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Metro News **BULLETIN**

Metro Rail Stays On Track!

And that's good news for all of Los Angeles

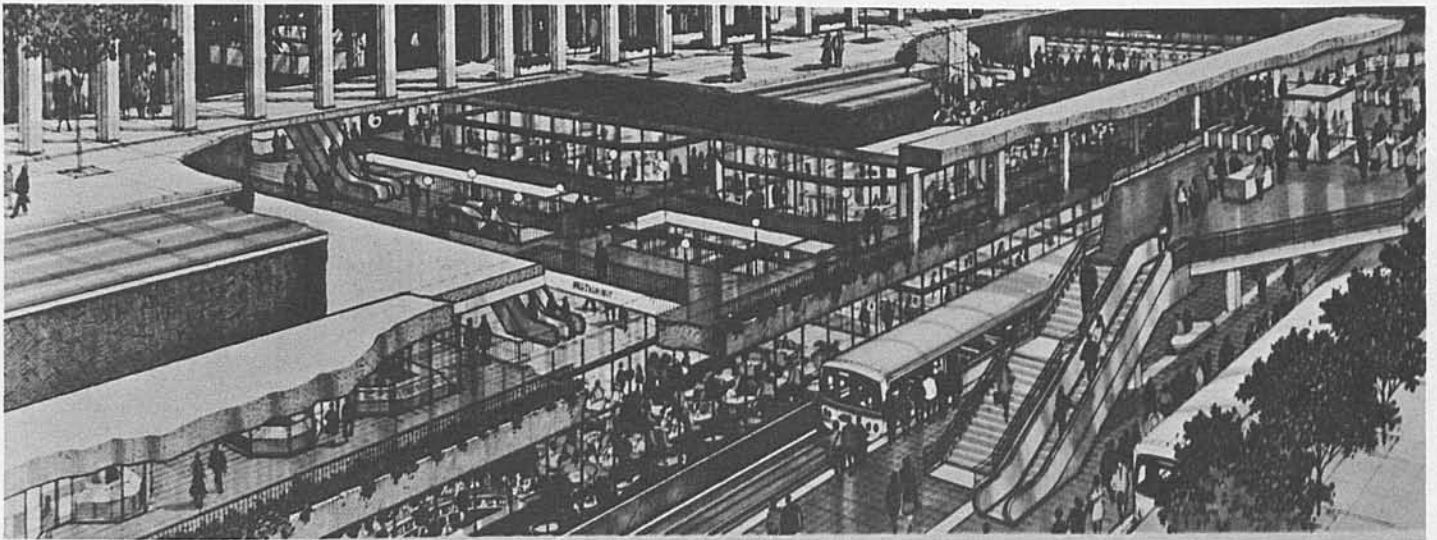
The following editorial was published by the *Los Angeles Herald-Examiner* on July 22, 1985. The newspaper's position is shared by numerous officials at all levels of government, business and the private sector. We are reprinting it for the benefit of our readers.

The need for L.A.'s Metro Rail subway project has never been in doubt, but the chances of its actually being financed have frequently appeared slim. So last week's action in Washington, where a House appropriations subcommittee backed a \$429-million federal package for the subway, gives us cause for a brave new optimism. Indeed, true believers in Metro Rail always must be brave, because obstacles to the project rarely are far away. Even now, although the House is considered likely to approve this new money, approval by the Senate is less certain. And if the Senate does endorse the full appropriation, it could still be slashed later by joint efforts to reduce overall federal spending.

Nevertheless, we prefer to fix on the possibility that Congress and the Reagan administration will approve the spending, and that money will arrive in time to enable local officials to break ground later this year on the project's first 4-mile leg, from downtown into the Wilshire corridor. That is an important foot in the door for completing the entire 18.6-mile route to North Hollywood, using not only federal appropriations but infusions of

state and local cash as well. Good news should beget more good news in terms of financing this project. If Washington comes up with its share, Gov. Deukmejian is committed to providing \$400 million more.

It couldn't happen to a nicer project. Metro Rail is an important part of L.A.'s transportation plans. By whisking passengers between downtown and the San Fernando Valley, it would help relieve traffic on local freeways and gridlocks getting to them—and do it, according to the Urban Mass Transit Administration, in a cost-effective manner. For advancing this effort, the public owes gratitude to numerous local officials, particularly Mayor Bradley. The progress that has been made is no thanks, however, to those who have attempted to subvert the subway all along. Most notable of the foes is Rep. Bobbi Fiedler, who has specialized in attacking the project. The city will benefit if she drops her opposition, for it will still take a monumental effort to get Metro Rail on track. But at least for now, the city is beginning to see light at the end of the tunnel.



Sharing Benefits—Because property owners near Metro Rail stations will realize various monetary benefits due to their proximity, they will be asked to pay a share of the cost of the project's construction.

RTD Board Gives Final Approval For Metro Rail Benefit Assessments

RTD directors July 11 gave final approval to the establishment of two benefit assessment districts, one in downtown Los Angeles and the other in the vicinity of Wilshire and Alvarado, to support construction of the first four-mile phase of the Metro Rail subway.

The RTD Board acted after the Los Angeles City Council May 31 sanctioned the District's plans to raise \$130.3 million from the private sector to help pay for construction of Metro Rail's first phase.

"This unprecedented support by the private sector for a modern rail project is the key to securing federal funding for both the initial segment of the project, and, eventually, the balance of the 18-mile subway that will link downtown Los Angeles and North Hollywood via the Wilshire Corridor," RTD Board President Nick Patsouras said.

Five stations are planned along the first four-mile stretch of the subway line. The sites include: Union Station, First and Hill Streets, Fifth and Hill, Seventh and Flower, and Wilshire and Alvarado.

A single benefit assessment district is proposed to encompass a half-mile walking distance around the first four stations. The second district would envelop the Wilshire and Alvarado station within a one-third-mile walking distance of the proposed underground facility.

Pending Congressional action on a federal commitment for Metro Rail this summer, owners of some 3,100 parcels of office, commercial, retail, and hotel and motel property would receive annual assessments starting later this year.

Annual assessments would continue through the year 2008 or until \$130.3 million in bonds are redeemed.

All residential property except for hotels and motels will be exempted from assessments, as well as parcels owned and occupied by charitable non-profit organizations and public land in public use.

An appeals process also will be implemented and rates will be reviewed every two years.

A flat rate will be applied to the square footage of assessable property improvements or the land itself, whichever is greater in size. The initial assessment per square foot will be 30 cents. The maximum rate will not exceed 42 cents.

RTD directors have pledged to use the revenue generated by assessments only for construction of Metro Rail stations and not to subsidize operation and maintenance costs.

RTD formulated the outline for its benefit assessment plan based on input from a 33-member task force of local businessmen and public agency repre-

sentatives, many of whom represent firms or constituents who will be subject to the levies.

It will cost an estimated \$1.25 billion to construct the first Metro Rail segment, including the cost of building central control facilities, a train storage yard and maintenance shops that will serve the entire subway system.

As future Metro Rail extensions gain federal funding approval, an additional \$40 million will be generated through benefit assessment districts established along the remainder of the Metro Rail alignment.

RTD Board President Patsouras pointed out that property owners are being asked to invest only a small fraction of the financial benefits they will realize by owning land near a Metro Rail station.

"Property owners in Washington, D.C. and other U.S. cities where new rail systems have been built in recent years have experienced sharp increases in the value of their properties, as well as increased retail sales, higher occupancy rates, and reduced developer and tenant parking costs, among other benefits," Patsouras said.

A new brochure describing the benefit assessment program can be obtained by contacting the RTD Community Relations Department at (213) 972-6456.