

Your Measure R Dollars, In The Works



Metro

DECEMBER 2009

Measure R Fact Sheet

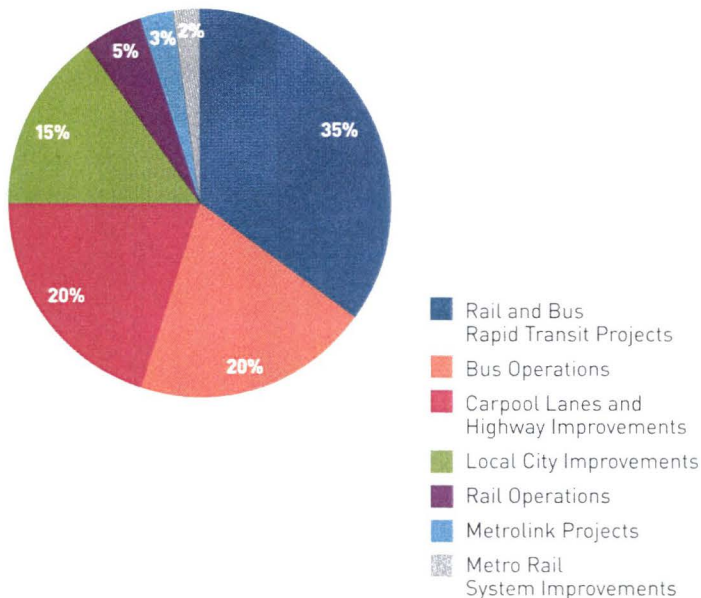
MEASURE R

What is Measure R?

Measure R is a half-cent sales tax for Los Angeles County to finance new transportation projects and programs, and accelerate those already in the pipeline. The voters approved the measure in 2008 and the tax took effect July 2009. Over 30 years, it is projected to generate \$40 billion for congestion relief projects. Measure R alone does not fully fund all projects. The Measure contains an Expenditure Plan that identifies the projects to be funded and additional fund sources that will be used to complete the projects.

The Measure R Expenditure Plan

The Measure R Expenditure Plan devotes its funds to seven transportation categories as follows: 35% to new rail and bus rapid transit projects, 3% to Metrolink projects, 2% to Metro Rail system improvement projects, 20% to carpool lanes, highways and other highway related improvements, 5% to rail operations, 20% to bus operations, and 15% for local city sponsored improvements. To view the Expenditure Plan, please visit metro.net/measureR.



What are the economic impacts of Measure R?

The Los Angeles County Economic Development Corporation projects that the construction of the projects listed in Measure R would create over 500,000 new jobs and infuse about \$69 billion into the local economy.

Were there transportation sales taxes in place?

Prior to Measure R, the voters approved two half-cent transportation sales taxes in Los Angeles County. The revenues from those sales taxes have been used to expand bus and rail service, freeway carpool lanes and local street improvements over the past three decades. Those projects have helped to meet the increasing transportation needs generated by the region's major growth in population, employment and goods movement. We now have the third largest public transportation system in the nation, carrying 1.6 million passengers on an average weekday, along with the world's largest network of freeway carpool lanes. Unfortunately the revenue generated from the previous sales taxes were inadequate to fund the range of transportation projects that Metro believes the County needs over the next 30 years.

Taxpayer oversight

After conducting any legally required environmental review, the Metro Board will spend Measure R funds 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. The oversight committee is comprised of three retired judges.

MEASURE R GOALS

1 RAIL EXPANSION

- > Expand Metro Rail and busway systems
- > Accelerate and improve existing rail and bus projects
- > Connect Metro Rail to airport

2 STREET IMPROVEMENTS

- > Synchronize traffic signals to ease traffic flow
- > Accelerate pothole repair and other maintenance on local streets
- > Make neighborhood streets and intersections safer for drivers, bicyclists and pedestrians in each community

3 TRAFFIC REDUCTION

- > Reduce highway traffic congestion throughout LA County
- > Enhance highway safety and improve traffic flow

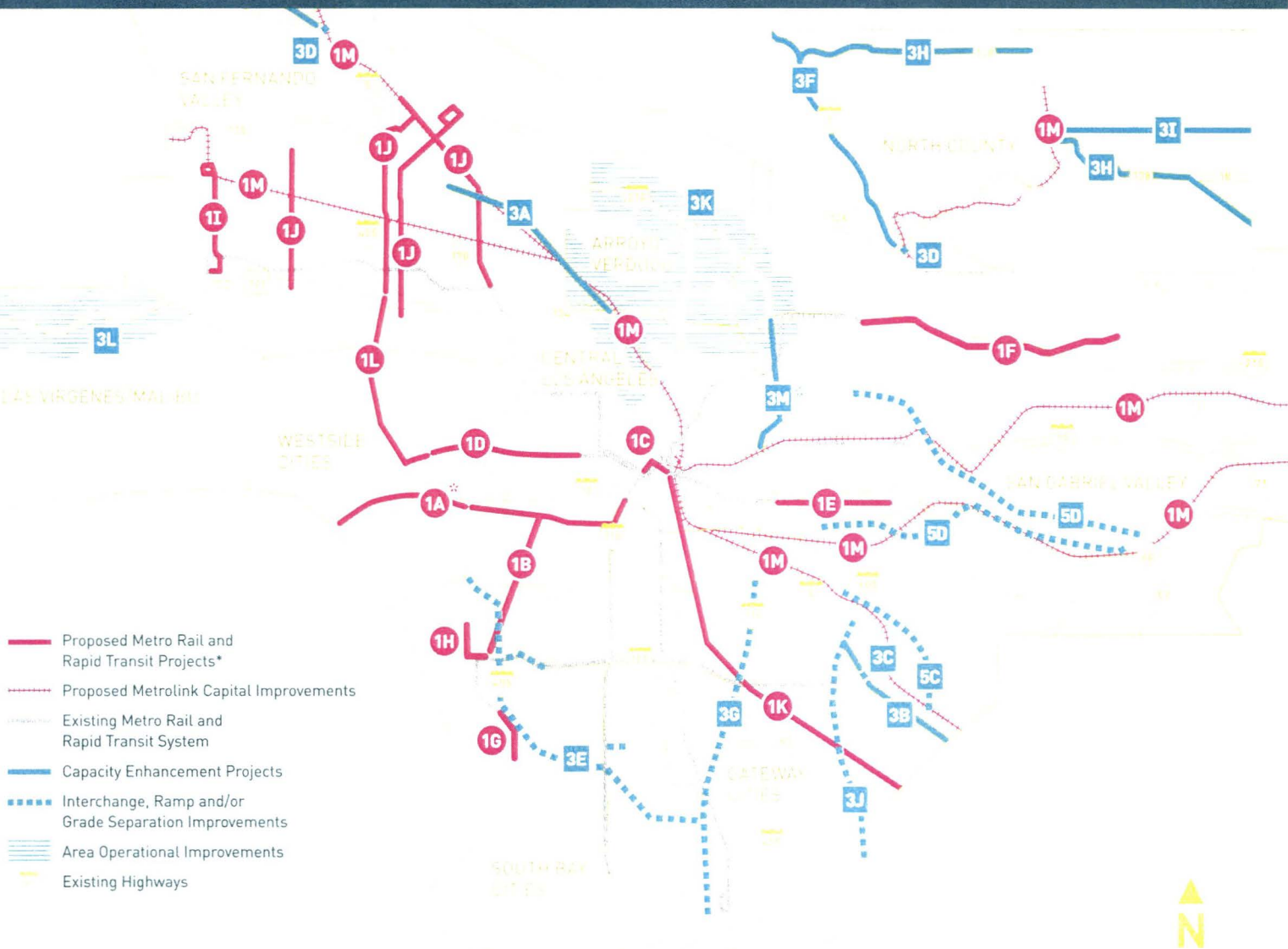
4 PUBLIC TRANSPORTATION

- > Maintain existing fares, especially for seniors and the disabled
- > Expand bus transit
- > Increase availability of public transportation

5 QUALITY OF LIFE

- > Enable people and freight to move freely in LA County
- > Enable residents to enjoy safer, cleaner transit

MEASURE R Proposed Rail and Rapid Transit Expansion and Proposed Highway Improvements



MEASURE R Project Names

Rail and Rapid Transit Expansion

- 1A** Exposition Boulevard Light Rail Transit*
- 1B** Crenshaw Transit Corridor (project acceleration)*
- 1C** Regional Connector: Links Local Rail Lines*
- 1D** Westside Subway Extension* (to be opened in segments)
- 1E** Gold Line Eastside Extension*
- 1F** Gold Line Foothill Light Rail Transit Extension
- 1G** Green Line Extension: Redondo Beach Station to South Bay Corridor*
- 1H** Green Line Extension to Los Angeles International Airport*
- 1I** San Fernando Valley North-South Rapidways: Canoga Corridor (project acceleration)*
- 1J** San Fernando Valley East North-South Rapidways (project acceleration)*
- 1K** West Santa Ana Branch Corridor*
- 1L** San Fernando Valley I-405 Corridor Connection*
- 1M** Metrolink Capital Improvement Projects (Los Angeles County)

Highway Improvements

- 3A** I-5 Capacity Enhancement: SR-134 to SR-170
- 3B** I-5 Capacity Enhancement: I-605 to Orange County Line
- 3C** I-5/Carmenita Rd Interchange Improvement
- 3D** I-5/SR-14 Capacity Enhancement
- 3E** I-405, I-110, I-105 and SR-91 Ramp and Interchange Improvements: South Bay
- 3F** I-5 North Capacity Enhancements: SR-14 to Kern County Line (Truck Lanes)
- 3G** I-710 South and/or Early Action Projects
- 3H** SR-138 Capacity Enhancements
- 3I** High Desert Corridor (environmental)*
- 3J** I-605 Corridor "Hot Spot" Interchanges
- 3K** Highway Operational Improvements in Arroyo Verdugo Subregion
- 3L** Highway Operational Improvements in Las Virgenes and Malibu Subregion
- 3M** SR-710 North Gap Closure*
- 3C** BNSF Grade Separations
- 5D** Alameda Corridor East Grade Separations Phase II

* Specific routing to be determined

MEASURE R Project List

- 1A** **Exposition Boulevard Light Rail Transit: Culver City to Santa Monica***
Extends the Exposition Rail Line, currently under construction to Culver City, to Santa Monica
ESTIMATED COMPLETION: 2013-15
- 1B** **Crenshaw Transit Corridor (project acceleration)***
Accelerates construction of a line along the Crenshaw Bl Corridor and connects Los Angeles, Inglewood, Hawthorne and El Segundo, plus unincorporated LA County
ESTIMATED COMPLETION: 2016-18
- 1C** **Regional Connector: Links Local Rail Lines***
Links four light rail lines that terminate at the edges of Central LA. Expected to provide seamless connections between Long Beach/Pasadena, and Culver City/East LA, minimizing the need for rail transfers.
ESTIMATED COMPLETION: 2023-25
- 1D** **Westside Subway Extension (to be opened in segments)***
Extends Metro Rail to the Westside. The project is expected to serve Century City and Westwood/UCLA.
ESTIMATED COMPLETION: 2034-36
- 1E** **Gold Line Eastside Extension***
Extends Metro Gold Line farther east from the Pomona/Atlantic Station.
ESTIMATED COMPLETION: 2033-35
- 1F** **Gold Line Foothill Light Rail Transit Extension***
Extends the Metro Gold Line from its current terminus in Pasadena toward Claremont.
ESTIMATED COMPLETION: 2015-17
- 1G** **Green Line Extension: Redondo Beach Station to South Bay Corridor***
Continues the Metro Green Line from its current terminus in Redondo Beach to the South Bay Galleria.
ESTIMATED COMPLETION: 2033-35
- 1H** **Green Line Extension to Los Angeles International Airport***
Links the Metro Green Line to LAX at Aviation Station.
ESTIMATED COMPLETION: 2015-28
- 1I** **San Fernando Valley North-South Rapidways: Canoga Corridor (project acceleration)**
Extends the Metro Orange Line north from Canoga Park Station to Chatsworth, projected completion 3 years early.
ESTIMATED COMPLETION: 2014-16
- 1J** **San Fernando Valley East North-South Rapidways (project acceleration)**
Accelerates bus service improvements, including possible dedicated bus lanes, on four potential East San Fernando Valley corridors, including Van Nuys, Sepulveda, Reseda and Lankershim.
ESTIMATED COMPLETION: 2016-18
- 1K** **West Santa Ana Branch Corridor***
Provides for the development of a grade-separated transit corridor. Phase I is designed to go from the LA County line toward downtown LA.
ESTIMATED COMPLETION: 2025-27
- 1L** **San Fernando Valley I-405 Corridor Connection***
Provides a rapid transit option through the Sepulveda Pass between the Westside and the San Fernando Valley.
ESTIMATED COMPLETION: 2038-39
- 1M** **Metrolink Capital Improvement Projects (Los Angeles County)**
Purchases trains, expands the Eastern Maintenance Facility and upgrades sidings and crossovers to increase speed and safety. Local jurisdictions could use funds to improve parking and station facilities within their cities and offer connecting shuttle services.
ESTIMATED COMPLETION: 2039
- 3A** **I-5 Capacity Enhancement: SR-134 to SR-170**
Constructs carpool lane along the I-5 freeway between SR-134 and SR-170.
ESTIMATED COMPLETION: 2013
- 3B** **I-5 Capacity Enhancement: I-605 to Orange County Line**
Constructs one carpool lane and one mixed-flow lane extending 6.4 miles.
ESTIMATED COMPLETION: 2016-17
- 3C** **I-5/Carmenita Rd Interchange Improvement**
Constructs a new eight-lane interchange with carpool lane on-ramps. Project is located in Santa Fe Springs and Norwalk.
ESTIMATED COMPLETION: 2015
- 3D** **I-5/SR-14 Capacity Enhancement**
Provides direct link for carpoolers between I-5 and SR-14 freeways.
ESTIMATED COMPLETION: 2013-15
- 3E** **I-405, I-110, I-105, SR-91 Ramp/Interchange Improvements: South Bay**
Constructs improvements to reduce delay on the freeways. Ex. auxiliary lanes and ramp reconfigurations.
ESTIMATED COMPLETION: TBD
- 3F** **I-5 North Capacity Enhancements: SR-14 to Kern County Line (Truck Lanes)**
Adds a carpool lane and a dedicated truck lane in both directions on the I-5 freeway north of SR-14 in Santa Clarita Valley.
ESTIMATED COMPLETION: TBD
- 3G** **I-710 South and/or Early Action Projects**
Upgrades freeway, improves truck and traffic flows between the Ports of Los Angeles and Long Beach and the SR-60.
ESTIMATED COMPLETION: TBD
- 3H** **SR-138 Capacity Enhancements**
Widens SR-138 by adding new lanes to the San Bernardino County line.
ESTIMATED COMPLETION: TBD
- 3I** **High Desert Corridor (environmental)***
Provides the initial study of the High Desert Corridor, linking the Antelope Valley to Apple Valley.
ESTIMATED COMPLETION: TBD
- 3J** **I-605 Corridor "Hot Spot" Interchanges**
Improvements to interchanges along the I-605, such as at the SR-60, I-5, SR-91 and I-405 interchanges. Ex. roadway widening, ramp expansion and added signage.
ESTIMATED COMPLETION: TBD
- 3K** **Highway Operational Improvements in Arroyo Verdugo Subregion**
Constructs freeway operational enhancements such as ramp improvements, auxiliary lanes & interchange improvements.
ESTIMATED COMPLETION: TBD
- 3L** **Highway Operational Improvements in Las Virgenes and Malibu Subregion**
Constructs freeway operational improvements such as ramp enhancements, auxiliary lanes & interchange improvements.
ESTIMATED COMPLETION: TBD
- 3M** **SR-710 North Gap Closure***
Improvements to connection between SR-710 and I-210 freeways.
ESTIMATED COMPLETION: TBD
- 5C** **Burlington Northern Santa Fe Grade Separations in Gateway Cities**
Rail and roadway grade separations at Rosecrans Av and Marquardt Av, Passons Bl, Los Nietos Rd and Norwalk Bl, Lakeland Rd and Pioneer Bl.
ESTIMATED COMPLETION: TBD
- 5D** **Alameda Corridor East Grade Separations Phase II**
Constructs bridges or underpasses and improves the operation of other railroad intersections along a 35-mile stretch of the San Gabriel Valley.
ESTIMATED COMPLETION: TBD

* Specific routing to be determined

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Assembly Bill No. 2321

CHAPTER 302

An act to amend Section 130350.5 of, and to add Section 130350.4 to, the Public Utilities Code, relating to transportation.

[Approved by Governor September 25, 2008. Filed with
Secretary of State September 25, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2321, Feuer. Transportation funding: County of Los Angeles.

Existing law authorizes the Los Angeles County Metropolitan Transportation Authority (MTA) to impose, in addition to any other tax that it is authorized to impose, a transactions and use tax at the rate of 0.5% for 6½ years or less, for the funding of specified transportation-related purposes designated as capital projects or capital programs. Existing law conditions the imposition of a tax under this authority upon voter approval as otherwise required by law. It also prohibits the MTA from incurring bonded indebtedness payable from the tax proceeds to fund those projects or programs or from substituting revenue from the tax proceeds for current funding commitments to the projects or programs. Existing law requires the MTA to prepare an expenditure plan prior to submitting the tax ordinance to voters, describing the projects and programs and their cost and funding sources. Existing law also creates the Capital Project Development Fund, into which the tax revenue is to be deposited, and makes those moneys available for expenditure by the MTA to fund the designated projects and programs.

This bill would modify these provisions to require the MTA tax ordinance to specify that the tax is to be imposed for a period not to exceed 30 years, and to require the MTA to include specified projects and programs in its Long Range Transportation Plan. This bill would require the MTA to notify Members of the Legislature representing the County of Los Angeles of proposed amendments to the expenditure plan, as specified. This bill would also authorize the MTA to incur bonded indebtedness, as specified, and would make other related changes.

The people of the State of California do enact as follows:

SECTION 1. Section 130350.4 is added to the Public Utilities Code, to read:

130350.4. The Legislature finds and declares all of the following:

(a) In authorizing the Los Angeles County Metropolitan Transportation Authority (MTA) to impose a transaction and use tax pursuant to Section

130350.5, the Legislature intends for the net revenues derived from the tax to be used to fund a transportation investment program that provides mobility, health, and safety benefits to the people residing in all regions of the County of Los Angeles.

(b) For purposes of proposing to the voters of the County of Los Angeles the imposition of a 0.5 percent transaction and use tax at the election held on November 4, 2008, pursuant to subdivision (b) of Section 130350.5, the MTA adopted, on July 24, 2008, a local ordinance that includes as “Attachment A” a plan for the expenditure of the net revenues derived from the imposition of the tax. The adoption of Attachment A constitutes the adoption of an expenditure plan pursuant to subdivision (f) of Section 130350.5.

(c) In addition to the projects and funding amounts identified in paragraph (3) of subdivision (b) of 130350.5, the adopted expenditure plan includes other high-priority projects and funding amounts for the region, including, but not limited to, the following projects:

(1) Green Line Extension to the Los Angeles International Airport – two hundred million dollars (\$200,000,000).

(2) Interstate 710 North Gap Closure (tunnel) – seven hundred eighty million dollars (\$780,000,000).

(3) Gold Line Eastside Extension – one billion two hundred seventy-one million dollars (\$1,271,000,000).

(4) Interstate 605 Corridor “Hot Spot” Interchanges – five hundred ninety million dollars (\$590,000,000).

(d) The Legislature finds and declares that all regions of the county stand to benefit from the proposed expenditure plan; therefore, the MTA shall strive to maintain the fair and equitable geographic balance in the plan and shall strive to complete those capital projects as soon as practicable, consistent with the requirements of the proposing ordinance, state and federal law.

(e) Because it is in the interest of the people of the County of Los Angeles and the people of the State of California to ensure that the net revenues derived from the tax imposed pursuant to this act are expended efficiently, and in a manner consistent with the adopted expenditure plan, the MTA shall notify the Legislature prior to the adoption of amendments to the adopted expenditure plan.

SEC. 2. Section 130350.5 of the Public Utilities Code is amended to read:

130350.5. (a) In addition to any other tax that it is authorized by law to impose, the Los Angeles County Metropolitan Transportation Authority (MTA) may impose, in compliance with subdivision (b), a transactions and use tax at a rate of 0.5 percent that is applicable in the incorporated and unincorporated areas of the county.

(b) For purposes of the taxing authority set forth in subdivision (a), all of the following apply:

(1) The tax shall be proposed in a transactions and use tax ordinance, that conforms with Chapter 2 (commencing with Section 7261) to Chapter

4 (commencing with Section 7275), inclusive, of the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code), and that is approved by a majority of the entire membership of the authority.

(2) The tax may be imposed only if the proposing ordinance is approved by two-thirds of the voters, in the manner as otherwise required by law, voting on this measure, in an election held on November 4, 2008, or at a subsequent election and, if so approved, shall become operative as provided in Section 130352.

(3) The proposing ordinance shall specify, in addition to the rate of tax and other matters as required by the Transactions and Use Tax Law, that the tax is to be imposed for a period not to exceed 30 years and the net revenues derived from the tax are to be administered by the MTA as provided in this section. Net revenues shall be defined as all revenues derived from the tax less any refunds, costs of administration by the State Board of Equalization, and costs of administration by the MTA. Such costs of administration by the MTA shall not exceed one and one-half percent (1.5%) of the revenues derived from the tax. The MTA shall, during the period in which the ordinance is operative, allocate 20 percent of all net revenues derived from the tax for bus operations to all eligible and included municipal transit operators in the County of Los Angeles and to the MTA, in accordance with Section 99285. However, the allocations to the MTA and eligible and included municipal operators shall be made solely from revenues derived from a tax imposed pursuant to this section, and not from local discretionary sources. Funds allocated by MTA to itself pursuant to this section shall be used for transit operations and shall not supplant funds from any other source allocated by MTA to itself for public transit operations. Funds allocated by MTA to the eligible and included municipal operators pursuant to this section shall be used for transit operations and shall not supplant any funds authorized by other provisions of law and allocated by MTA to the eligible and included municipal operators for public transit. In addition to this amount, the MTA shall allocate 5 percent of all net revenues derived from the tax for rail operations. The MTA shall include the projects and programs described in subparagraphs (A) and (B) in the expenditure plan required under subdivision (f). The MTA shall include all projects and programs described in the expenditure plan required under subdivision (f) in its Long Range Transportation Plan (LRTP). The priorities for projects and programs described in subparagraphs (A) and (B) and in the expenditure plan required under subdivision (f) shall be those set forth in the expenditure plan. The funding amounts specified in subparagraphs (A) and (B) are minimum amounts that shall be allocated by the MTA from the net revenues derived from a tax imposed pursuant to this section. Nothing in this section prohibits the MTA from allocating additional net revenues derived from the tax to these projects and programs.

(A) Capital Projects.

(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).

(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).

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

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

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

(vi) Metro Westside Subway Extension. The sum of nine hundred million dollars (\$900,000,000).

(vii) State Highway Route 5 Carmenita Road Interchange Improvement. The sum of one hundred thirty-eight million dollars (\$138,000,000).

(viii) State Highway Route 5 Capacity Enhancement (State Highway Route 134 to State Highway Route 170, including access improvement for Empire Avenue). The sum of two hundred seventy-one million five hundred thousand dollars (\$271,500,000).

(ix) State Highway Route 5 Capacity Enhancement (State Highway Route 605 to the Orange County line, including improvements to the Valley View Interchange). The sum of two hundred sixty-four million eight hundred thousand dollars (\$264,800,000).

(x) State Highway Route 5/State Highway Route 14 Capacity Enhancement. The sum of ninety million eight hundred thousand dollars (\$90,800,000).

(xi) Capital Project Contingency Fund. The sum of one hundred seventy-three million dollars (\$173,000,000).

(B) Capital Programs.

(i) Alameda Corridor East Grade Separations. The sum of two hundred million dollars (\$200,000,000).

(ii) MTA and Municipal Regional Clean Fuel Bus Capital (Facilities and Rolling Stock). The sum of one hundred fifty million dollars (\$150,000,000).

(iii) Countywide Soundwall Construction (MTA Regional List and Monterey Park/State Highway Route 60). The sum of two hundred fifty million dollars (\$250,000,000).

(iv) Local return for major street resurfacing, rehabilitation, and reconstruction. The sum of two hundred fifty million dollars (\$250,000,000).

(v) Metrolink Capital Improvements. The sum of seventy million dollars (\$70,000,000).

(vi) Eastside Light Rail Access. The sum of thirty million dollars (\$30,000,000).

(c) The MTA may incur bonded indebtedness payable from the proceeds of the tax provided by this section pursuant to the bond issuance provisions of Section 130500 et seq. of the Public Utilities Code, and any successor

act. The MTA shall include in the expenditure plan, required under subdivision (f), the amount of net revenue specified for all projects and programs in subparagraphs (A) and (B) of paragraph (3) of subdivision (b) as a condition of the use and expenditure of the proceeds of the tax. The MTA shall maintain the current amount of any funding for the projects and programs specified in this section that has been previously programmed or received from sources other than the proceeds of the tax, and may not reallocate money that has been previously programmed or received for those projects and programs to other projects or uses.

(d) Notwithstanding Section 7251.1 of the Revenue and Taxation Code, the tax rate authorized by this section shall not be considered for purposes of the combined rate limit established by that section.

(e) A jurisdiction or recipient is eligible to receive funds from the local return program, described in clause (iv) of subparagraph (B) of paragraph (3) of subdivision (b), only if it continues to contribute to that program an amount that is equal to its existing commitment of local funds or other available funds. The MTA may develop guidelines that, at a minimum, specify maintenance of effort requirements for the local return program, matching funds, and administrative requirements for the recipients of revenue derived from the tax.

(f) Prior to submitting the ordinance to the voters, the MTA shall adopt an expenditure plan for the net revenues derived from the tax. The expenditure plan shall include, in addition to other projects and programs identified by the MTA, the specified projects and programs listed in paragraph (3) of subdivision (b), the estimated total cost for each project and program, funds other than the tax revenues that the MTA anticipates will be expended on the projects and programs, and the schedule during which the MTA anticipates funds will be available for each project and program. The MTA shall also identify in its expenditure plan the expected completion dates for each project described in subparagraph (A) of paragraph (3) of subdivision (b). To be eligible to receive revenues derived from the tax, an agency sponsoring a capital project or capital program shall submit to the MTA an expenditure plan for its project or program containing the same elements as the expenditure plan that MTA is required by this subdivision to prepare.

(g) The MTA shall establish and administer a sales tax revenue fund. The net revenue derived from the tax, after payment of any debt services and related obligations, shall be credited to this fund. The moneys in the fund shall be available to the MTA to meet expenditure and cashflow needs of the projects and programs described in the expenditure plan required under subdivision (f). In the event that there are net revenues in excess of the amount necessary to provide the amount of net revenues specified in the expenditure plan for the projects and programs described therein, the MTA may expend the excess net revenues on projects and programs in the expenditure plan or the LRTP. In the event that projects and programs in the expenditure plan are completed without the expenditure of the amount of net revenues specified, the MTA shall expend the excess net revenues

on projects and programs in the expenditure plan or the LRTP within the same subregion as the project or program that is completed. For the purposes of this section, “subregion” shall be defined in the LRTP.

(h) If other funds become available and are allocated to provide all or a portion of the amount of net revenues specified in the expenditure plan for the projects or programs described therein, the MTA may expend the surplus net revenues on other projects and programs in the expenditure plan or the LRTP.

(i) (1) Notwithstanding subdivision (h), if a capital project or capital program described in clauses (i) to (x), inclusive, of subparagraph (A) of paragraph (3) of subdivision (b) and clauses (i) and (vi) of subparagraph (B) of paragraph (3) of subdivision (b), has been fully funded from other sources on or before December 31, 2008, the funds designated to the project or program in clauses (i) to (x), inclusive, of subparagraph (A) of paragraph (3) of subdivision (b) and clauses (i) and (vi) of subparagraph (B) of paragraph (3) of subdivision (b) shall remain in the subregion in which the project or program is located and shall be allocated to other projects or programs in the subregion prior to the expiration of the tax.

(2) A capital project or capital program funded with reallocated funds pursuant to paragraph (1) shall be included in the adopted 2008 Long Range Transportation Plan or the successor plan and shall be of regional significance as determined by the MTA. For purposes of this subdivision, “subregions” means the subregions as defined in the LRTP in effect as of January 1, 2008.

(j) Notwithstanding Section 130354, revenues raised under this section may be used to facilitate the transportation of people and goods within Los Angeles County. The use of the revenues shall not be limited to public transit purposes.

(k) No later than 365 days prior to the adoption of an amendment described in paragraph (1) to an expenditure plan adopted pursuant to subdivision (f), including, but not limited to, the expenditure plan adopted by the MTA board as “Attachment A” in Ordinance #08-01 adopted by the board on July 24, 2008, and in addition to any other notice requirements in the proposing ordinance, the board shall notify the Members of the Legislature representing the County of Los Angeles of all of the following:

(1) A description of the proposed amendments to the adopted expenditure plan that would do any of the following:

(A) Affect the amount of net revenues derived from the tax imposed pursuant to this act that is proposed to be expended on a capital project or projects identified in the adopted expenditure plan.

(B) Affect the schedule for the availability of funds proposed to be expended on a capital project or projects identified in the adopted expenditure plan.

(C) Affect the schedule for the estimated or expected completion date of a capital project or projects identified in the adopted expenditure plan.

(2) The reason for the proposed amendment.

(3) The estimated impact the proposed amendment will have on the schedule, cost, scope, or timely availability of funding for the capital project or projects contained in the adopted expenditure plan.

(l) The notification required pursuant to subdivision (k) shall be achieved by resolution adopted by the MTA board.

SEC. 3. The Legislature finds and declares that the tax authority set forth in Section 130350.5 of the Public Utilities Code, as amended by this act, is intended to provide those funds necessary to provide the amount of net revenues specified for the capital projects and capital programs described in the expenditure plan required pursuant to Section 130350.5 of the Public Utilities Code, as amended by this act.

SEC. 4. The Legislature finds and declares that due to the unique circumstances regarding transportation funding within the County of Los Angeles, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

Metro's Sales Tax Authority Project Benefits

BACKGROUND

AB 2321 would update Metro's existing authority to place a one-half cent sales tax on the ballot. This authorization was originally created by SB 314 (Murray) in 2003. If approved by voters, the measure would provide funding for specific transportation projects and programs. In light of dwindling state and federal transportation dollars, the sales tax would provide Metro with an alternative revenue option to finance critical transportation projects in Los Angeles County. AB 2321 would provide the resources to Metro with the implementation of the Long Range Transportation Plan (LRTP). Without these funding resources, Metro's ability to expand our transit and highway system is severely limited.

PROVISIONS

AB 2321 would amend Metro's authorization to place a measure on the ballot by:

- > Extending the term of the sales tax from 6 ½ years to up to 30 years
- > Retaining the existing project list and requiring that the funding allocations be minimum guarantees (*Please see table for project benefits*)
- > Requiring Metro to update project completion dates
- > Requiring that all projects funded from the sales tax proceeds be incorporated in Metro's Long Range Transportation Plan (LRTP) as priority projects
- > Requiring Metro to use the excess sales tax proceeds, beyond the funds needed for the projects, to implement projects in the LRTP

Projects	Benefits
Exposition Bl Light Rail Transit Project	The first Metro Rail line to connect Downtown Los Angeles with the Westside and Culver City. <i>Expo Phases 1 & 2 project ridership of 54,000 to 62,000 daily boardings by 2030, providing relief to the I-10 Santa Monica Fwy</i>
Crenshaw Transit Corridor	Connects significant activity centers, including Los Angeles International Airport (LAX), Downtown Inglewood, Leimert Park Village, Baldwin Hills. <i>Reduces transit connections by 25 minutes between the Expo Line and Metro Green Line</i>
San Fernando Valley North-South Rapidways	A four-mile extension of the Metro Orange Line includes stations at Sherman Way, Roscoe, Nordhoff, and the Chatsworth Metrolink Station. Project includes bus speed improvement on Lankershim, Van Nuys, Sepulveda, and Reseda. <ul style="list-style-type: none">> A total of 45,000 riders on the Metro Orange Line by the year 2030> An additional 9,000 new mass transit riders by the year 2030
Metro Gold Line Light Rail Transit Extension	Would shorten and reduce the number of commuter trips, reduce energy usage and improve air quality in San Gabriel Valley corridor. <i>Alternative to the congested I-210 Fwy</i>
Metro Regional Connector	Encompasses two square miles of Downtown Los Angeles and includes Little Tokyo, the Arts District, the Historic Core, the Toy District, Bunker Hill, the Financial District, the Jewelry District, and the Civic Center. <i>Will significantly increase ridership on all lines and save significant time per trip by reducing or eliminating transfers between lines with a projected growth through Downtown daily ridership of 79,000</i>



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Projects	Benefits
Metro Westside Extension	The study corridor extends from the existing Metro Rail Hollywood/Highland and Wilshire/Western Stations to Westside cities. <i>A subway extension in this corridor could cut transit travel times by 63%. Preliminary forecasts show 70,000-80,000 boardings per day in the corridor and 95,000-110,000 daily transit boardings systemwide</i>
State Highway Route 5 Carmenita Road Interchange Improvement	Project will replace existing over-crossing and two half interchanges in Norwalk and Santa Fe Springs.
State Highway Route 5 Capacity Enhancement (Route 134 to Route 170)	This 10 mile segment will connect the major employment centers of Santa Clarita and San Fernando Valleys with the greater LA area. > 4,000 additional jobs created > 5,721,000 annual vehicle hours of delay saved > \$31.7 million annual delay savings
State Highway Route 5 Capacity Enhancement (Route 605 to the Orange County line)	This 6.7 mile project involves widening and construction of High Occupancy Vehicle lanes through La Mirada, Santa Fe Springs, Norwalk and Downey. > 11,900 additional jobs created > 11,937,000 annual vehicle delay hours saved > \$63.2 million annual delay savings
State Highway Route 5/ State Highway Route 14 Capacity Enhancement	Provides direct carpool lane connectors from existing Route 14 and the future Interstate 5 carpool lanes. <i>Direct carpool lane connectors will increase safety and reduce congestion in the interchange area by eliminating weaving moves as motorists travel from one freeway to another</i>
Alameda Corridor East Grade Separations	Separates train traffic from vehicular traffic relieving congestion and improving air quality. > Prevents 221 tons of air pollutants annually in the worst air basin in the nation. > Protects 634,000 existing jobs and creates 192,000 jobs in San Gabriel Valley by 2020
Metro and Municipal Regional Clean Fuel Bus Capital	Metro operates 2,500 buses powered by clean Compressed Natural Gas (CNG) and is the largest alternative fuel transit fleet in the U.S. <i>Buses fueled by CNG are up to 97% cleaner than diesel buses</i>
Countywide Soundwall Construction	Reduce ambient noise in freeway corridors. <i>Provide funds to address the \$2 billion shortfall in soundwall funding</i>
Local return for major street resurfacing, rehabilitation, and reconstruction	Addresses Countywide unmet backlog > Arterial Streets - \$1.18 billion > Local Streets - \$1.75 billion
MetroLink Capital Improvements	MetroLink services relieve congestion on LA County roadways by connecting passengers from five Southern California counties. <i>24,000 auto trips are removed each weekday</i>
Eastside Light Rail Access	> Improves safety along pedestrian paths linking Eastside Gold Line and surrounding communities. > Implements traffic calming and management systems around major transit stations and pedestrian paths

METRO'S DRAFT LONG RANGE TRANSPORTATION PLAN BENEFITS

- > Allows us to access billions in federal funds
- > Expands Metro Rail system by another 32 miles and build 160 more miles of carpool lanes
- > Removes 14 tons of pollution and reduces greenhouse gas emissions by 725 metric tons of CO2 equivalent annually
- > Increases our rail system by up to 50%
- > Adds hundreds of thousands of new transit trips
- > Improves bus passenger time and increases capacity by 25%
- > Expands the Freeway Service Patrol program
- > For every \$1 billion invested in transportation projects 20,000 jobs are created



Metro

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Expenditure Plan

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

ATTACHMENT A

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

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

ATTACHMENT A

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)

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	\$ 735	\$ -	\$ 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
19		Total New Rail and/or Bus Rapid Transit Capital Projects	\$ 18,939 ^h	\$ 3,408.5	\$ 10,381.5	\$ 13,790	\$ 2,908	\$ 1,554	\$ 1,965	FY 2010	FY 2039

**Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan
30 Years, Fiscal Year (FY) 2010 - 2039**

ATTACHMENT A

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

(\$ in millions)

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	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	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	FY 2010	FY 2016-17
28		I-5 Capacity Enhancement from SR-134 to SR-170	\$ 610	\$ 271.5	\$ -	\$ 271.5	\$ 50	\$ 264	\$ 24	FY 2010	FY 2013
29		I-5 Carmenita Road Interchange Improvement	\$ 389	\$ 138	\$ -	\$ 138	\$ 97	\$ 154	\$ -	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	\$ 7,880	TBD	TBD	\$ 288	FY 2010	FY 2039

**Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan
30 Years, Fiscal Year (FY) 2010 - 2039**

ATTACHMENT A

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

(\$ in millions)

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				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				FY 2010	FY 2039
44	Tran. Cap.	Metro Rail Capital Projects - System Improvements, Rail Yards, and Rail Cars	2%	\$ -	\$ 788	\$ 788 ^k				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				FY 2010	FY 2039
46	Subtotal Transit and Highway Capital Projects		\$ 41,276^m	\$ 4,623.6	\$ 17,046	\$ 21,670	\$ 2,908	\$ 1,554	\$ 2,253	FY 2010	FY 2039
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			\$ 4,953.6	\$ 35,046	\$ 40,000	\$ 2,908	\$ 1,554	\$ 2,253	FY 2010	FY 2039

Notes:

- 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).
- 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.
- Local funding for the Crenshaw Transit Corridor assumes a 3% local contribution (\$44 M) and a Metro Long Range Transportation Plan contribution (\$219 M).
- Local funding target and project schedule to be determined due to potential LAX contribution. First segment is included in the Crenshaw project.
- The San Fernando Valley North-South Rapidways minimum of \$100 M is divided between the East and Canoga segments.
- Unescalated cost estimate to Westwood.
- 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).
- 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).
- The precise amounts of Federal and local funding for the Alameda Corridor East Grade Separations Phase II project are subject to change.
- 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).
- Amounts are estimates. Actual amounts will be based on percentage of actual sales tax receipts net of administration.
- 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.
- 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).

1 **Ordinance # 08-01**

2 **Traffic Relief and Rail Expansion Ordinance**

3
4 **PREAMBLE**

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

8
9 **1. RAIL EXPANSION:**

10 Expand the county's Metro rail system, including direct airport connection

11
12 **2. LOCAL STREET IMPROVEMENTS:**

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

15
16 **3. TRAFFIC REDUCTION:**

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

18
19 **4. BETTER PUBLIC TRANSPORTATION:**

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

22
23 **5. QUALITY OF LIFE:**

24 Provide alternatives to high gas prices, stimulate the local economy, create jobs,
25 reduce pollution and decrease dependency on foreign oil

26
27
28 **SECTION 1. TITLE**

29 This Ordinance shall be known and may be cited as the Traffic Relief and Rail
30 Expansion Ordinance, Imposing a Transactions and Use Tax to be Administered by
31 the State Board of Equalization. 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 Tax 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.

29
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 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 on page 1 of Attachment A. The moneys in the sales
9 tax revenue fund shall be available to Metro to meet expenditure and cashflow needs
10 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:

1 A. Up to four percent (4%) annually for the fiscal years 2010
2 through 2014; and

3 B. Up to three percent (3%) annually for the fiscal year 2015
4 and all fiscal years thereafter.

5 3. Metro shall allocate no less than the amount of Net Revenues
6 identified in Attachment A as "New Sales Tax – Total" for the project identified in
7 Attachment A as "Capital Project Contingency (Transit)." Funds allocated to "Capital
8 Project Contingency (Transit)" shall be expended as needed to provide additional
9 funding for Capital Projects identified in Attachment A as "Transit Projects." Metro
10 may expend such funds for debt service, excluding payments for principal, to offset
11 the costs of inflation, or for any other purpose. Metro shall not expend an amount of
12 Net Revenues from Capital Project Contingency (Transit) that is greater than the
13 amount permitted in paragraph (d)(2) for any Capital Project.

14 4. In the event that a Capital Project identified in Attachment A as a
15 "Transit Project" is completed without the expenditure of the amount of Net
16 Revenues allocated by this Ordinance, any surplus Net Revenues allocated to that
17 Capital Project shall be credited to the Transit Capital Subfund and expended for
18 Capital Projects located within the same subregion as the project so completed. The
19 Board of Directors of Metro shall determine by a two-thirds vote whether a Capital
20 Project is complete.

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

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

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

1 A. Up to four percent (4%) annually for the fiscal years 2010
2 through 2014; and

3 B. Up to three percent (3%) annually for the fiscal year 2015
4 and all fiscal years thereafter.

5 3. Metro shall allocate no less than the amount of Net Revenues
6 identified in Attachment A as "New Sales Tax – Total" for the project identified in
7 Attachment A as "Capital Project Contingency (Highway)." Funds allocated to
8 "Capital Project Contingency (Highway)" shall be expended as needed to provide
9 additional funding for Capital Projects identified in Attachment A as "Highway
10 Projects." Metro may expend such funds for debt service, excluding payments for
11 principal, to offset the costs of inflation, or for any other purpose. Metro shall not
12 expend an amount of Net Revenues from Capital Project Contingency (Highway) that
13 is greater than the amount permitted in paragraph (e)(2) for any Capital Project.

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

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

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

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

1 follows: one member shall be appointed by the Los Angeles County Board of
2 Supervisors; one member shall be appointed by the Mayor of the City of Los
3 Angeles; and one member shall be appointed by the Los Angeles County City
4 Selection Committee. The members of the Committee must reside in Los Angeles
5 County. No person currently serving as an elected or appointed city, county, special
6 district, state, or federal public officeholder shall be eligible to serve as a member of
7 the Committee.

8 d. The Committee shall select and consult with an advisory panel when
9 performing its responsibilities required under this Ordinance. The advisory panel
10 shall consist of at least one representative, and not more than two, of the following
11 professions or areas of expertise:

- 12 1. Construction trade labor union representative
- 13 2. Environmental engineer or environmental scientist
- 14 3. Road or rail construction firm project manager
- 15 4. Public and private finance expert
- 16 5. Regional association of businesses representative
- 17 6. Transit system user

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

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

25 g. Members of the advisory panel may be replaced by the Committee at
26 any time by a majority vote of the Committee. No member of the advisory panel
27 shall be entitled to any compensation, except that Metro may reimburse actual
28 expenses of members arising out of the performance of their duties as advisory
29 panel members.

30 h. Metro may adopt further guidelines to govern the operations of the
31 Committee.

32 i. The Committee shall have the following responsibilities:

- 33 1. Review the results of the audit performed pursuant to Section
34 8(a) of this Ordinance and make findings as to whether Metro has complied with the

1 terms of the Ordinance. Such findings shall include a determination as to whether
2 recipients of Net Revenues allocated to the Local Return Subfund have complied
3 with this Ordinance and any additional guidelines developed by Metro pursuant to
4 Section 9(b).

5 2. Prepare an annual report to the Metro Board of Directors
6 presenting the results of the annual audit process and any findings made. The report
7 shall include an assessment of the consistency of the expenditures of Sales Tax
8 Revenues with this Ordinance, including Attachment A. The Committee shall cause
9 a summary of the report to be published in local newspapers and the entire report
10 and annual audit to be made available to every library located within Los Angeles
11 County for public review. The Committee shall hold a public hearing on each audit
12 and annual report and shall report the comments of the public to Metro.

13 3. Review any proposed amendments to this Ordinance, including
14 the expenditure plan, and make a finding as to whether the proposed amendments
15 further the purpose of this Ordinance. Metro shall make any proposed amendments
16 available to the Committee at least 30 days prior to any vote to adopt the proposed
17 amendments.

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

22 5. Any findings made by the Committee shall be submitted to the
23 Metro Board of Directors in advance of the next regular Board meeting
24

25 SECTION 9. MAINTENANCE OF EFFORT REQUIREMENTS

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

31 b. Metro shall develop guidelines which, at a minimum, specify
32 maintenance of effort requirements for the local return program, matching funds, and
33 administrative requirements for the recipients of revenue derived from the Sales Tax.
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SECTION 10. COSTS OF ADMINISTRATION

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

SECTION 11. AMENDMENTS

a. Metro may amend this Ordinance, including Attachment A, with the exception of Section 11, for any purpose, including as necessary to account for the results of any environmental review required under the California Environmental Quality Act of the individual specific projects listed in Attachment A. Any such amendments shall be approved by a vote of not less than two-thirds (2/3) of the Metro Board of Directors. Metro shall hold a public meeting on proposed amendments prior to adoption. Metro shall provide notice to the Los Angeles County Board of Supervisors, the city council of each city in Los Angeles County, and the public of the public meeting and proposed amendments, and provide them with a copy of the proposed amendments, at least 30 days prior to the public meeting. Amendments shall become effective forty-five days after adoption.

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

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

d. Metro may amend Section 11 of this Ordinance if such amendments are approved by a vote of not less than two-thirds (2/3) of the Metro Board of Directors and are approved by a simple majority vote of the electors voting on a measure to approve the amendment. Metro shall hold a public meeting on proposed amendments prior to adoption by the Board. Metro shall provide notice to the Los Angeles County Board of Supervisors, the city council of each city in Los Angeles County, and the public of the public meeting and proposed amendments, and

1 provide them with a copy of the proposed amendments, at least 30 days prior to the
2 public meeting. Amendments shall become effective forty-five days after adoption by
3 the electors.
4

5 **SECTION 12. ESTABLISHMENT OF BONDING AUTHORITY**

6 Metro is authorized to issue limited tax bonds, from time to time, payable from
7 and secured by Sales Tax Revenues to finance any program or project in the
8 Expenditure Plan, pursuant to Sections 130500 et seq. of the Public Utilities Code, and
9 any successor act. As additional security, such bonds may be further payable from
10 and secured by farebox revenues or general revenues of Metro, on a basis
11 subordinate to Metro's existing General Revenue Bonds, or any other available source
12 of Metro's revenues, in each case as specified in a resolution adopted by a majority of
13 Metro's Board of Directors. The maximum bonded indebtedness, including issuance
14 costs, interest, reserve requirements and bond insurance, shall not exceed the total
15 amount of the Gross Sales Tax. Nothing herein shall limit or restrict in any way the
16 power and authority of Metro to issue bonds, notes or other obligations, to enter into
17 loan agreements, leases, reimbursement agreements, standby bond purchase
18 agreements, interest rate swap agreements or other derivative contracts or to engage
19 in any other transaction under the Government Code, the Public Utilities Code or any
20 other law.
21

22 **SECTION 13. APPROPRIATIONS LIMIT**

23 Article XIII B of the California Constitution requires certain governmental entities
24 to establish an annual appropriations limit. This appropriations limit is subject to
25 adjustment as provided by law. To the extent required by law, Metro shall establish an
26 annual appropriations limit and expenditures of the retail transactions and use tax shall
27 be subject to such limit.
28

29 **SECTION 14. ELECTION**

30 Pursuant to California Public Utilities Code Section 130350, Metro hereby calls
31 a special election to place this Ordinance before the voters. The ballot language
32 shall read as follows:
33

34 **Traffic Relief. Rail Extensions. Reduce Foreign Oil Dependence.**

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To:

- Synchronize traffic signals;
- Repair potholes;
- Extend light rail with airport connections;
- Improve freeway traffic flow (5, 10, 14, 60, 101, 110, 138, 210, 405, 605, 710);
- Keep senior / student / disabled fares low;
- Provide clean-fuel buses;
- Expand subway / Metrolink / bus service;
- Dedicate millions for community traffic relief;

Shall Los Angeles County's sales tax increase one-half cent for 30 years with independent audits, public review of expenditures, all locally controlled?

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

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:

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).



Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

Metro

July 29, 2008

Dean C. Logan
Registrar-Recorder/County Clerk
Election Coordination Section
12400 E. Imperial Highway, 3rd Floor, Room 3207
Norwalk, California 90650

RE: Countywide Transportation Sales Tax Measure

Dear Mr. Logan:

Pursuant to Elections Code Section 10403, enclosed are copies of the Resolution and Ordinance of the Los Angeles County Metropolitan Transportation Authority (Metro) approving a one-half cent sales tax measure for the November 4, 2008 ballot. Also enclosed is a copy of the Expenditure Plan which is Attachment A to the Ordinance and a copy of the Five-Point Plan which is an attachment to the Resolution. This material has been filed with the Los Angeles County Board of Supervisors as indicated in the attached letter.

The letter "R" is the preferred letter designation for the sales tax measure. If this letter is not available, we would like to request the letter "M" as our second alternative and letter "A" as our third alternative.

If you have further questions, please contact Matt Raymond at (213) 922-7355. Thank you in advance for your assistance in this effort.

Sincerely,

Roger Snoble
Chief Executive Officer

Attachments



Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

Metro

July 29, 2008

Sachi Hamai
Executive Officer
Executive Office of the Board of Supervisors
500 W. Temple Room 383
Los Angeles, CA 90012

RE: Countywide Transportation Sales Tax Measure

Dear Ms. Hamai:

Enclosed for filing, pursuant to Elections Code Section 10403, please find copies of the Resolution and Ordinance of the Los Angeles County Metropolitan Transportation Authority (Metro) approving a one-half cent sales tax measure for the November 4, 2008 ballot. Also enclosed is a copy of the Expenditure Plan which is Attachment A to the Ordinance and a copy of the Five-Point Plan which is an attachment to the Resolution. The letter "R" has been submitted to the Registrar Recorder/County Clerk as the letter designated for the sales tax measure.

If you have further questions, please contact Matt Raymond at (213) 922-7355. Thank you in advance for your assistance in this effort.

Sincerely,

Roger Snoble
Chief Executive Officer

Attachments

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Ordinance # 08-01

Traffic Relief and Rail Expansion Ordinance

PREAMBLE

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

- 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 flow on L.A. 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

SECTION 1. TITLE

This Ordinance shall be known and may be cited as the Traffic Relief and Rail Expansion Ordinance, Imposing a Transactions and Use Tax to be Administered by the State Board of Equalization. The word "Ordinance," as used herein, shall include Attachment A entitled "Expenditure Plan" which is attached hereto and incorporated by reference as if fully set forth herein.

SECTION 2. SUMMARY

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

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 Tax 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.

29
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 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 on page 1 of Attachment A. The moneys in the sales
9 tax revenue fund shall be available to Metro to meet expenditure and cashflow needs
10 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:

1 A. Up to four percent (4%) annually for the fiscal years 2010
2 through 2014; and

3 B. Up to three percent (3%) annually for the fiscal year 2015
4 and all fiscal years thereafter.

5 3. Metro shall allocate no less than the amount of Net Revenues
6 identified in Attachment A as "New Sales Tax – Total" for the project identified in
7 Attachment A as "Capital Project Contingency (Transit)." Funds allocated to "Capital
8 Project Contingency (Transit)" shall be expended as needed to provide additional
9 funding for Capital Projects identified in Attachment A as "Transit Projects." Metro
10 may expend such funds for debt service, excluding payments for principal, to offset
11 the costs of inflation, or for any other purpose. Metro shall not expend an amount of
12 Net Revenues from Capital Project Contingency (Transit) that is greater than the
13 amount permitted in paragraph (d)(2) for any Capital Project.

14 4. In the event that a Capital Project identified in Attachment A as a
15 "Transit Project" is completed without the expenditure of the amount of Net
16 Revenues allocated by this Ordinance, any surplus Net Revenues allocated to that
17 Capital Project shall be credited to the Transit Capital Subfund and expended for
18 Capital Projects located within the same subregion as the project so completed. The
19 Board of Directors of Metro shall determine by a two-thirds vote whether a Capital
20 Project is complete.

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

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

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

1 A. Up to four percent (4%) annually for the fiscal years 2010
2 through 2014; and

3 B. Up to three percent (3%) annually for the fiscal year 2015
4 and all fiscal years thereafter.

5 3. Metro shall allocate no less than the amount of Net Revenues
6 identified in Attachment A as "New Sales Tax – Total" for the project identified in
7 Attachment A as "Capital Project Contingency (Highway)." Funds allocated to
8 "Capital Project Contingency (Highway)" shall be expended as needed to provide
9 additional funding for Capital Projects identified in Attachment A as "Highway
10 Projects." Metro may expend such funds for debt service, excluding payments for
11 principal, to offset the costs of inflation, or for any other purpose. Metro shall not
12 expend an amount of Net Revenues from Capital Project Contingency (Highway) that
13 is greater than the amount permitted in paragraph (e)(2) for any Capital Project.

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

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

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

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

1 follows: one member shall be appointed by the Los Angeles County Board of
2 Supervisors; one member shall be appointed by the Mayor of the City of Los
3 Angeles; and one member shall be appointed by the Los Angeles County City
4 Selection Committee. The members of the Committee must reside in Los Angeles
5 County. No person currently serving as an elected or appointed city, county, special
6 district, state, or federal public officeholder shall be eligible to serve as a member of
7 the Committee.

8 d. The Committee shall select and consult with an advisory panel when
9 performing its responsibilities required under this Ordinance. The advisory panel
10 shall consist of at least one representative, and not more than two, of the following
11 professions or areas of expertise:

- 12 1. Construction trade labor union representative
- 13 2. Environmental engineer or environmental scientist
- 14 3. Road or rail construction firm project manager
- 15 4. Public and private finance expert
- 16 5. Regional association of businesses representative
- 17 6. Transit system user

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

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

25 g. Members of the advisory panel may be replaced by the Committee at
26 any time by a majority vote of the Committee. No member of the advisory panel
27 shall be entitled to any compensation, except that Metro may reimburse actual
28 expenses of members arising out of the performance of their duties as advisory
29 panel members.

30 h. Metro may adopt further guidelines to govern the operations of the
31 Committee.

32 i. The Committee shall have the following responsibilities:

- 33 1. Review the results of the audit performed pursuant to Section
34 8(a) of this Ordinance and make findings as to whether Metro has complied with the

1 terms of the Ordinance. Such findings shall include a determination as to whether
2 recipients of Net Revenues allocated to the Local Return Subfund have complied
3 with this Ordinance and any additional guidelines developed by Metro pursuant to
4 Section 9(b).

5 2. Prepare an annual report to the Metro Board of Directors
6 presenting the results of the annual audit process and any findings made. The report
7 shall include an assessment of the consistency of the expenditures of Sales Tax
8 Revenues with this Ordinance, including Attachment A. The Committee shall cause
9 a summary of the report to be published in local newspapers and the entire report
10 and annual audit to be made available to every library located within Los Angeles
11 County for public review. The Committee shall hold a public hearing on each audit
12 and annual report and shall report the comments of the public to Metro.

13 3. Review any proposed amendments to this Ordinance, including
14 the expenditure plan, and make a finding as to whether the proposed amendments
15 further the purpose of this Ordinance. Metro shall make any proposed amendments
16 available to the Committee at least 30 days prior to any vote to adopt the proposed
17 amendments.

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

22 5. Any findings made by the Committee shall be submitted to the
23 Metro Board of Directors in advance of the next regular Board meeting
24

25 SECTION 9. MAINTENANCE OF EFFORT REQUIREMENTS

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

31 b. Metro shall develop guidelines which, at a minimum, specify
32 maintenance of effort requirements for the local return program, matching funds, and
33 administrative requirements for the recipients of revenue derived from the Sales Tax.
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SECTION 10. COSTS OF ADMINISTRATION

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

SECTION 11. AMENDMENTS

a. Metro may amend this Ordinance, including Attachment A, with the exception of Section 11, for any purpose, including as necessary to account for the results of any environmental review required under the California Environmental Quality Act of the individual specific projects listed in Attachment A. Any such amendments shall be approved by a vote of not less than two-thirds (2/3) of the Metro Board of Directors. Metro shall hold a public meeting on proposed amendments prior to adoption. Metro shall provide notice to the Los Angeles County Board of Supervisors, the city council of each city in Los Angeles County, and the public of the public meeting and proposed amendments, and provide them with a copy of the proposed amendments, at least 30 days prior to the public meeting. Amendments shall become effective forty-five days after adoption.

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

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

d. Metro may amend Section 11 of this Ordinance if such amendments are approved by a vote of not less than two-thirds (2/3) of the Metro Board of Directors and are approved by a simple majority vote of the electors voting on a measure to approve the amendment. Metro shall hold a public meeting on proposed amendments prior to adoption by the Board. Metro shall provide notice to the Los Angeles County Board of Supervisors, the city council of each city in Los Angeles County, and the public of the public meeting and proposed amendments, and

1 provide them with a copy of the proposed amendments, at least 30 days prior to the
2 public meeting. Amendments shall become effective forty-five days after adoption by
3 the electors.
4

5 SECTION 12. ESTABLISHMENT OF BONDING AUTHORITY

6 Metro is authorized to issue limited tax bonds, from time to time, payable from
7 and secured by Sales Tax Revenues to finance any program or project in the
8 Expenditure Plan, pursuant to Sections 130500 et seq. of the Public Utilities Code, and
9 any successor act. As additional security, such bonds may be further payable from
10 and secured by farebox revenues or general revenues of Metro, on a basis
11 subordinate to Metro's existing General Revenue Bonds, or any other available source
12 of Metro's revenues, in each case as specified in a resolution adopted by a majority of
13 Metro's Board of Directors. The maximum bonded indebtedness, including issuance
14 costs, interest, reserve requirements and bond insurance, shall not exceed the total
15 amount of the Gross Sales Tax. Nothing herein shall limit or restrict in any way the
16 power and authority of Metro to issue bonds, notes or other obligations, to enter into
17 loan agreements, leases, reimbursement agreements, standby bond purchase
18 agreements, interest rate swap agreements or other derivative contracts or to engage
19 in any other transaction under the Government Code, the Public Utilities Code or any
20 other law.
21

22 SECTION 13. APPROPRIATIONS LIMIT

23 Article XIII B of the California Constitution requires certain governmental entities
24 to establish an annual appropriations limit. This appropriations limit is subject to
25 adjustment as provided by law. To the extent required by law, Metro shall establish an
26 annual appropriations limit and expenditures of the retail transactions and use tax shall
27 be subject to such limit.
28

29 SECTION 14. ELECTION

30 Pursuant to California Public Utilities Code Section 130350, Metro hereby calls
31 a special election to place this Ordinance before the voters. The ballot language
32 shall read as follows:
33

34 **Traffic Relief. Rail Extensions. Reduce Foreign Oil Dependence.**

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To:

- Synchronize traffic signals;
- Repair potholes;
- Extend light rail with airport connections;
- Improve freeway traffic flow (5, 10, 14, 60, 101, 110, 138, 210, 405, 605, 710);
- Keep senior / student / disabled fares low;
- Provide clean-fuel buses;
- Expand subway / Metrolink / bus service;
- Dedicate millions for community traffic relief;

Shall Los Angeles County's sales tax increase one-half cent for 30 years with independent audits, public review of expenditures, all locally controlled?

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 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:
 - 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).

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

ATTACHMENT A

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

(millions)

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

ATTACHMENT A

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)

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	FY 2039

Proposed One-Half Cent Sales Tax for Transportation: Expenditure Plan
30 Years, Fiscal Year (FY) 2010 - 2039

ATTACHMENT A

As Adopted by the Los Angeles County Metropolitan Transportation Authority Board of Directors July 24, 2008
(\$ in millions)

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		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	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	FY 2010	FY 2016-17
28		I-5 Capacity Enhancement from SR-134 to SR-170	\$ 610	\$ 271.5	\$ -	\$ 271.5	\$ 50	\$ 264	\$ 24	FY 2010	FY 2013
29		I-5 Carmenita Road Interchange Improvement	\$ 389	\$ 138	\$ -	\$ 138	\$ 97	\$ 154	\$ -	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	\$ 7,880	TBD	TBD	\$ 288	FY 2010	FY 2039

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

ATTACHMENT A

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)

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			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			FY 2010	FY 2039	
44	Tran. Cap.	Metro Rail Capital Projects - System Improvements, Rail Yards, and Rail Cars	2%	\$ -	\$ 788	\$ 788 ^k			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			FY 2010	FY 2039	
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	FY 2039
47		Subtotal page 4		\$ 320.0	\$ 17,410	\$ 17,730	Not Applicable				
48		1.5% for Administration	N/A	\$ 10	\$ 590	\$ 600				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).

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**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.

1
2

BALLOT PROPOSITION

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

<p>Traffic Relief. Rail Extensions. Reduce Foreign Oil Dependence.</p> <p>To:</p> <ul style="list-style-type: none"> • Synchronize traffic signals; • Repair potholes; • Extend light rail with airport connections; • Improve freeway traffic flow (5, 10, 14, 60, 101, 110, 138, 210, 405, 605, 710); • Keep senior / student / disabled fares low; • Provide clean-fuel buses; • Expand subway / Metrolink / bus service; • Dedicate millions for community traffic relief; 	YES
<p>Shall Los Angeles County's sales tax increase one-half cent for 30 years with independent audits, public review of expenditures, all locally controlled?</p>	NO

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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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11
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16

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.

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 the 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 the special election requested herein to be consolidated with the November 2008
12 general election.

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 the rebuttal argument.

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 A." 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.

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

ATTACHMENT A

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

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

ATTACHMENT A

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				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	FY 2039

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* 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).

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.

MEASURE R PROPOSED PROJECTS AND PROGRAMS BY SUBREGION

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-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 (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-134 to SR-170

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 Spot" 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
- 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-D. I-5/SR-14 Capacity Enhancement
- 3-F. I-5 North Capacity Enhancements: 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-134 to SR-170
- 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 Improvement Projects (Los Angeles County)
- 1-N. Metro Rail Capital Projects
- 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 East North-South Rapidways (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 Improvement Projects (Los Angeles County)

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 Projects

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 Enhancements: 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 Enhancements

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 provide alternatives to driving. Measure R will allow Metro to maintain its relatively low fares for at least one-year and will freeze payment options for seniors, students, the disabled and commuters for at least five years. If passed, Measure R will 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 share of operating funds generated by Measure R.

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.

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.

