



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

38

EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
MARCH 15, 2007

SUBJECT: STATE LEGISLATION

ACTION: APPROVE STAFF RECOMMENDATION ON STATE LEGISLATION

RECOMMENDATION

AB 889 (Lieu) – Establishes a Metro Green Line Construction Authority. **OPPOSE**

AB 900 (Núñez) – Expands the voting membership of the California Transportation Commission. **SUPPORT**

SB 163 (Migden) – Obligates the State to fund connecting ramps from the San Francisco Oakland Bay Bridge to Yerba Buena Island. **OPPOSE**

SB 974 (Lowenthal) – Requires the Ports of Los Angeles, Long Beach and Oakland to impose container fees. **SUPPORT – WORK WITH AUTHOR**

SB 650 (Padilla) – Expands the maximum vehicle length requirement for buses. **SUPPORT**

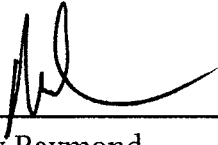
SB 724 (Kuehl) – Would specify an expedited process for Exposition Construction Authority grade crossing applications. **SUPPORT**

ATTACHMENT

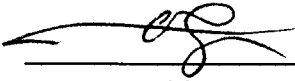
Attachments A - F

Prepared by: Michael Turner
Government Relations Manager

Patricia Torres Bruno
Government Relations Officer



Matthew Raymond
Chief Communications Officer



Roger Snoble
Chief Executive Officer

BILL: AB 889

AUTHOR: ASSEMBLYMAN TED LIEU
(D- TORRANCE)
SENATOR JENNY OROPEZA
(D-CARSON)

SUBJECT: METRO GREEN LINE CONSTRUCTION AUTHORITY

STATUS: ASSEMBLY

ACTION: OPPOSE

RECOMMENDATION

Adopt an oppose position on AB 889 (Lieu) that would establish a Metro Green Line Construction Authority.

ISSUE

AB 889 has been introduced to create a construction authority for possible future extensions of the Metro Green Line to the airport and a coastal alignment to the south. Staff is concerned that the creation of a construction authority for this project may be premature and potentially fractious in light of the fact that funding for the project has not been identified.

PROVISIONS

Existing law establishes the Los Angeles County Metropolitan Transportation Authority (LACMTA) as responsible for transit projects in Los Angeles County. Existing law also establishes the Exposition Metro Line Construction Authority and the Foothills Gold Line Construction Authority to oversee final design and construction contracts for those respective projects.

AB 899 would:

- Establish the Metro Green Line Construction Authority for the purpose of awarding and overseeing final design and construction contracts for completion of the Los Angeles-Metro Green Line light rail project including an initial segment to Los Angeles International Airport (LAX) and a coastal extension of the Green Line to the south.
- Require the construction authority to conduct the financial studies and the planning and engineering necessary for completion of the project, adopt an administrative code, and as necessary for final design and construction, complete a detailed management, implementation, safety, and financial plan for the project

and submit the plan to the Governor, the Legislature, and the California Transportation Commission.

- Require that the Legislature determine the composition of the construction authority.
- Authorize the governing board to appoint an executive director to serve at the pleasure of the construction authority.
- Require Metro to enter into an agreement with the construction authority to hold in trust with the construction authority all real and personal property, and any other assets, accumulated in the planning, design, and construction of the project, including, but not limited to, rights-of-way, documents, 3rd-party agreements, contracts, and design documents, as necessary for completion of the project, to outline the design review, construction, and testing process, and to describe the funding sources of the authority, the financial elements, and the approved budget for the project.
- Require the construction authority to enter into a memorandum of understanding with Metro that specifically addresses Metro's abilities to review any significant changes in the scope of the design or construction of the project.
- Prohibit the construction authority from encumbering the project with any obligation that is transferable to Metro upon completion of the design and construction of the project, except as specified.
- Require the authority to be dissolved upon completion of the project. Metro would be responsible for operating the project.

IMPACT ANALYSIS

Assemblyman Ted Lieu and Senator Jenny Oropeza have introduced AB 889 to advance the extension of the Metro Green Line in the South Bay and to LAX. The authors and others have indicated that they feel Metro should allocate Proposition 1B revenues to the project.

Metro is currently examining extensions of the Green Line as well as other new transit projects. Additionally, the Board will update the Long Range Transportation Plan later this year and this process will determine future transit projects to move forward.

In connection with the Green Line, Metro has completed a technical feasibility analysis of the Harbor Subdivision which was presented to the Board in January. The analysis showed that it is feasible to operate passenger transit service along this rail right of way with freight service under certain circumstances. Additionally, a potential route for the Crenshaw Corridor project, which is currently in the process of procuring a consultant, will also evaluate the Harbor Subdivision.

As noted, two rail construction authorities currently exist in Los Angeles County and they are governed by statutes similar to the one proposed for the Green Line Construction Authority. The statute which created the Exposition Construction Authority included language which corrects issues identified with the Foothills Construction Authority. This language included provisions specifying that the Exposition Construction Authority would work cooperatively with Metro in a number of different areas such as identifying funding,

design review and development of agreements. AB 889 includes many of these provisions as it more closely mirrors the Exposition Construction Authority statute.

One significant difference is that the Exposition Construction Authority includes Metro's Chief Executive Officer as an ex-officio non-voting member of its board. AB 889 does not identify a specific board composition but rather leaves that determination to the Legislature at a later time. As such, Metro's CEO is not guaranteed the same level of participation in the Green Line Authority.

The approval of Proposition 1B will provide a great surge of funding for Los Angeles County to move forward on delayed projects. The Board will be challenged with prioritizing funding for projects that bring the most benefit to our region. Extending the Metro Green Line may be an important component of a comprehensive transit network. However, until that decision is made and funding is identified for the projects, staff feels that this effort would be premature.

At this time, creating a construction authority for this line would create another entity that competes for limited transportation funds in Los Angeles County. Metro currently enjoys a cooperative working relationship with the Exposition Construction Authority. Consistent with Metro's Long Range Transportation Plan, Metro is working with the Authority on funding and construction coordination issues. Since future Metro Green Line extensions and funding have not yet been identified, staff is concerned that the creation of another authority would create competition rather than cooperation.

Staff therefore recommends that the Board of Directors adopt an oppose position on AB 889.

BILL: AB 900

AUTHOR: ASSEMBLY SPEAKER FABIAN NÚÑEZ
(D- LOS ANGELES)

SUBJECT: CALIFORNIA TRANSPORTATION COMMISSION

STATUS: ASSEMBLY

ACTION: SUPPORT

RECOMMENDATION

Adopt a support position on AB 900 (Núñez) which would add two voting members to the California Transportation Commission (CTC) and authorize the Speaker of the Assembly and Senate Committee on Rules to each appoint one of the two members.

ISSUE

The CTC plays a significant role in allocating state transportation dollars. Los Angeles County recently had two representatives on the commission, Larry Zarian and former Congressman Esteban Torres. Recently, Governor Schwarzenegger replaced Congressman Torres Commission with a Northern California representative, leaving Los Angeles County with only one seat on the commission. Assembly Speaker Fabian Núñez has introduced AB 900 to provide the Speaker of the Assembly and Senate Committee on Rules with the authority to appoint one member each to the CTC.

PROVISIONS

Existing law provides that the CTC be comprised of 11 members; nine voting members who are appointed by the Governor with the advice and consent of the Senate and the two ex officio nonvoting members which are the Chairs of the Senate and Assembly Transportation Committees. Voting members serve terms of four years.

AB 900 would:

- Expand the commission to 13 members, by adding two additional voting members;
- Allow the Speaker of the Assembly and the Senate Committee on Rules to each appoint one of the new members.
- Specify that the two new members would not require Senate confirmation.
- Specify that the new members serve terms of four years, or until their successors are appointed.

IMPACT ANALYSIS

The CTC has a key role in programming and allocating state transportation funds. The Governor's recent action to replace Congressman Torres with a Northern California representative leaves Los Angeles County with only one seat on the commission. Assembly Speaker Fabian Núñez has introduced AB 900 to give the Legislature appointing power to the CTC without requiring Senate confirmation. Speaker Núñez introduced the same bill last year, AB 2495, but it was vetoed by Governor Schwarzenegger.

Metro is concerned that only one representative on the nine member Commission is from Los Angeles County given the magnitude of our population and congestion demands. Metro staff believe that the commission should have better geographical balance. Los Angeles County should have representation on the CTC that at least mirrors its population and congestion share.

The measure would provide better balance to a commission that is appointed by the Governor and confirmed in the Senate. However, the bill does not specifically address the issue of geographic balance. AB 900 is a good first step to creating a more balanced Commission and should be supported on its own grounds. At the same time, staff would note that Metro should explore the possibility of specifying a geographic balance in law.

Staff therefore recommends that the Metro Board of Directors adopt a support position on AB 900.

BILL: SB 163
AUTHOR: SENATOR CAROL MIGDEN
(D- SAN FRANCISCO)
SUBJECT: YERBA BUENA ISLAND RAMP CONNECTIONS
STATUS: SENATE
ACTION: OPPOSE

RECOMMENDATION

Adopt an oppose position on SB 163 (Migden) which would obligate the State to complete ramps connecting the San Francisco Oakland Bay Bridge (SFOBB) to Yerba Buena Island.

ISSUE

SB 163 would obligate the State to pay for improvements to the SFOBB. These costs should be borne by Bay Area resources instead of taking away from funds that could be used for transportation improvements throughout the state.

PROVISIONS

Existing law provides the California Department of Transportation (Caltrans) with full possession and control of all state highways and rights in property acquired for state highway purposes and states that Caltrans shall improve and maintain the state highways.

SB 163 would:

- Make findings that obligate the State to make improvements to the specified ramps in the interest of the traveling public.
- Require that, prior to the completion of the transfer of ownership of former Naval Station Treasure Island from the federal government to local development Treasure Island Development Authority (Authority), Caltrans shall work in cooperation with the Authority on design and engineering and identifying eligible funding sources for the project.
- Authorize Caltrans, upon the transfer to the Authority of any of the ramp connections on the eastern side of Yerba Buena Island connecting the island to the SFOBB, to accept from the Authority title, easements, and other interests in land necessary for the State to own and operate the ramps, contingent upon the commission making certain findings and approving the transfer agreement. The bill would make the ramp connections part of the State highway system and impose specified duties on the department relative to the reconstruction of the ramps.

- Require a project study report on the reconstruction of the ramps to be finalized by December 31, 2008; require that the San Francisco Transportation Authority be the lead agency for the development of the project study report; require the San Francisco Transportation Authority to work in coordination with the Treasure Island Development Authority, the Mayor of San Francisco, and the Bay Area Toll Authority; and require Caltrans to provide oversight of the project study report process.

IMPACT ANALYSIS

Yerba Buena Island is located adjacent to the SFOBB and is connected to the bridge by a series of ramps. There is currently little, if any, development on the island and recent discussions have centered on developing a major community. Future development of the island will require upgrading the ramps which would provide the only means of access to this new community.

Funding for the entire retrofit of the SFOBB has been debated in the Legislature numerous times. During those discussions, much debate took place regarding the impacts of local decisions on the ultimate cost of upgrading the bridge. For example, the design of the bridge, which was decided by Bay Area agencies, resulted in a complicated design. That complicated design resulted in cost increases. Transportation agencies throughout the state, including Metro, felt that the cost increases of those decisions should not be borne by statewide transportation revenues. Now, it appears that yet another decision made by local interests (i.e the decision to build a community on the island) will result in additional costs due to the need to upgrade connecting ramps. SB 163 would attempt to have the State pay for these costs by obligating the State with ownership of the ramps and the responsibility to improve them.

County transportation commissions throughout the State are grappling with the implications of land-use decisions on transportation facilities. In doing so, commissions are allocating various funds, including local funds, to the State highway system in order to address the impacts of local land-use decisions. The attempt to develop a community on an isolated piece of land will result in cost increases to the bridge. As with the original overruns on the bridge these costs should not be borne by transportation resources shared by everyone in the State. Staff feels that improvements to the ramps should not be the obligation of statewide transportation funds.

Staff therefore recommends that the board adopt an oppose position on SB 163.

BILL: SB 974

AUTHOR: STATE SENATOR ALAN LOWENTHAL
(D-LONG BEACH)

SUBJECT: PORTS CONGESTION AND ENVIRONMENTAL MITIGATION –
CONTAINER FEE

STATUS: SENATE

ACTION: SUPPORT-WORK WITH AUTHOR

RECOMMENDATION

Adopt a support – work with author position on SB 974 (Lowenthal), which would establish a user fee on the owner of container cargo handled at the Ports of Long Beach, Los Angeles and Oakland for congestion relief and environmental mitigations.

ISSUE

Senator Lowenthal has introduced SB 974 to impose a fee on containers handled at the Ports of Long Beach, Los Angeles and Oakland in an effort to address congestion and air quality impacts due to the movement of goods.

PROVISIONS

Existing law allows for the regulation of ports and harbors operation. SB 974 would require that by January 1, 2009 the Ports of Los Angeles, Long Beach and Oakland collect a user fee on the owner of container cargo moving through the Port of Los Angeles, Long Beach and Oakland at a rate of \$30 per twenty-foot equivalent unit (TEU). The funds collected are required to be transmitted in the following manner:

Ports of Los Angeles and Long Beach

- ½ to the Southern California Port Congestion Relief Trust Fund
- ½ to the Southern California Port Mitigation Relief Trust Fund

Port of Oakland

- ½ to the Northern California Port Congestion Relief Trust Fund
- ½ to the Northern California Port Mitigation Relief Trust Fund

The bill requires the monies in the Northern and Southern California Port Congestion Relief Fund to be made available to the California Transportation Commission (CTC) to expend

exclusively for the purposes of funding projects that improve the flow and efficiency of container cargo to and from the Ports of Los Angeles, Long Beach and Oakland. The funds would also be used for costs associated with administering this program.

The bill requires the monies in the Northern and Southern California Port Mitigation Relief Fund to be made available to the California Air Resources Board to develop a list of projects to mitigate environmental pollution caused by the movement of cargo to and from the Ports of Long Beach, Los Angeles and Oakland.

The bill prohibits the use of the funds to construct, maintain or improve highways unless the project is a grade separation or a ramp that separates cargo traffic from vehicular traffic. The bill also prohibits the funds from being transferred or loaned to the General Fund.

The bill would also require the Infrastructure and Economic Development Bank to enter into financing agreements with participating parties to finance or refinance Southern California and Northern California port congestion and mitigation relief projects. The Bank would be authorized to issue revenue bonds for these purposes. The monies from the user fees would be available to the bank to secure any revenue bonds.

IMPACT ANALYSIS

The Ports of Los Angeles and Long Beach currently handle 40% of the nation's cargo and approximately 80% of the containers processed at ports in California. The amount of cargo moving through these two ports is expected to triple by the year 2020. In addition, heavy-duty vehicle traffic to and from the ports will more than double in the next twenty years, from approximately 40,000 vehicles per day to nearly 90,000 vehicles per day.

Senator Lowenthal's container fee bill from the last legislative session (SB 927) faced opposition from various interest groups and was ultimately vetoed by Governor Schwarzenegger. In addition, SB 927 only applied to goods shipped in containers, ignoring all other forms of shipping and ports of entry. It also did not apply to other ports in the State. In his veto message, the Governor expressed his concern that the measure lacked accountability and failed to coordinate with other public and private financing sources ignoring opportunities to leverage additional funding.

Senator Lowenthal's current container fee bill, SB 974, is different from his previous container fee bill, SB 927, in that:

- SB 974 applies to the Port of Oakland, the previous bill only applied to the Ports of Los Angeles and Long Beach.
- SB 974 allows for half of the funds to be used for congestion relief and the other half to be used for environmental mitigation. In his previous bill, Senator Lowenthal required a third of the money to be used for mitigation, a third for congestion and a third for security purposes.
- SB 974 does not set aside funds for security purposes as in the previous bill.
- SB 974 requires the California Air Resources Board to develop a list of projects instead of the South Coast Air Quality Management District.

Metro staff believes that a container fee is necessary to fully fund the infrastructure requirements of goods movement activity, mitigate the congestion and air quality impacts of the same, and, to leverage funds from state and federal grant programs. For instance, Proposition 1B allocated fund for goods movement but requires a 1 to 1 match. Absent the reallocation of significant and currently committed transportation funds, local transportation revenues are not available to meet this match. Therefore a mechanism as provided by SB 974 is needed to generate matching funds.

SB 974 has been restructured to address accountability issues in a unique manner. The measure imposes the fee, requires deposit in a trust fund, and ties expenditures to a publicly developed and approved list of projects. The fee terminates upon completion of the projects. SB 974 also balances the imposition of fees in the state by requiring that the fee be imposed at both the Los Angeles/Long Beach Port complex and at the Oakland Port.

In authorizing the CTC to allocate fee revenues, SB 974 also requires the Commission to develop a list of congestion relief projects. This list of projects must be developed in coordination with the transportation commissions of Los Angeles, Ventura, Riverside, San Bernardino and Orange Counties, the Ports of Los Angeles and Long Beach, the Cities of Los Angeles and Long Beach, as well as the Southern California Association of Governments (SCAG). This list would outline the allocation of funds from the fees.

In January, Governor Schwarzenegger released his Goods Movement Action Plan (GMAP) which outlines the Administration's priority projects for goods movement in various regions throughout the State. Metro is also in the process of completing a Multi-County Goods Movement Action Plan which will focus on the five county SCAG region. Each of these documents could assist the CTC in the creation of a project list.

As currently drafted, SB 974 does not allow the expenditure of fee revenue on highway projects except for grade separations and to create ramps that separate cargo traffic from vehicular traffic. Metro staff would like to work with Senator Lowenthal to evaluate the ability to allow for expanded use of the fees on state highways. Much of the impact to goods movement is on these corridors and some of the best solutions to address congestion and pollution involve the improvement of highways.

SB 974 provides a balanced framework for the imposition of the container fee in that it clearly ties the fee to a list of projects and provides accountability to the process. The Board has supported previous versions of container fee bills authored by Senator Lowenthal and Metro's Legislative Program includes a provision supporting such legislation. Staff therefore recommends that the Board adopt a support – work with author position on SB 974.

BILL: SB 650
AUTHOR: SENATOR ALEX PADILLA
(D- SAN FERNANDO VALLEY)
SUBJECT: ARTICULATED BUS EXTENSION BILL
STATUS: SENATE
ACTION: SUPPORT

RECOMMENDATION

Adopt a support position for SB 650 (Padilla) which would extend the maximum vehicle length for an articulated bus or articulated trolley coach to 65 feet.

ISSUE

In an effort to meet the demands of the highly successful Metro Orange Line, Metro is using articulated buses that extend beyond the 60 foot limit. Metro is currently permitted to use 65 foot buses under a waiver from Caltrans that must be issued annually. SB 650 would amend the California Vehicle Code to allow the operation of 65 foot buses without having to obtain an annual permit.

PROVISIONS

Existing law prohibits a vehicle operated on the highway from exceeding a length of 40 feet, except, among other things, an articulated bus or articulated trolley coach that does not exceed a length of 60 feet.

SB 650 would:

- Allow operation of articulated buses or articulated trolley coaches that extend to 65 ft. without having to obtain an annual permit from Caltrans.

IMPACT ANALYSIS

Since the Metro Orange Line's grand opening in October 2005, the line's daily boardings (20,000) have greatly exceeded the original ridership projections. In light of the demand for the Orange Line, Metro would like increase the capacity of the busway by using a 65 foot bus on the Metro Orange line. An extended length bus will increase vehicle capacity by 16%.

Current law does not allow for the operation of buses beyond 60 feet without an annual permit from Caltrans. This bill would allow the operation of extended length articulated buses of up to 65 feet without having to go through an annual permitting process.

Metro's Legislative Program includes a provision to seek legislation to allow for the operation of extended length vehicles. Metro has asked Senator Alex Padilla to carry this measure. Assemblyman Lloyd Levine has joined as a principal co-author. Staff therefore recommends that the Board adopt a support position on SB 650.

BILL: SB 724

AUTHOR: SENATOR SHIELA KUEHL

SUBJECT: EXPOSITION CONSTRUCTION AUTHORITY – GRADE CROSSING APPLICATIONS

STATUS: SENATE

ACTION: SUPPORT

RECOMMENDATION

Adopt a support position for SB 724 (Kuehl), which would establish timeframes for the Public Utilities Commission (PUC) to take action on any protested Exposition Construction Authority grade crossing applications.

ISSUE

In an effort to allow for an efficient and expeditious process, Senator Sheila Kuehl has introduced a bill that would require the PUC to establish reasonable timeframes for action on any protested Exposition Construction Authority grade crossing applications. SB 724 was only introduced in concept and will be amended in the future to include provisions outlined below.

PROVISIONS

Existing law provides the PUC with regulatory authority over public utilities and is authorizes the Commission to conduct investigations and proceedings. The act requires the Commission, with certain exceptions, to resolve issues raised in a specified scoping memo within 18 months of the date on which the memo is issued.

SB 724 would:

- Make technical, non-substantive changes to the provision requiring the resolution of the issues raised in the scoping memo.
- Resolve the issues raised in the scoping memo within 18 months of the date the scoping memo is issued, unless the commission makes a written determination that the deadline cannot be met, including findings as to the reason, and issues an order extending the deadline. No single order may extend the deadline for more than 60 days.
- Specify in a scoping memo a resolution date later than 18 months from the date the scoping memo is issued, if that scoping memo includes specific reasons for the necessity of a later date and the commissioner that is assigned to the case approves the date.

IMPACT ANALYSIS

The Exposition Construction Authority has sponsored SB 724 in an effort to avoid delays with the PUC in the construction process. The bill has only been introduced by Senator Kuehl in concept and requires additional provisions that outline a reasonable timeframe for the PUC to take action on grade separation application protests.

Railroad grade crossings are subject to the regulations of the PUC. The Exposition Construction Authority under this requirement has filed extensive applications before the PUC. In the past, the PUC has taken up to two years before acting on an application. Any significant time delays could escalate costs associated with the project. Furthermore, the grade crossings for this project, as with all rail projects, were thoroughly evaluated and are subject to public review during the environmental review process. SB 724 will provide an expedited process to review these applications and will help avoid costly delays on the project.

Metro staff is coordinating with the Exposition Construction Authority on this measure and will act as co-sponsor in moving this forward. Staff therefore recommends that the Board of Directors adopt a support position on SB 724.