares that can realistically be charged to riders. As a result, all transit service is subsidized in order to maintain fares at the lowest level possible. Measure R will allow Metro to maintain fare structures and reduced payment options for seniors, students, the disabled and commuters.

4-G. Increased Bus Service to Rail Stations

Measure R provides for the continuation and expansion of feeder bus lines at various stations to maximize access to rail lines.

4-H. Expanding Community-based Shuttle Services

Measure R provides for the continuation and expansion of Community-based Circulators to broaden service options at the local level.

4-I. Increased Local Transit Funding

Measure R provides for the continuation and expansion of funding to municipal transit operators and other locally-based transit service providers.

5. Quality of Life

Goals: To ensure that people and freight can move freely in Los Angeles County; to enable the local economy to prosper; to enable residents to enjoy safety, clean air and a high quality of life.

Traffic congestion presents undeniably negative impacts on the quality of life for Los Angeles County residents. This trend can be reversed by investing in new transportation infrastructure and making key operational improvements.

Products destined for local stores and warehouses are shipped by truck on some of the most heavily congested freeways in the county. Studies indicate trade volumes will more than double over the next 30 years, increasing daily port-generated truck trips. More efficient, reliable, and safe transportation of goods is critical to the county's mobility, economic growth and quality of life.

Measure R provides for meeting the region's air quality targets through cleaner-burning fuels, expansion of transit programs, and investment and operational improvements that can keep people, freight, and our economy moving.

5-A. Alternative to High Gas Prices

Metro offers an affordable alternative to high gas prices. The expanding high-speed network of rapid buses and trains often are as fast or faster than driving. A Metro Day Pass costs about the same as a gallon of gas currently. Saving at the pump is only the start. When vehicle depreciation, maintenance, insurance, and parking fees are added, it can cost up to an average of \$10,000 a year to drive a car or truck. By comparison, public transit in Los Angeles County costs on average just \$744

while carpooling and vanpools in Los Angeles County average between \$1,400 and \$2,200 per person annually.

5-B. Significant Economic Impacts

Mobility is the linchpin of the economy. A recent report by the American Automobile Association estimates that traffic congestion costs the Los Angeles-Orange County region \$9.3 billion plus another \$10.6 billion annually due to traffic accidents, which are a leading cause of congestion. The national transportation research group TRIP adds that rough roads riddled with potholes cost the average Angeleno \$778 a year in vehicle wear and tear, the highest in the nation.

Altogether, this is more than a \$2,000 cost for every man, woman and child living in Los Angeles County. Moreover, the average commuter here spends 72 hours a year idling in traffic, while the *Los Angeles Times* reports that traffic congestion regularly delays about a fifth of commercial trucks in the region, increasing the cost of shipping by 50 to 250 percent, which is passed on to consumers.

Measure R will generate the resources to help ease traffic congestion, and studies have shown that construction of transportation projects will jump-start the Los Angeles area economy.

5-C Job Stimulus

Measure R will serve as a direct economic stimulus to our local economy. According to the Los Angeles County Economic Development Corporation, Measure R would create over 210,000 new jobs and pump more than \$32 billion into Los Angeles County's local economy.

5-D. Reduced Traffic Congestion

Within the next quarter century, Los Angeles County's population will grow by another 2.4 million people with a lot more cars and trucks jammed onto already congested streets and freeways. Growth in international trade could cause a doubling of truck trips from the ports of Los Angeles and Long Beach. Without significant investment in transportation infrastructure, average freeway peak speeds could dip below 20 miles-per-hour. That will have a negative ripple effect on the local economy, air pollution and quality of life.

The county's expanding public transit services and rideshare programs are providing more residents with the opportunity to avoid solo driving, which helps reduce regional congestion. Metro supports ridesharing options such as carpooling and vanpooling. Just a small increase in the vehicle occupancy rate -- from 1.1 persons per vehicle to 1.3 persons -- would virtually eliminate regional congestion. Metro also funds carpool lane improvements to reduce travel times for those who carpool, join a vanpool or use freeway express buses.

5-E. Local Air Quality Improvements

Metro has made significant investments in clean air programs and operates one of the largest compressed natural gas (CNG) bus fleets in the nation. Buses fueled by CNG are up to 97 percent cleaner than diesel buses. It is estimated that Metro's and its municipal operator partners' transit operations and other

rideshare programs reduce tons of air pollutants a day in Los Angeles County. Further investments in transit, combined with transit-oriented development with pedestrian and bicycle-oriented streets plus clean goods movement strategies, will help Los Angeles County further improve air quality.

5-F. Live/Work Opportunities

With the recent increase of thousands of new housing units at or near public transportation stations throughout the county, more Los Angeles area residents can make a lifestyle choice to live closer to their work and avoid the high cost of commuting. Families with two or more cars can achieve tremendous savings by eliminating one of their vehicles and switching to public transit. Metro bus and rail lines as well as the municipal operators directly serve all major employment centers in the county.

5-G. Burlington Northern Santa Fe (BNSF) Grade Separations in Gateway Cities

Measure R will provide funds toward the construction of rail and roadway grade separations in the Gateway Cities area at five locations including: Rosecrans Avenue and Marquardt Avenue, Passons Boulevard, Los Nietos Road and Norwalk Boulevard, Lakeland Road and Pioneer Boulevard.

5-H. Alameda Corridor East Grade Separations Phase II

The Alameda Corridor East project provides congestion relief to drivers along a 35-mile stretch of the San Gabriel Valley by constructing bridges or underpasses and improving the operation of other railroad intersections.

5-I. Countywide Soundwall Construction

Measure R will continue to construct soundwall projects for major highway projects to reduce freeway noise levels.

5-J Metro and Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock

Measure R will provide for the purchase of clean fuel buses by both Metro and municipal operators.

Taxpayer Safeguards & Oversight

Strong Protection of Projects

There are strong safeguards to ensure that Measure R funds will be spent here in Los Angeles County for exactly what voters were promised. The Metro Board is obligated to spend Measure R funds in a timely manner that is consistent with the voters' approval. There will be an annual independent audit and report to taxpayers and ongoing monitoring and review of spending by an independent taxpayer oversight committee.